

**TOWN OF MONTVILLE, CONNECTICUT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Montville, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the Town of Montville, Connecticut restated beginning fund balance of nonmajor governmental funds for the correction of an error. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Montville, Connecticut's basic financial statements. The combining and individual major fund financial statements, schedules and report of property tax collections 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, schedules and report of property tax collections 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 report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

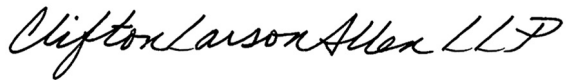
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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



Town Council  
Town of Montville, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2024, on our consideration of the Town of Montville, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Montville, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Montville, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
April 24, 2024

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The management of the Town of Montville, Connecticut (the Town), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

**Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$143.8 million (net position). Of this amount, \$14.1 million represents unrestricted net position. Of this amount, \$8.4 million represents the unrestricted net position attributed to the operations of the Town's Sewer and Water Departments (business-type activities) and \$5.7 million represents the unrestricted net position attributed to the Town's governmental activities.
- The Town's total net position decreased by \$3.1 million during the current fiscal year, which consisted of a current year decrease of \$2.7 million (Exhibit II) relating to the Town's governmental activities and a decrease of \$385 thousand relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$23.8 million, a current year increase of \$2 million in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$12.4 million or 17% of general fund expenditures and transfers out.
- Overall Town debt, consisting of bonds, notes and financed purchases, increased by \$2 million or 9.6% in comparison to the prior year. This increase was due to current year scheduled payments.

**Overview of the Financial Highlights**

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

**Government-Wide Financial Statements**

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

The statement of net position presents information on all of the Town's assets, deferred outflows/inflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (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 activities such as: general government, public works, public safety, health and welfare, recreation and leisure, and education. The business-type activities of the Town include sewer and water activities.

The government-wide financial statements can be found on Exhibit I and II of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. There are no fiduciary fund to report in the current year.

***Governmental Funds***

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Fund and Road Bonding Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibit III and IV of this report.

***Proprietary Funds***

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on Exhibits V, VI, and VII of this report.

**Note to the Financial Statements**

The notes to the 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 the financial statements can be found on pages 23 through 64 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and other supplementary information which can be found on pages 66 through 88 of this report, respectively.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Montville, Connecticut, assets and deferred outflows exceeded liabilities and deferred inflows of resources exceeded by \$143.8 million at the close of the fiscal year.

**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and Other Assets	\$ 34,695,577	\$ 32,500,014	\$ 11,473,813	\$ 13,090,147	\$ 46,169,390	\$ 45,590,161
Capital Assets, Net of Accumulated Depreciation and Amortization	98,311,625	96,922,830	49,682,372	48,552,211	147,993,997	145,475,041
Total Assets	<u>133,007,202</u>	<u>129,422,844</u>	<u>61,156,185</u>	<u>61,642,358</u>	<u>194,163,387</u>	<u>191,065,202</u>
<b>Deferred Outflows of Resources</b>	9,825,750	5,395,395	1,241,990	626,085	11,067,740	6,021,480
Current and Other Liabilities	12,219,711	10,544,597	744,083	993,128	12,963,794	11,537,725
Long-Term Liabilities Outstanding	41,965,337	28,323,642	4,253,063	2,884,213	46,218,400	31,207,855
Total Liabilities	<u>54,185,048</u>	<u>38,868,239</u>	<u>4,997,146</u>	<u>3,877,341</u>	<u>59,182,194</u>	<u>42,745,580</u>
<b>Deferred Inflows of Resources</b>	2,083,146	6,717,660	186,247	791,224	2,269,393	7,508,884
<b>Net Position:</b>						
Net Investments in Capital Assets	79,694,023	80,882,699	48,805,054	47,565,084	128,499,077	128,447,783
Restricted	1,130,050	1,057,787	-	-	1,130,050	1,057,787
Unrestricted	5,740,685	7,291,854	8,409,728	10,034,794	14,150,413	17,326,648
Total Net Position	<u>\$ 86,564,758</u>	<u>\$ 89,232,340</u>	<u>\$ 57,214,782</u>	<u>\$ 57,599,878</u>	<u>\$ 143,779,540</u>	<u>\$ 146,832,218</u>

As of June 30, 2023, 90% of the Town's net position reflects its net investment in capital assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The remainder of the Town's net position is considered unrestricted. Overall, net position decreased by \$3.1 million in comparison with the prior year.

**Changes in Net Position**

Changes in net position for the years ended June 30, 2023 and 2022, are as follows:

**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 5,535,632	\$ 4,994,060	\$ 6,037,497	\$ 6,489,416	\$ 11,573,129	\$ 11,483,476
Operating Grants and Contributions	27,971,274	21,245,764	-	-	27,971,274	21,245,764
Capital Grants and Contributions	316,148	319,661	1,702,604	940,630	2,018,752	1,260,291
General Revenues:						
Property Taxes	43,845,469	44,157,867	-	-	43,845,469	44,157,867
Grants Not Restricted to Specific Programs	4,788,062	4,661,637	-	-	4,788,062	4,661,637
Unrestricted Investment Earnings	992,858	24,069	33,193	29,314	1,026,051	53,383
Miscellaneous Revenue	95,559	121,927	-	-	95,559	121,927
Total Revenues	<u>83,545,002</u>	<u>75,524,985</u>	<u>7,773,294</u>	<u>7,459,360</u>	<u>91,318,296</u>	<u>82,984,345</u>
<b>Expenses:</b>						
General Government	10,645,125	8,666,481	-	-	10,645,125	8,666,481
Public Safety	7,295,418	5,805,460	-	-	7,295,418	5,805,460
Public Works	9,600,415	4,996,611	-	-	9,600,415	4,996,611
Health and Welfare	463,101	380,133	-	-	463,101	380,133
Recreation and Leisure	633,918	449,548	-	-	633,918	449,548
Education	56,911,486	51,057,750	-	-	56,911,486	51,057,750
Interest and Fiscal Charges	663,121	491,704	-	-	663,121	491,704
Sewer Department	-	-	6,671,174	6,344,025	6,671,174	6,344,025
Water Department	-	-	1,487,216	1,417,557	1,487,216	1,417,557
Total Expenses	<u>86,212,584</u>	<u>71,847,687</u>	<u>8,158,390</u>	<u>7,761,582</u>	<u>94,370,974</u>	<u>79,609,269</u>
<b>Change in Net Position</b>	(2,667,582)	3,677,298	(385,096)	(302,222)	(3,052,678)	3,375,076
Net Position at Beginning of Year	<u>89,232,340</u>	<u>85,555,042</u>	<u>57,599,878</u>	<u>57,902,100</u>	<u>146,832,218</u>	<u>143,457,142</u>
<b>Net Position at End of Year</b>	<u>\$ 86,564,758</u>	<u>\$ 89,232,340</u>	<u>\$ 57,214,782</u>	<u>\$ 57,599,878</u>	<u>\$ 143,779,540</u>	<u>\$ 146,832,218</u>

**Governmental Activities**

Governmental activities decreased the Town's net position by a current year change of \$2.7 million. The decrease is primarily attributable to a decrease in tax revenue.

**Business-Type Activities**

Business-type activities decreased the Town's net position by a current year change of \$385 thousand.

**Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$23,791,421.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,390,312. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 17% of general fund expenditures and transfers out.

The overall fund balance of the Town's General Fund increased by \$1,749,718 during the current fiscal year, which was primarily due to normal fund activity offset by grant and tax revenue increases.

**American Rescue Plan Fund**

The American Rescue Plan Fund accounts for resources received as a result of American Rescue Plan Act (ARPA).

**Road Bonding Fund**

There was no change in the fund balance of the Bonded Projects Fund.

**General Fund Budgetary Highlights**

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$1,932,201. Expenditures were \$432,475 more than budgeted and total budgetary revenues were \$2,797,831 more than expected. The revenue surplus was primarily due to an increase in tax and state grant revenue, the sale of town property and charges for services from police private duty. During the year ended June 30, 2023, the Town Council approved additional appropriations of \$-0- from fund balance.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2023, totaled \$147,993,997 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, distribution and collection systems, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$2,518,956. Major capital asset events during the current fiscal year included the following:

- Outlays for five school buses totaling \$552,935
- Outlays for Public Safety Dispatch CAD System totaling \$158,257
- Outlays for Public Works Road Paving totaling \$2,684,756

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

- Outlays for Public Works Equipment and Vehicles totaling \$180,568

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,248,490	\$ 2,248,490	\$ 1,127,031	\$ 1,127,031	\$ 3,375,521	\$ 3,375,521
Construction in Progress	4,253,977	1,569,221	728,532	1,693,742	4,982,509	3,262,963
Land Improvements	3,899,498	4,055,538	607,398	411,366	4,506,896	4,466,904
Buildings and Improvements	67,256,416	68,477,824	12,795,195	11,227,741	80,051,611	79,705,565
Distribution and Collection System	-	-	28,070,912	27,907,493	28,070,912	27,907,493
Machinery and Equipment	6,270,945	5,976,635	6,343,024	6,166,421	12,613,969	12,143,056
Right-to-Use Asset	314,191	137,694	10,280	18,417	324,471	156,111
Infrastructure	14,068,108	14,457,428	-	-	14,068,108	14,457,428
Total	<u>\$ 98,311,625</u>	<u>\$ 96,922,830</u>	<u>\$ 49,682,372</u>	<u>\$ 48,552,211</u>	<u>\$ 147,993,997</u>	<u>\$ 145,475,041</u>

Additional information on the Town's capital assets can be found in Note 1 and Note 5 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the Town had total debt, consisting of bonds, notes, and leases payable, outstanding of \$22,783,313. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt increased by \$1,996,629 or 9.6% during the current fiscal year. This increase was due to current year scheduled repayments.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

**Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 20,934,000	\$ 18,636,000	\$ 720,000	\$ 810,000	\$ 21,654,000	\$ 19,446,000
Note Payable	-	-	146,744	158,454	146,744	158,454
Financed Purchases	982,569	1,182,230	-	-	982,569	1,182,230
Total	<u>\$ 21,916,569</u>	<u>\$ 19,818,230</u>	<u>\$ 866,744</u>	<u>\$ 968,454</u>	<u>\$ 22,783,313</u>	<u>\$ 20,786,684</u>

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Economic Factors and Next Year's Budgets and Rates**

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2023, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the state of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- The Town's fiscal year 2023 General Fund budget was approved on May 31, 2022, The fiscal year 2023 budget contemplated expenditures of \$64,663,974a decrease of \$12,192 or .019%, over the original fiscal year 2022 budgeted expenditures. The approved mill rate for the fiscal year 2023 budget is 26.71, a decrease of 5.04 or 15.9% over the fiscal year 2022 mill rate of 31.75. \$400,000 of fund balance was designated for balancing the fiscal year 2023 budget.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, Town of Montville, 310 Norwich-New London Tpke., Uncasville, Connecticut 06382.



## **BASIC FINANCIAL STATEMENTS**

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 31,262,721	\$ 9,764,550	\$ 41,027,271
Investments	366,202	-	366,202
Receivables:			
Property Taxes, Net	1,154,349	-	1,154,349
User Charges, Net	15,759	1,735,938	1,751,697
Loans	272,364	-	272,364
Intergovernmental	1,147,379	30	1,147,409
Other Receivables	430,664	-	430,664
Internal Balances	26,705	(26,705)	-
Supplies and Other Assets	19,434	-	19,434
Total Current Assets	<u>34,695,577</u>	<u>11,473,813</u>	<u>46,169,390</u>
Noncurrent Assets:			
Capital Assets, Nondepreciable	6,502,467	1,855,563	8,358,030
Capital Assets, Net	<u>91,809,158</u>	<u>47,826,809</u>	<u>139,635,967</u>
Total Noncurrent Assets	<u>98,311,625</u>	<u>49,682,372</u>	<u>147,993,997</u>
Total Assets	<u>133,007,202</u>	<u>61,156,185</u>	<u>194,163,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	448,495	-	448,495
Deferred Outflows Related to Pension	8,887,455	1,241,990	10,129,445
Deferred Outflows Related to OPEB	<u>489,800</u>	<u>-</u>	<u>489,800</u>
Total Deferred Outflows of Resources	<u>9,825,750</u>	<u>1,241,990</u>	<u>11,067,740</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,046,513	603,653	4,650,166
Accrued Payroll and Related Liabilities	296,743	-	296,743
Accrued Interest Payable	255,210	7,477	262,687
Unearned Revenue	2,389,176	-	2,389,176
Current Maturities of Long-Term Obligations	<u>5,232,069</u>	<u>132,953</u>	<u>5,365,022</u>
Total Current Liabilities	<u>12,219,711</u>	<u>744,083</u>	<u>12,963,794</u>
Noncurrent Liabilities:			
Due in More Than One Year	<u>41,965,337</u>	<u>4,253,063</u>	<u>46,218,400</u>
Total Liabilities	<u>54,185,048</u>	<u>4,997,146</u>	<u>59,182,194</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension	1,458,050	186,247	1,644,297
Deferred Inflows Related to OPEB	<u>625,096</u>	<u>-</u>	<u>625,096</u>
Total Deferred Inflows of Resources	<u>2,083,146</u>	<u>186,247</u>	<u>2,269,393</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	79,694,023	48,805,054	128,499,077
Restricted for:			
Grants	286,063	-	286,063
Education and Scholarships	843,987	-	843,987
Unrestricted	<u>5,740,685</u>	<u>8,409,728</u>	<u>14,150,413</u>
Total Net Position	<u>\$ 86,564,758</u>	<u>\$ 57,214,782</u>	<u>\$ 143,779,540</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 10,645,125	\$ 1,418,454	\$ 3,218,647	\$ -	\$ (6,008,024)	\$ -	\$ (6,008,024)
Public Safety	7,295,418	1,459,877	11,266	-	(5,824,275)	-	(5,824,275)
Public Works	9,600,415	698,492	-	316,148	(8,585,775)	-	(8,585,775)
Health and Welfare	463,101	121,743	28,310	-	(313,048)	-	(313,048)
Parks and Recreation	633,918	284,878	-	-	(349,040)	-	(349,040)
Education	56,911,486	1,552,188	24,713,051	-	(30,646,247)	-	(30,646,247)
Interest and Fiscal Charges	663,121	-	-	-	(663,121)	-	(663,121)
Total Governmental Activities	<u>86,212,584</u>	<u>5,535,632</u>	<u>27,971,274</u>	<u>316,148</u>	<u>(52,389,530)</u>	<u>-</u>	<u>(52,389,530)</u>
Business-Type Activities:							
Sewer Department	6,671,174	5,038,233	-	1,702,604	-	69,663	69,663
Water Department	1,487,216	999,264	-	-	-	(487,952)	(487,952)
Total Business-Type Activities	<u>8,158,390</u>	<u>6,037,497</u>	<u>-</u>	<u>1,702,604</u>	<u>-</u>	<u>(418,289)</u>	<u>(418,289)</u>
Total Primary Government	<u>\$ 94,370,974</u>	<u>\$ 11,573,129</u>	<u>\$ 27,971,274</u>	<u>\$ 2,018,752</u>	<u>(52,389,530)</u>	<u>(418,289)</u>	<u>(52,807,819)</u>
<b>GENERAL REVENUES</b>							
Property Taxes					43,845,469	-	43,845,469
Grants and Contributions Not Restricted to Specific Programs					4,788,062	-	4,788,062
Unrestricted Investment Earnings					992,858	33,193	1,026,051
Gain on Sale of Assets					95,559	-	95,559
Total General Revenues					<u>49,721,948</u>	<u>33,193</u>	<u>49,755,141</u>
<b>CHANGE IN NET POSITION</b>					(2,667,582)	(385,096)	(3,052,678)
Net Position - Beginning of Year					<u>89,232,340</u>	<u>57,599,878</u>	<u>146,832,218</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 86,564,758</u>	<u>\$ 57,214,782</u>	<u>\$ 143,779,540</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	American Rescue Plan Fund	Road Bonding	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 26,755,067	\$ -	\$ 588,890	\$ 1,509,458	\$ 28,853,415
Investments	-	-	-	366,202	366,202
Receivables:					
Property Taxes Receivable, Net	1,154,349	-	-	-	1,154,349
Assessment and Interest	15,759	-	-	-	15,759
Loans	-	-	-	272,364	272,364
Intergovernmental	-	-	-	1,147,379	1,147,379
Other Receivables	422,056	-	-	8,608	430,664
Due from Other Funds	358,006	2,039,514	3,633,183	3,628,567	9,659,270
Supplies	-	-	-	7,566	7,566
Other	11,868	-	-	-	11,868
	<u>28,717,105</u>	<u>2,039,514</u>	<u>4,222,073</u>	<u>6,940,144</u>	<u>41,918,836</u>
Total Assets	<u>\$ 28,717,105</u>	<u>\$ 2,039,514</u>	<u>\$ 4,222,073</u>	<u>\$ 6,940,144</u>	<u>\$ 41,918,836</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 986,557	\$ 112,030	\$ 2,081,391	\$ 361,383	\$ 3,541,361
Accrued Payroll and Other Liabilities	289,322	-	-	7,421	296,743
Due to Other Funds	9,301,264	-	-	313,249	9,614,513
Unearned Revenue	241,439	1,927,484	-	220,253	2,389,176
Total Liabilities	<u>10,818,582</u>	<u>2,039,514</u>	<u>2,081,391</u>	<u>902,306</u>	<u>15,841,793</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes and Interest	990,493	-	-	-	990,493
Unavailable Revenue - Assessments and Interest	15,759	-	-	-	15,759
Unavailable Revenue - Intergovernmental Receivable	-	-	-	1,007,006	1,007,006
Unavailable Revenue - Loans	-	-	-	272,364	272,364
Total Deferred Inflows of Resources	<u>1,006,252</u>	<u>-</u>	<u>-</u>	<u>1,279,370</u>	<u>2,285,622</u>
<b>FUND BALANCES</b>					
Nonspendable	11,868	-	-	7,566	19,434
Restricted	197,287	-	3,684,572	3,850,846	7,732,705
Committed	739,574	-	-	2,328,778	3,068,352
Assigned	3,553,230	-	-	-	3,553,230
Unassigned	12,390,312	-	(1,543,890)	(1,428,722)	9,417,700
Total Fund Balances	<u>16,892,271</u>	<u>-</u>	<u>2,140,682</u>	<u>4,758,468</u>	<u>23,791,421</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,717,105</u>	<u>\$ 2,039,514</u>	<u>\$ 4,222,073</u>	<u>\$ 6,940,144</u>	<u>\$ 41,918,836</u>

See accompanying Notes to Financial Statements.

TOWN OF MONTVILLE, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 23,791,421

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

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

Governmental Capital Assets	150,697,713
Less: Accumulated Depreciation and Amortization	(52,386,088)
Net Capital Assets	<u>98,311,625</u>

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

Property Tax Receivables	990,493
School Construction Intergovernmental Receivable	863,251
Other Receivables	143,755
Assessments	15,759
Housing Rehabilitation Loan Receivable	272,364
Deferred Outflows Related to Pensions	8,887,455
Deferred Outflows Related to OPEB	489,800

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

1,886,102

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	(20,934,000)
Financed Purchase Payables	(982,569)
Lease Payables	(316,493)
Deferred Charge on Refunding	448,495
Unamortized Premium on Bonds Payable	(1,025,092)
Interest Payable on Bonds	(255,210)
Landfill Post-Closure Costs	(19,000)
Early Retirement Incentive	(121,020)
Net Pension Liability	(20,440,693)
Compensated Absences	(1,619,195)
Total OPEB Liability	(1,739,344)
Deferred Inflows Related to OPEB	(625,096)
Deferred Inflows Related to Pensions	<u>(1,458,050)</u>

Net Position of Governmental Activities (Exhibit I) \$ 86,564,758

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	American Rescue Plan Fund	Road Bonding	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes, Interest, and Lien Fees	\$ 44,013,193	\$ -	\$ -	\$ -	\$ 44,013,193
Intergovernmental Revenues	24,440,817	3,156,953	-	4,033,530	31,631,300
Charges for Services	4,807,241	-	-	811,751	5,618,992
Investment Income	948,242	-	29	41,517	989,788
Other	-	-	-	58,655	58,655
Total Revenues	<u>74,209,493</u>	<u>3,156,953</u>	<u>29</u>	<u>4,945,453</u>	<u>82,311,928</u>
<b>EXPENDITURES</b>					
Current:					
General Government	8,243,702	1,417,427	-	29,414	9,690,543
Public Safety	5,870,707	15,098	-	21,798	5,907,603
Public Works	3,830,109	-	-	422,521	4,252,630
Health and Welfare	239,908	-	-	137,134	377,042
Parks and Recreation	368,353	-	-	125,456	493,809
Nonprofit Organizations	84,153	-	-	-	84,153
Education	48,232,616	200,000	-	4,081,438	52,514,054
Debt Service:					
Principal Retirement	4,540,672	-	-	-	4,540,672
Interest and Other Charges	548,711	-	74,500	81,917	705,128
Capital Outlay	1,221,327	1,524,428	5,323,395	1,101,606	9,170,756
Total Expenditures	<u>73,180,258</u>	<u>3,156,953</u>	<u>5,397,895</u>	<u>6,001,284</u>	<u>87,736,390</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	1,029,235	-	(5,397,866)	(1,055,831)	(5,424,462)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds Issuance	-	-	3,000,000	3,000,000	6,000,000
Premiums	-	-	600,018	-	600,018
Financed Purchase Issuance	552,935	-	-	-	552,935
Lease Issuance	262,195	-	-	-	262,195
Transfers in from Other Funds	353	-	-	95,000	95,353
Transfers Out to Other Funds	(95,000)	-	-	(353)	(95,353)
Total Other Financing Sources (Uses)	<u>720,483</u>	<u>-</u>	<u>3,600,018</u>	<u>3,094,647</u>	<u>7,415,148</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	1,749,718	-	(1,797,848)	2,038,816	1,990,686
Fund Balances - Beginning of Year, as Restated	<u>15,142,553</u>	<u>-</u>	<u>3,938,530</u>	<u>2,719,652</u>	<u>21,800,735</u>
<b>FUND BALANCES - END OF YEAR</b>					
	<u>\$ 16,892,271</u>	<u>\$ -</u>	<u>\$ 2,140,682</u>	<u>\$ 4,758,468</u>	<u>\$ 23,791,421</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net change in Fund Balances - Governmental Funds (Exhibit IV) \$ 1,990,686

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

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 and amortization expense.

Capital Outlay	4,426,018
Depreciation and Amortization Expense	(3,037,223)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes Receivable - Accrual Basis Change	(167,724)
Other Receivables - Accrual Basis Change	270
School Construction Intergovernmental Receivable - Accrual Basis Change	(300,000)
Changes in Deferred Outflows Related to Pensions	4,407,306
Changes in Deferred Outflows Related to OPEB	165,773

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

Bonds Issuance	(6,000,000)
Principal Payments on Bonds and Notes Payable	3,702,000
Premium on Bond Issuance	(600,018)
Financed Purchase Issuance	(552,935)
Principal Payments on Financed Purchase	752,596
Lease Issuance	(262,195)
Lease Payments	84,615

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.

Amortization of Deferred Charge on Refunding	(142,724)
Amortization of Premium	194,156
Accrued Interest	(34,940)
Landfill Post-Closure Costs	19,000
Early Retirement Incentives	46,782
Change in Compensated Absences	15,778
Change in Net Pension Liability	(63,111)
Change in Total OPEB Liability	(11,246,399)
Changes in Deferred Inflows Related to Pensions	4,736,102
Change in Deferred Inflows Related to OPEB	(116,347)

The net expense of the internal service funds is reported with governmental activities. (685,048)

Change in Net Position of Governmental Activities (Exhibit II) \$ (2,667,582)

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Sewer Department	Water Department	Enterprise Funds	Service Fund
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 8,851,647	\$ 912,903	\$ 9,764,550	\$ 2,409,306
Receivables:				
User Charges, Net	1,632,914	103,024	1,735,938	-
Intergovernmental	30	-	30	-
Due from Other Funds	-	70,937	70,937	-
Total Current Assets	<u>10,484,591</u>	<u>1,086,864</u>	<u>11,571,455</u>	<u>2,409,306</u>
Noncurrent Assets:				
Capital Assets, Nondepreciable	1,526,008	329,555	1,855,563	-
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>38,661,150</u>	<u>9,165,659</u>	<u>47,826,809</u>	<u>-</u>
Total Noncurrent Assets	<u>40,187,158</u>	<u>9,495,214</u>	<u>49,682,372</u>	<u>-</u>
Total Assets	50,671,749	10,582,078	61,253,827	2,409,306
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge Related to Pension	1,241,990	-	1,241,990	-
Total Deferred Outflows of Resources	<u>1,241,990</u>	<u>-</u>	<u>1,241,990</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	471,035	132,618	603,653	101,152
Accrued Interest Payable	7,477	-	7,477	-
Due to Other Funds	95,339	2,303	97,642	18,052
Claims Payable	-	-	-	404,000
Bonds, Notes, and Loans Payable	101,947	-	101,947	-
Lease Payable	5,006	-	5,006	-
Compensated Absences	<u>26,000</u>	<u>-</u>	<u>26,000</u>	<u>-</u>
Total Current Liabilities	706,804	134,921	841,725	523,204
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable and Related Liabilities	764,797	-	764,797	-
Lease Payable	5,568	-	5,568	-
Compensated Absences	102,871	-	102,871	-
Connection Fee Payable	-	620,540	620,540	-
Net Pension Liability	<u>2,759,287</u>	<u>-</u>	<u>2,759,287</u>	<u>-</u>
Total Noncurrent Liabilities	<u>3,632,523</u>	<u>620,540</u>	<u>4,253,063</u>	<u>-</u>
Total Liabilities	4,339,327	755,461	5,094,788	523,204
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Charges Related to Pension	186,247	-	186,247	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	39,309,840	9,495,214	48,805,054	-
Unrestricted	<u>8,078,325</u>	<u>331,403</u>	<u>8,409,728</u>	<u>1,886,102</u>
Total Net Position	<u>\$ 47,388,165</u>	<u>\$ 9,826,617</u>	<u>\$ 57,214,782</u>	<u>\$ 1,886,102</u>

See accompanying Notes to Financial Statements.



**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Sewer Department	Water Department	Enterprise Funds	Service Fund
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 5,038,233	\$ 999,264	\$ 6,037,497	\$ 6,628,685
Total Operating Revenues	<u>5,038,233</u>	<u>999,264</u>	<u>6,037,497</u>	<u>6,628,685</u>
<b>OPERATING EXPENSES</b>				
Medical Claims	-	-	-	7,044,133
Administration	-	-	-	272,670
Personnel Services	893,361	83,996	977,357	-
Supplies and Administration	2,118,903	922,499	3,041,402	-
Maintenance	365,296	61,724	427,020	-
Energy and Transportation	825,143	54,610	879,753	-
Insurance and Taxes	801,433	36,137	837,570	-
Depreciation and Amortization Expense	1,643,170	321,612	1,964,782	-
Total Operating Expenses	<u>6,647,306</u>	<u>1,480,578</u>	<u>8,127,884</u>	<u>7,316,803</u>
<b>OPERATING LOSS</b>	(1,609,073)	(481,314)	(2,090,387)	(688,118)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	1,702,604	-	1,702,604	-
Gain (Loss) on Asset Disposal	(6,638)	-	(6,638)	-
Income on Investments	22,543	10,650	33,193	3,070
Interest Expense	(23,868)	-	(23,868)	-
Total Nonoperating Expenses	<u>1,694,641</u>	<u>10,650</u>	<u>1,705,291</u>	<u>3,070</u>
<b>CHANGE IN NET POSITION</b>	85,568	(470,664)	(385,096)	(685,048)
Net Position - Beginning of Year	<u>47,302,597</u>	<u>10,297,281</u>	<u>57,599,878</u>	<u>2,571,150</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 47,388,165</u>	<u>\$ 9,826,617</u>	<u>\$ 57,214,782</u>	<u>\$ 1,886,102</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Sewer Department	Water Department	Enterprise Funds	Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 4,890,806	\$ 1,031,004	\$ 5,921,810	\$ 6,628,685
Intergovernmental	27,140	-	27,140	-
Payments to Suppliers	(4,345,778)	(1,073,865)	(5,419,643)	(254,620)
Payments to Employees	(606,126)	(86,299)	(692,425)	-
Claims Paid	-	-	-	(7,278,132)
Net Cash Provided (Used) by Operating Activities	(33,958)	(129,160)	(163,118)	(904,067)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund Loans	22,749	(7,534)	15,215	18,052
Net Cash Provided (Used) by Noncapital Financing Activities	22,749	(7,534)	15,215	18,052
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Additions to Property, Plant, and Equipment	(2,934,604)	(173,615)	(3,108,219)	-
Capital Grants	1,702,604	-	1,702,604	-
Principal Payments	(109,809)	-	(109,809)	-
Payments on Connection Fee Payable	-	(34,314)	(34,314)	-
Interest Payments	(25,218)	-	(25,218)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,367,027)	(207,929)	(1,574,956)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	22,543	10,650	33,193	3,070
Net Cash Provided by Investing Activities	22,543	10,650	33,193	3,070
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,355,693)	(333,973)	(1,689,666)	(882,945)
Cash and Cash Equivalents - Beginning of Year	10,207,340	1,246,876	11,454,216	3,292,251
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,851,647</u>	<u>\$ 912,903</u>	<u>\$ 9,764,550</u>	<u>\$ 2,409,306</u>

See accompanying Notes to Financial Statements.

TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2023

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Sewer	Water	Enterprise	Service Fund
	Department	Department	Funds	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,609,073)	\$ (481,314)	\$ (2,090,387)	\$ (688,118)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,643,170	321,612	1,964,782	-
Gain on Sale of Property, Plant, and Equipment	6,638	-	6,638	-
Change in Assets and Liabilities:				
(Increase) Decrease in User Charges Receivable	(147,427)	31,740	(115,687)	-
(Increase) Decrease in Intergovernmental Receivable	27,140	-	27,140	-
(Increase) Decrease in Deferred Outflows Related to Pension	(615,905)	-	(615,905)	-
Increase (Decrease) in Accounts Payable	(241,641)	1,105	(240,536)	18,051
Increase (Decrease) in Accrued Liabilities	-	(2,303)	(2,303)	-
Increase (Decrease) in Compensated Absences	(10,033)	-	(10,033)	-
Increase (Decrease) in Net Pension Liability	1,518,150	-	1,518,150	-
(Increase) Decrease in Deferred Inflows Related to Pension	(604,977)	-	(604,977)	-
Increase (Decrease) in Claims Payable	-	-	-	(234,000)
Total Adjustments	<u>1,575,115</u>	<u>352,154</u>	<u>1,927,269</u>	<u>(215,949)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (33,958)</u>	<u>\$ (129,160)</u>	<u>\$ (163,118)</u>	<u>\$ (904,067)</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town of Montville, Connecticut, was settled in 1786 and covers 43.9 square miles located in the Southeastern part of Connecticut. The Town operates under a Town Council/Mayor form of government and provides the following services as authorized by its charter: public safety, public works, health, social services, recreation, planning and zoning, education, and other miscellaneous programs.

The legislative power of the Town is vested with the Town Council and Town Meeting. The Town Council may enact, amend, or repeal ordinances and resolutions. The Town Council is responsible for financial, and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are in substance part of the government's operations and, therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of the end of the current fiscal year). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received during the period or within the availability period for this revenue source (within 60 days of the end of the current fiscal year). All other revenue items are considered to be measurable and available only when the cash is received.

The Town reports the following major governmental funds:

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

The *American Rescue Plan Fund* accounts for resources received as a result of American Rescue Plan Act (ARPA).

The *Road Bonding Fund* accounts for the financial revenues to be used for major road capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

The *Sewer Department* accounts for the activities of the Town's Sewer department operations.

The *Water Department* accounts for the activities of the Town's Water department operations.

Additionally, the Town reports the following fund type:

**Internal Service Fund**

This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk management activities.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Internal Service Fund (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of charges to customers for services relating to sewer and water usage. Operating expenses of the Town's enterprise funds include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**D. Cash, Cash Equivalents, and Investments**

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, when purchased, such as certificates of deposit and investment pools.

Investments

All investments are stated at fair value.

**E. Receivables**

Property Taxes

Property taxes are assessed as of October 1 and are levied the following July 1. Taxes are due and payable in equal installments on July 1 and January 1 following the date of the Grand List. Interest of 1-½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$275,000 and \$250,000, respectively, as of June 30, 2023.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Receivables (Continued)**

Assessments and Usage Charges

Upon completion of projects, water and sewer assessments are levied and assessed to the users each February. Usage charges are billed quarterly or monthly depending on the property type, beginning in January. Assessments and user charges are due and payable within thirty days, and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the WPCA has established an allowance for uncollectible sewer and water usage of \$13,170 and \$1,600, respectively, as of June 30, 2023.

**F. Interfund Activities**

Interfund activities are reported as follows:

Interfund Receivable and Payable

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

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**G. Unearned Revenue**

This liability represents resources that have been received but not yet earned.



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Supplies**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items 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.

Property, plant, and equipment of the Town is depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	35 to 50 Years
Building Improvements	20 Years
Distribution and Collection Systems	50 to 65 Years
Infrastructure	30 to 50 Years
Land Improvements	30 to 50 Years
Machinery and Equipment	5 to 20 Years

Capital outlay is reported as expenditures and no depreciation/amortization expense is reported in the governmental fund financial statements.

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

**J. Compensated Absences**

Under the terms of various union contracts, Town and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Town employees may not carry over any accumulated vacation time and may carry over a limited number of sick days to subsequent years.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Compensated Absences (Continued)**

In the event of retirement, Town employees are reimbursed for accumulated vacation and sick days based on union contract. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year.

All compensated absences are accrued when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e., due to resignation or retirement).

**K. Net Pension Liability**

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

**L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**M. 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 or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The Town reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs and difference between projected and actual earnings. These amounts are deferred and included in pension and OPEB expense, as applicable, in a systematic and rational manner.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Outflows/Inflows of Resources (Continued)**

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 or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, assessments, interest on assessments, and intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**N. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued, including financed purchases, 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. Principal payments and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. Net Position and Fund Balance**

Equity in the government-wide financial statements is defined as “net position.” Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The components of net position are detailed below:

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Net Position and Fund Balance (Continued)**

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets, net of unexpended proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position

These amounts are restricted to specific purposes when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net amount of the assets, liabilities and deferred inflows/outflows of resources which are not restricted for any project or other purpose. A deficit will require future funding.

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

Nonspendable Fund Balance

These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance

These amounts are restricted to specific purposes when constraints are placed on the use of resources by external parties, such as debt covenants, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council (the highest level of decision-making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned Fund Balance

For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town Council, who has been delegated to assign amounts by the Town Charter.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Net Position and Fund Balance (Continued)**

Unassigned Fund Balance

The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

Net Position Flow Assumption

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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will 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 use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain an unassigned fund balance in the General Fund between 12% and 16% of the Town's General Fund budget. Two-thirds vote of the entire Town Council is required to decrease total fund balance below 12%. Unassigned fund balance in the General Fund as of June 30, 2023, represents 19.16% of the Town's final General Fund budget.

**P. Use of Estimates**

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town adopts an annual operating budget for the General Fund only. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes and annually adopted budget policies:

- By 100 days before the close of the fiscal year, the head of each department, office, and agency submits to the Finance Director detailed estimates of expenditures and any revenues other than tax revenues expected to be collected. Expenditures are controlled at the department level.
- The Mayor submits a Capital Improvement Program for the ensuing fiscal year and the immediate four subsequent years to the Town Council for changes from the prior year's program by 75 days before the close of the fiscal year. It is then submitted to the Planning and Zoning Commission for approval. The Town Council then adopts the Program. The Program details the project, cost estimates, methods of financing, time schedules, and the estimated annual cost of the facility operation.
- By 75 days before the close of the fiscal year, the Mayor presents a budget message, estimates of revenues and expenditures, and justifications to the Town Council.
- By 60 days before the close of the fiscal year, the Town Council publishes the particulars of the budgets and holds one or more public hearings.
- The Town Council may add, increase, delete, or decrease any programs or amounts except for those prohibited by law. The budget is returned to the Mayor, who approves it or vetoes one or more line-items (except for the Board of Education budget). A veto may be overridden by a two-thirds vote of the entire Town Council.
- The Town Council adopts the final budget before 30 days of the close of the fiscal year.
- If the Town Council fails to adopt a budget within the prescribed timeframe, the previous year's budget prevails on a month-to-month basis until the new budget is adopted.
- With written approval of a department head and the Director of Finance, transfers between line items within a department can be made. The Town Council may transfer unexpended balances between departments.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.
- Additional appropriations may be made during the year by resolution of the Town Council. There were no additional appropriations from fund balance for the year ended June 30, 2023.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for capital projects funds and certain special revenue funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbered appropriations in the General Fund are not re-appropriated in the ensuing year's budget but are carried forward.

**B. Fund Deficits**

At June 30, 2023, the Town reported deficit fund balance/net position in the following funds:

Nonmajor Governmental Funds:

Recreation Services	\$	4,699
Transfer Station		165,970
Dog Warden Donations		1,521
Capital Projects Fund		154,006
Public Works Facility Improvement		70,828
Special Education Grants		306
Community Center		65,191

The fund deficit will be eliminated by grant funding, state grant reimbursements and from appropriation from the General Fund.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

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

**A. Deposits**

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$27,414,676 of the Town's bank balance of \$29,638,039 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 24,473,208
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>2,941,468</u>
Total Amount Subject to Custodial Risk	<u><u>\$ 27,414,676</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, the Town's cash equivalents amounted to \$12,000,112. The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

These cash equivalents above are investment pools of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees or redemption gates.

**C. Investments**

At June 30, 2023, the Town's investments consisted of the following:

Investment Type	Fair Value
Other Investments:	
Mutual Funds	\$ 366,202

Investment 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 does not have a policy for custodial credit risk. The Town's investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Credit Risk – Investments

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

Concentration of Credit Risk

The Town places no limit on the amount of investment in any one issuer. No more than 5% of the Town’s investments were invested in any one issuer in which credit risk was applicable.

Fair Value Disclosure

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 366,202	\$ 366,202	\$ -	\$ -

Mutual funds are classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 RECEIVABLES**

Receivable as of June 30, 2023, including the applicable allowances for uncollectible accounts, for the Town's major funds and nonmajor governmental funds are presented below.

Receivables	General Fund	Nonmajor Governmental Funds	Sewer Department	Water Department	Total
Property Taxes	\$ 1,222,615	\$ -	\$ -	\$ -	\$ 1,222,615
Interest on Property Taxes	456,734	-	-	-	456,734
Assessment and Interest	15,759	-	-	-	15,759
User Charges	-	-	1,646,084	104,624	1,750,708
Loans	-	272,364	-	-	272,364
Intergovernmental	-	1,147,379	30	-	1,147,409
Other	422,056	8,608	-	-	430,664
Gross Receivables	2,117,164	1,428,351	1,646,114	104,624	5,296,253
Less: Allowance for Uncollectible Accounts	(525,000)	-	(13,170)	(1,600)	(539,770)
Net Receivables	<u>\$ 1,592,164</u>	<u>\$ 1,428,351</u>	<u>\$ 1,632,944</u>	<u>\$ 103,024</u>	<u>\$ 4,756,483</u>

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated and Amortized:</b>					
Land	\$ 2,248,490	\$ -	\$ -	\$ -	\$ 2,248,490
Construction in Progress	1,569,221	2,684,756	-	-	4,253,977
Total Capital Assets Not Being Depreciated and Amortized	3,817,711	2,684,756	-	-	6,502,467
<b>Capital Assets Being Depreciated and Amortized:</b>					
Land Improvements	5,322,778	-	-	-	5,322,778
Buildings and Improvements	95,532,791	225,496	-	-	95,758,287
Machinery and Equipment	17,186,291	1,253,571	-	-	18,439,862
Right-to-use Equipment	199,558	262,195	27,362	-	434,391
Infrastructure	24,239,928	-	-	-	24,239,928
Total Capital Assets Being Depreciated and Amortized	142,481,346	1,741,262	27,362	-	144,195,246
<b>Less: Accumulated Depreciation and Amortization for:</b>					
Land Improvements	1,267,240	156,040	-	-	1,423,280
Buildings and Improvements	27,054,967	1,446,904	-	-	28,501,871
Machinery and Equipment	11,209,656	959,261	-	-	12,168,917
Right-to-use Equipment	61,864	85,698	27,362	-	120,200
Infrastructure	9,782,500	389,320	-	-	10,171,820
Total Accumulated Depreciation and Amortization	49,376,227	3,037,223	27,362	-	52,386,088
Total Capital Assets Being Depreciated and Amortized, Net	93,105,119	(1,295,961)	-	-	91,809,158
Governmental Activities Capital Assets, Net	<u>\$ 96,922,830</u>	<u>\$ 1,388,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,311,625</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated and Amortized:					
Land	\$ 1,127,031	\$ -	\$ -	\$ -	\$ 1,127,031
Construction in Progress	1,693,742	2,448,679	-	(3,413,889)	728,532
Total Capital Assets Not Being Depreciated and Amortized	2,820,773	2,448,679	-	(3,413,889)	1,855,563
Capital Assets Being Depreciated and Amortized:					
Land Improvements	419,761	-	-	204,427	624,188
Buildings and Improvements	20,697,099	121,241	2,480	1,902,651	22,718,511
Distribution and Collection System	52,758,333	282,881	1,825,710	1,306,811	52,522,315
Machinery and Equipment	16,141,802	274,131	79,772	-	16,336,161
Right-to-Use Equipment	28,445	-	3,671	-	24,774
Total Capital Assets Being Depreciated and Amortized	90,045,440	678,253	1,911,633	3,413,889	92,225,949
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	8,395	8,395	-	-	16,790
Buildings and Improvements	9,469,358	456,438	2,480	-	9,923,316
Distribution and Collection System	24,850,840	1,394,884	1,794,321	-	24,451,403
Machinery and Equipment	9,975,381	96,928	79,172	-	9,993,137
Right-to-use Equipment	10,028	8,137	3,671	-	14,494
Total Accumulated Depreciation and Amortization	44,314,002	1,964,782	1,879,644	-	44,399,140
Total Capital Assets Being Depreciated and Amortized, Net	45,731,438	(1,286,529)	31,989	3,413,889	47,826,809
Business-Type Activities Capital Assets, Net	<u>\$ 48,552,211</u>	<u>\$ 1,162,150</u>	<u>\$ 31,989</u>	<u>\$ -</u>	<u>\$ 49,682,372</u>

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

Governmental Activities:	
General Government	\$ 182,354
Public Safety	475,958
Public Works	680,746
Health and Welfare	25,259
Recreation and Leisure	61,541
Education	1,611,365
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 3,037,223</u>
Business-Type Activities:	
Sewer Department	\$ 1,643,170
Water Department	321,612
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 1,964,782</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 INTERFUND BALANCES AND TRANSFERS**

**Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 313,249
General Fund	Internal Service Fund	18,052
General Fund	Water Department	2,303
General Fund	Sewer Department	24,402
American Rescue Plan Fund	General Fund	2,039,514
Road Bonding	General Fund	3,633,183
Nonmajor Governmental Funds	General Fund	3,628,567
Water Department	Sewer Department	70,937
Total		<u>\$ 9,730,207</u>

The above balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**Interfund Transfers**

A summary of interfund transfers as of June 30, 2023, is as follows:

	<u>Transfer In</u>	
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Transfers Out:		
General Fund	\$ -	\$ 95,000
Nonmajor Governmental Funds	353	-
Transfers In	<u>\$ 353</u>	<u>\$ 95,000</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 18,636,000	\$ 6,000,000	\$ 3,702,000	\$ 20,934,000	\$ 4,131,000
Premium on Bonds	619,230	600,018	194,156	1,025,092	-
Total Bonds Payable	<u>19,255,230</u>	<u>6,600,018</u>	<u>3,896,156</u>	<u>21,959,092</u>	<u>4,131,000</u>
Financed Purchases	1,182,230	552,935	752,596	982,569	496,729
Lease Payable	138,913	262,195	84,615	316,493	91,867
Landfill Post-Closure Costs	38,000	-	19,000	19,000	19,000
Early Retirement Incentives	167,802	91,524	138,306	121,020	58,034
Compensated Absences	1,634,973	311,222	327,000	1,619,195	323,613
Net Pension Liability	9,194,294	11,246,399	-	20,440,693	-
Total OPEB Liability	<u>1,676,233</u>	<u>63,111</u>	<u>-</u>	<u>1,739,344</u>	<u>111,826</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 33,287,675</u>	<u>\$ 19,127,404</u>	<u>\$ 5,217,673</u>	<u>\$ 47,197,406</u>	<u>\$ 5,232,069</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business Type Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 810,000	\$ -	\$ 90,000	\$ 720,000	\$ 90,000
Lease Payable	18,673	-	8,099	10,574	5,006
Note Payable from Direct Borrowings	158,454	-	11,710	146,744	11,947
Contract Payable from Direct Borrowings	654,854	-	34,314	620,540	-
Compensated Absences	138,904	17,967	28,000	128,871	26,000
Net Pension Liability	1,241,137	1,518,150	-	2,759,287	-
Total Long-Term Liabilities	<u>\$ 3,022,022</u>	<u>\$ 1,536,117</u>	<u>\$ 172,123</u>	<u>\$ 4,386,016</u>	<u>\$ 132,953</u>

Bonds payable typically have been liquidated by the General Fund for governmental activities and the Water and Sewer Departments for business-type activities. Other long-term liabilities are typically liquidated by the General Fund for governmental activities and the Water and Sewer Departments for business-type activities.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

General obligation bonds as of June 30, 2023, consisted of the following:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance Outstanding June 30, 2023
Governmental Activities:					
Bonds Payable					
General Obligation Bonds - Series B	\$ 7,890,000	02/25/10	07/01/24	3.00-5.00%	\$ 550,000
General Obligation Bonds	10,625,000	08/15/12	08/15/32	2.13-5.00%	4,905,000
General Obligation Refunding Bonds	9,195,000	03/07/13	07/01/26	1.00-4.00%	3,690,000
General Obligation Refunding Bonds	5,849,000	11/02/15	09/15/27	1.97%	1,649,000
General Obligation Bonds	2,500,000	04/09/19	04/01/29	3.00-5.00%	1,500,000
General Obligation Bonds	3,300,000	03/18/21	03/15/31	2.00-4.00%	2,640,000
General Obligation Bonds	3,300,000	04/05/23	04/15/43	4.00-5.00%	6,000,000
Total					<u>\$ 20,934,000</u>
Business-Type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 1,500,000	08/15/12	08/15/32	2.13-5.00%	<u>\$ 720,000</u>

The annual debt service requirements for the Town's general obligation bonds are as follows:

Year Ending June30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 4,131,000	\$ 657,012	\$ 90,000	\$ 21,737
2025	3,131,000	542,443	70,000	18,981
2026	2,445,000	445,987	70,000	17,238
2027	2,309,000	367,021	70,000	15,575
2028	1,778,000	296,612	70,000	13,650
2029-2033	5,640,000	803,700	350,000	36,750
2034-2038	750,000	240,000	-	1,050
2039-2043	750,000	90,000	-	-
Total	<u>\$ 20,934,000</u>	<u>\$ 3,442,775</u>	<u>\$ 720,000</u>	<u>\$ 124,981</u>

**Statutory Debt Limitations**

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 98,600,789	\$ 15,519,719	\$ 83,081,070
Schools	197,201,579	10,834,199	186,367,380
Sewers	164,334,649	866,744	163,467,905
Urban Renewal	142,423,362	-	142,423,362
Pension Deficit	131,467,719	-	131,467,719

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$306,758,011.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Statutory Debt Limitations (Continued)**

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

**Authorized, Unissued Bonds**

At June 30, 2023, the Town had authorized unissued bonds totaling \$6,200,000 for road improvements, school renovations and high school track and tennis courts.

**Financed Purchase Commitments**

The Town has several active financed purchase commitments as of year-end. Assets acquired through financed purchases are as follows:

	Governmental Activities
Equipment	\$ 2,311,147
Less: Accumulated Depreciation	(884,688)
Net Book Value	<u>\$ 1,426,459</u>

Principal and interest requirements to maturity under financed purchase commitments at June 30, 2023, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 496,729	\$ 21,748	\$ 518,477
2025	183,522	14,674	198,196
2026	187,454	9,117	196,571
2027	114,864	4,227	119,091
Total	<u>\$ 982,569</u>	<u>\$ 49,766</u>	<u>\$ 1,032,335</u>

**Lease Payable**

The Town leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2035.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending June30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 91,867	\$ 1,126	\$ 5,006	\$ 230
2025	67,250	677	3,835	99
2026	61,830	615	1,440	25
2027	57,541	552	293	1
2028	22,776	486	-	-
2029-2033	12,121	1,379	-	-
2034-2035	3,108	65	-	-
Total	<u>\$ 316,493</u>	<u>\$ 4,900</u>	<u>\$ 10,574</u>	<u>\$ 355</u>



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Note Payable from Direct Borrowings**

The State of Connecticut Department of Energy and Environmental Protection has provided Clean Water financing in the form of permanently financed serial notes to the Town dated January 30, 2015, in the initial amount of \$245,631. The note is payable in 240 monthly installments of \$1,231 and matures in July 2033. The note bears an interest rate of 2.0%.

Annual debt service requirements to maturity on this note payable are as follows as of June 30, 2023:

<u>Year Ending June30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 11,947	\$ 2,826
2025	12,188	2,585
2026	12,434	2,339
2027	12,686	2,088
2028	12,940	1,832
2029-2033	68,730	5,123
2034-2038	15,819	185
Total	\$ 146,744	\$ 16,978

**Contract Payables from Direct Borrowings**

The Town has entered into a long-term contract with the Mohegan Tribal Utility Authority in connection with its portion of costs from a regional water extension project. Amounts payable total \$620,540 as of June 30, 2023, and are due upon new connections to the system.

**Landfill Closure and Post-Closure Care Costs**

The Town landfill has been closed. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Estimated monitoring costs for next year total \$19,000 at June 30, 2023. These amounts are based on estimates which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**Early Retirement Incentive**

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee. Benefits are payable through 2026. The amount paid from General Fund appropriations during the year ended June 30, 2023, was \$138,306, and the outstanding balance at June 30, 2023, is \$121,020.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 FUND BALANCE**

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Road Bonding	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Supplies	\$ 11,868	\$ -	\$ 7,566	\$ 19,434
Restricted for:				
Grants and Donations	5,101	-	280,962	286,063
Education	192,186	-	651,801	843,987
Capital Purposes	-	3,684,572	2,918,083	6,602,655
Total Restricted	<u>197,287</u>	<u>3,684,572</u>	<u>3,850,846</u>	<u>7,732,705</u>
Committed for:				
Education Carryover	739,574	-	-	739,574
Student Activities	-	-	384,085	384,085
Cafeteria Operations	-	-	844,006	844,006
General Government	-	-	11,009	11,009
Health and Welfare	-	-	445,798	445,798
Recreation	-	-	76,953	76,953
Capital Projects	-	-	566,927	566,927
Total Committed	<u>739,574</u>	<u>-</u>	<u>2,328,778</u>	<u>3,068,352</u>
Assigned to:				
Subsequent Year's Budget	2,900,000	-	-	2,900,000
General Government				
Encumbrances	143,656	-	-	143,656
Public Safety Encumbrances	30,908	-	-	30,908
Public Works Encumbrances	124,163	-	-	124,163
Education Encumbrances	354,503	-	-	354,503
Total Assigned	<u>3,553,230</u>	<u>-</u>	<u>-</u>	<u>3,553,230</u>
Unassigned	<u>12,390,312</u>	<u>(1,543,890)</u>	<u>(1,428,722)</u>	<u>9,417,700</u>
Total Fund Balances	<u>\$ 16,892,271</u>	<u>\$ 2,140,682</u>	<u>\$ 4,758,468</u>	<u>\$ 23,791,421</u>

As of June 30, 2023, the Town has recorded \$653,230 in encumbrances, which has been reported in the assigned fund balance of the General Fund.

**NOTE 9 RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. During 2023, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

The Health Insurance Fund, an internal service fund, was established to account for and finance employee medical benefits claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. The Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$175,000 for combined hospital and major medical.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2023. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2022 and 2023 is as follows:

Year Ending	Medical Insurance			
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021-2022	\$ 433,100	\$ 7,417,925	\$ (7,213,025)	\$ 638,000
2022-2023	638,000	7,044,132	(7,278,132)	404,000

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor has settled claims exceeded commercial coverage in any of the past three years.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

There are several lawsuits pending against the Town. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS**

**A. Connecticut Municipal Employees' Retirement System**

Plan Description

With certain exceptions, all full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

Benefit Provisions

The plan provides retirement, disability, and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with five years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have five years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Disability Retirement – Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement – Nonservice Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

Contributions

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2023, the Town reports a liability of \$23,199,980 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2022, valuation were based on results of an actuarial experience study for the period July 1, 2012, through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 1.69%. The decrease in proportion from the prior year was 0.22%.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2023, the Town recognized pension expense of \$4,895,653. At June 30, 2023, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 3,379,294	\$ -
Change in Assumptions	-	-
Differences Between Expected and Actual Experience	2,285,534	885,806
Changes in Proportional Share	1,726,730	758,491
Contributions Made Subsequent to Measurement Date	2,737,887	-
Total	\$ 10,129,445	\$ 1,644,297

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2024	\$ 917,139
2025	1,191,818
2026	1,041,064
2027	2,597,240
Total	\$ 5,747,261

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	3.50-10.00%, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Investr Expense, Including Inflation

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Actuarial Assumptions (Continued)

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments for members who retire on or after January 1, 2002, are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.90%
Public Credit	2.00	2.90%
Core Fixed Income	13.00	0.40%
Liquidity Fund	1.00	-0.40%
Risk Mitigation	5.00	0.10%
Private Equity Fund	15.00	11.20%
Private Credit	10.00	6.20%
Real Estate	10.00	6.30%
Infra. And Natural Resources	7.00	7.70%
Total	100.00 %	

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 32,080,043	\$ 23,199,980	\$ 15,752,245

**B. Connecticut State Teachers' Retirement System – Pension**

Plan Description

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

Benefit Provisions

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

Normal Retirement

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



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Early Retirement

Employees are eligible after 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 with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$6,090,996 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability		
Associated with the Town		<u>77,254,995</u>
Total		<u><u>\$ 77,254,995</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$7,466,782 in Exhibit II.

Actuarial Assumptions

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

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

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

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

Assumption Changes since the prior year are as follows:

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

Benefit Changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

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

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.00 %	5.40%
Developed Market International Stock Fund	11.00	6.40%
Emerging Market International Stock Fund	9.00	8.60%
Core Fixed Income Fund	13.00	0.80%
Emerging Market Debt Fund	5.00	3.80%
High Yield Bond Fund	3.00	3.40%
Real Estate Fund	19.00	5.20%
Private Equity	10.00	9.40%
Private Credit	5.00	6.50%
Alternative Investments	3.00	3.10%
Liquidity Fund	2.00	-0.40%
Total	100.00 %	

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Discount Rate

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

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

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

Other Information

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

**C. Defined Contribution Plans**

The Town and Board of Education offer defined contribution plans to enable employees to enhance their retirement security by deferring a portion of their salary. Eligible employees of the Town and Board of Education can make voluntary (unmatched) contributions to the 457(b) Deferred Compensation Plan, up to applicable Internal Revenue Code limits. In addition, the Board of Education offers a 403(b) defined benefit plan. Both plans are voluntary. The Town administers both plans.

For the year ended June 30, 2023, employees contributed \$1,011,932 to the 457(b) deferred compensation plan, and the Town contributions totaled \$-0- in the 403(b) Plan.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB)**

**A. Board of Education OPEB Plan**

Plan Description

The Town administers an Other Postemployment Benefits Plan (the Plan), which is a single employer defined benefit healthcare plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2023, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

Benefit Provided

The OPEB Plan provides for medical, prescription, dental, and life insurance benefits to eligible retirees, spouses, and beneficiaries. Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the unions. Currently, the Town contributes the following for various classes of employees covered:

*Board of Education Administrators*

Administrators receiving benefits are required to contribute 50% of their premium costs. Administrators hired on or after July 1, 2012, are required to contribute 75% of their premium costs. Administrators are eligible for benefits upon retirement and 20 years of service regardless of age.

*Board of Education Teachers*

Teachers retiring under the Connecticut State Teachers Retirement system are eligible to receive health benefits for self and spouse. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age. Individuals receiving benefits contribute 100% of their premium costs.

Membership in the plan consisted of the following at June 30, 2023:

Inactive Plan Members Receiving Benefits	58
Active Participants	218
Total	<u>276</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

Total OPEB Liability

The Town's total OPEB liability of \$1,739,344 was measured as of June 30, 2023, and it was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.65%
2022 Medical Trend Rates	8.00%
2023 Medical Trend Rates	7.00%
Ultimate Medical Trend Rates	5.00%
Year Ultimate Medical Trend Rates	2025
Salary Increases	2.50%

The discount rate was based on the Bond Buyer's 20 Bond Index.

The mortality rates are from the RPH-2014 Total Dataset mortality table projected with projection scale MP-2021. Mortality projections scale was updated from the SOA MP-2020 scale to SOA MP-2021 scale.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances as of July 1, 2022	\$ 1,676,233
Changes for the Year:	
Service Cost	53,457
Interest on Total OPEB Liability	61,723
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	213,506
Changes in Assumptions or Other Inputs	(176,568)
Benefit Payments	(89,007)
Net Changes	<u>63,111</u>
Balances as of June 30, 2023	<u>\$ 1,739,344</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% in fiscal year 2022 to 3.65% in fiscal year 2023.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (2.65%)	Current Discount Rate (3.65%)	1% Increase in Discount Rate (4.65%)
Total OPEB Liability	\$ 1,945,627	\$ 1,739,344	\$ 1,563,692

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease in Healthcare Cost Trend Rates (6.00%) Decreasing to 4.00%	Current Healthcare Cost Trend Rates (7.00%) Decreasing to 5.00%	1% Increase in Healthcare Cost Trend Rates (8.00%) Decreasing to 6.00%
Total OPEB Liability	\$ 1,522,755	\$ 1,739,344	\$ 2,008,274

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$102,692. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 252,033	\$ 227,570
Changes of Assumptions or Other Inputs	237,767	397,526
Total	\$ 489,800	\$ 625,096

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

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

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (12,488)
2025	(12,488)
2026	(12,488)
2027	(12,488)
2028	(12,488)
Thereafter	(72,856)

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan**

Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers’ Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, and any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Benefit Provisions (Continued)

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

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

Survivor Health Care Coverage

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

Eligibility

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

Credited Service

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

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

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

Pro rata Retirement

Age 60 with 10 years of Credited Service.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

Contributions

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

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

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the State was \$86,151 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability		
Associated with the Town		6,765,766
Total		\$ 6,765,766

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$407,823 in Exhibit II.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Health Care Costs Trend Rate	Known Increases Until Calendar Year 2024, Then General Trend Decreasing to an Ultimate Rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Municipal Bond Index Rate	3.54%
Investment Rate of Return	3.53%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will Be Depleted	2027

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Actuarial Assumptions (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan’s current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 RESTATEMENT**

The Nonmajor Governmental Funds fund balance have been restated as follows:

	Nonmajor Governmental Funds Fund Balance
Balance as Previously Reported June 30, 2022	\$ 2,863,137
Adjustments:	
To Recognize Unavailable Revenues	<u>(143,485)</u>
Balance July 1, 2022, as Restated	<u>\$ 2,719,652</u>
Total Fund balance:	

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF MONTVILLE, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 43,625,549	\$ 43,625,549	\$ 44,013,193	\$ 387,644
Intergovernmental Revenues	17,965,475	17,965,475	18,253,704	288,229
Charges for Services	2,637,950	2,637,950	3,846,666	1,208,716
Use of Town Money	35,000	35,000	948,242	913,242
Total Revenues	<u>64,263,974</u>	<u>64,263,974</u>	<u>67,061,805</u>	<u>2,797,831</u>
<b>EXPENDITURES</b>				
Current:				
General Government	8,322,983	8,322,983	8,314,103	8,880
Public Safety	5,472,888	5,472,888	5,884,407	(411,519)
Public Works	3,751,705	3,751,705	3,856,097	(104,392)
Health and Welfare	194,686	194,686	182,246	12,440
Social Services	54,500	54,500	48,043	6,457
Recreation and Leisure	327,195	327,195	359,416	(32,221)
Nonprofit Organizations	84,300	84,300	84,153	147
Education	40,961,544	40,961,544	40,961,544	-
Capital Outlay	500,000	500,000	406,197	93,803
Debt Service	4,994,173	4,994,173	5,000,243	(6,070)
Total Expenditures	<u>64,663,974</u>	<u>64,663,974</u>	<u>65,096,449</u>	<u>(432,475)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(400,000)	(400,000)	1,965,356	2,365,356
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of Fund Balance	400,000	400,000	-	(400,000)
Cancellation of Prior Year Encumbrances	-	-	61,492	61,492
Transfers In	-	-	353	353
Transfers Out	-	-	(95,000)	(95,000)
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>(33,155)</u>	<u>(433,155)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,932,201</u>	<u>\$ 1,932,201</u>
<b>BUDGET TO GAAP RECONCILIATION</b>				
Balance - Budgetary Basis	\$ 67,123,650	\$ 65,191,449		
GASB 87 Implementation:				
Lease Proceeds	262,195	-		
Capital Outlay	-	262,195		
State Teachers' Retirement On-Behalf Contributions:				
OPEB Plan	86,151	86,151		
Pension Plan	6,090,996	6,090,996		
Financed Purchases	552,935	552,935		
Changes in Encumbrances	-	8,017		
Cancellation of Prior Year Encumbrances	(61,492)	-		
BOE Lapsing Fund		205,612		
Gross Up Netting of Balance Sheet Activity	970,541	877,903		
Balance - GAAP Basis	<u>\$ 75,024,976</u>	<u>\$ 73,275,258</u>		

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MUNICIPAL EMPLOYEES RETIREMENT FUND**  
**LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	1.69%	1.47%	1.63%	1.68%	1.82%	3.24%	2.86%	1.98%	4.77%
Town's Proportionate Share of the Net Pension Liability	\$ 23,199,980	\$ 10,435,431	\$ 18,153,392	\$ 17,432,488	\$ 17,433,483	\$ 8,042,425	\$ 9,513,824	\$ 6,566,284	\$ 4,699,674
Town's Covered Payroll	14,301,834	13,498,294	11,365,916	11,643,874	10,462,743	11,026,760	12,319,105	10,870,196	10,187,832
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	162.22%	77.31%	159.72%	149.71%	166.62%	72.94%	77.23%	60.41%	46.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	96.06%

## Notes:

- \* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.



**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
MUNICIPAL EMPLOYEES RETIREMENT FUND  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,737,887	\$ 2,626,933	\$ 2,089,499	\$ 1,717,218	\$ 1,615,704	\$ 1,417,446	\$ 1,514,844	\$ 1,346,598	\$ 872,911
Contributions in Relation to the Actuarially Determined Contribution	<u>2,737,887</u>	<u>2,626,933</u>	<u>2,089,499</u>	<u>1,717,218</u>	<u>1,615,704</u>	<u>1,417,446</u>	<u>1,514,844</u>	<u>1,346,598</u>	<u>872,911</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 14,301,834	\$ 13,498,294	\$ 11,365,916	\$ 11,643,874	\$ 10,462,743	\$ 11,026,760	\$ 12,319,105	\$ 10,870,196	\$ 10,187,832
Contributions as a Percentage of Covered Payroll	19.14%	19.46%	15.48%	14.75%	15.44%	12.85%	12.30%	12.39%	8.57%

Notes to Schedule:

Valuation Date: June 30, 2022  
 Measurement Date: June 30, 2022  
 The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Single Equivalent Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% - 10.00%, Including Inflation
Investment Rate of Return	7%, Net of Investment Related Expense
Changes in Assumptions	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June, 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement, and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	77,254,995	64,215,172	81,078,895	77,619,156	59,848,900	63,074,000	66,544,000	52,024,000	48,086,000
Total	<u>\$ 77,254,995</u>	<u>\$ 64,215,172</u>	<u>\$ 81,078,895</u>	<u>\$ 77,619,156</u>	<u>\$ 59,848,900</u>	<u>\$ 63,074,000</u>	<u>\$ 66,544,000</u>	<u>\$ 52,024,000</u>	<u>\$ 48,086,000</u>
Town's Covered Payroll	\$ 18,907,590	\$ 19,033,350	\$ 18,379,514	\$ 17,840,000	\$ 18,490,000	\$ 18,654,000	\$ 18,728,000	\$ 18,347,000	\$ 18,347,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

\* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.  
The measurement date is one year earlier than the employer's reporting date.

Notes to Schedule:

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

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST SIX FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 53,457	\$ 78,225	\$ 75,591	\$ 58,795	\$ 53,285	\$ 47,363
Interest	61,723	41,678	42,098	54,241	56,241	64,449
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	213,506	-	70,282	(8,580)	(343,496)	-
Changes in Assumptions	(176,568)	(238,791)	27,156	236,273	84,742	(53,939)
Benefit Payments	(89,007)	(111,826)	(98,417)	(82,154)	(72,963)	(112,809)
Net Change in Total OPEB Liability	63,111	(230,714)	116,710	258,575	(222,191)	(54,936)
Total OPEB Liability - Beginning	1,676,233	1,906,947	1,790,237	1,531,662	1,753,853	1,808,789
Total OPEB Liability - Ending	<u>\$ 1,739,344</u>	<u>\$ 1,676,233</u>	<u>\$ 1,906,947</u>	<u>\$ 1,790,237</u>	<u>\$ 1,531,662</u>	<u>\$ 1,753,853</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

\* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Plan Changes

None

Changes of Assumptions

The discount rate was increased from 3.54% to 3.65%.

Mortality projections scale was updated from the SOA MP-2020 scale to the SOA MP-2021 scale

Medical trend rate set at 8% in 2022 graded to 5% in 2025+

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST SIX FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	6,765,766	6,996,125	12,092,920	12,105,146	11,964,000	16,234,000
Total	<u>\$ 6,765,766</u>	<u>\$ 6,996,125</u>	<u>\$ 12,092,920</u>	<u>\$ 12,105,146</u>	<u>\$ 11,964,000</u>	<u>\$ 16,234,000</u>
Town's Covered Payroll	\$ 18,907,590	\$ 19,033,350	\$ 18,379,514	\$ 17,840,000	\$ 18,490,000	\$ 18,654,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated; Long-term health care cost trend rates were updated; and The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Investment Rate of Return  
Price Inflation

Entry Age  
Level Percent of Payroll Over an Open Period  
30 Years  
Market Value of Assets  
3.00%, Net of Investment-Related Expense Including Price Inflation  
2.50%

\* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.  
- The measurement date is one year earlier than the employer's reporting date.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

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

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>PROPERTY TAXES</b>				
Revenue from Property Taxes	\$ 43,323,549	\$ 43,323,549	\$ 43,495,900	\$ 172,351
Telephone Access	45,000	45,000	45,845	845
Interest and Lien Fees	257,000	257,000	471,448	214,448
Total Property Taxes	<u>43,625,549</u>	<u>43,625,549</u>	<u>44,013,193</u>	<u>387,644</u>
<b>INTERGOVERNMENTAL</b>				
State Grants for School Aid:				
ECS Grant	12,802,864	12,802,864	12,832,627	29,763
Transportation	-	-	334	334
Special Education	550,000	550,000	592,444	42,444
Adult Education	39,610	39,610	40,237	627
Total State Grants for School Aid	<u>13,392,474</u>	<u>13,392,474</u>	<u>13,465,642</u>	<u>73,168</u>
State Grants Unspecified:				
Distressed Municipalities	-	-	-	-
Lieu of Taxes/State Prop	2,481,441	2,481,441	6,334	(2,475,107)
Emerg Manage Assist Prog	9,857	9,857	-	(9,857)
Disability Grant	3,000	3,000	2,777	(223)
MRSA	-	-	370,004	370,004
PILOT New Tiered Reimbursement	-	-	2,481,442	2,481,442
Additional Veteran Grant	10,000	10,000	9,482	(518)
Other Grants	50,000	50,000	133,362	83,362
Municipal Stabilization Grant	20,897	20,897	20,897	-
CT Fines Reimbursement	10,000	10,000	6,580	(3,420)
Pequot Funds	1,446,162	1,446,162	1,446,162	-
Municipal Grant in Aid	528,644	528,644	311,022	(217,622)
Miniature Surcharge	13,000	13,000	-	(13,000)
FEMA	-	-	-	-
COVID Reimbursement	-	-	-	-
Total State Grants Unspecified	<u>4,573,001</u>	<u>4,573,001</u>	<u>4,788,062</u>	<u>215,061</u>
Total Intergovernmental	17,965,475	17,965,475	18,253,704	288,229
<b>CHARGES FOR SERVICES</b>				
Licenses and Permits:				
Conveyance Tax	200,000	200,000	275,840	75,840
Town Clerk Fees	140,000	140,000	139,704	(296)
Dog Licenses	5,000	5,000	1,501	(3,499)
Dog Services for Salem	13,500	13,500	13,627	127
Dog Warden	1,000	1,000	880	(120)
Building Department	300,000	300,000	342,852	42,852
Miscellaneous Permits	20,000	20,000	17,709	(2,291)
Fire Marshal Permits	60,000	60,000	41,812	(18,188)
Transfer Station	222,000	222,000	253,062	31,062
Total Licenses and Permits	<u>961,500</u>	<u>961,500</u>	<u>1,086,987</u>	<u>125,487</u>
Revenue from Other Agencies:				
Planning and Zoning Board of Appeals	14,000	14,000	11,129	(2,871)
Parks and Recreation	121,050	121,050	157,245	36,195
Camp Oakdale/Other Rental	3,000	3,000	6,375	3,375
Fair Oaks Facility Rental	500	500	2,802	2,302
Housing Authority	29,000	29,000	90,000	61,000
Youth Services Program	57,800	57,800	60,748	2,948
Total Revenue from Other Agencies	<u>225,350</u>	<u>225,350</u>	<u>328,299</u>	<u>102,949</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>CHARGES FOR SERVICES (CONTINUED)</b>				
Charges for Current Services:				
Tuition Regular	\$ -	\$ -	\$ -	\$ -
Tuition Special Ed	40,000	40,000	43,838	3,838
School Misc Revenue	500	500	9,641	9,141
Public Works Department	500	500	1,260	760
Commercial Tipping Fees	350,000	350,000	437,300	87,300
Copy Money	500	500	405	(95)
Community Booklet	4,000	4,000	2,550	(1,450)
Total Charges for Current Services	<u>395,500</u>	<u>395,500</u>	<u>494,994</u>	<u>99,494</u>
Miscellaneous:				
Police Reimbursement Private Duty	275,000	275,000	1,040,049	765,049
St. Bernards Health Clinic	24,000	24,000	23,976	(24)
Insurance Reimbursement	65,000	65,000	119,088	54,088
Millstone Reimbursement	45,000	45,000	29,973	(15,027)
Verizon	600	600	600	-
Fire Marshal Private Duty	5,000	5,000	1,447	(3,553)
Engineering Review Reimbursement	1,000	1,000	11,440	10,440
Miscellaneous	40,000	40,000	116,487	76,487
Sale of Town Property	100,000	100,000	93,326	(6,674)
Mohegan Contributions	500,000	500,000	500,000	-
Total Miscellaneous	<u>1,055,600</u>	<u>1,055,600</u>	<u>1,936,386</u>	<u>880,786</u>
Total Charges for Services	2,637,950	2,637,950	3,846,666	1,208,716
<b>REVENUE FROM USE OF TOWN MONEY</b>				
Investment Interest	25,000	25,000	948,242	923,242
Sewer Assessments	-	-	-	-
WPCA Revenue	10,000	10,000	-	(10,000)
Total Revenue from Use of Town Money	<u>35,000</u>	<u>35,000</u>	<u>948,242</u>	<u>913,242</u>
Total Revenues	64,263,974	64,263,974	67,061,805	2,797,831
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	400,000	400,000	-	(400,000)
Cancellation of Prior Year Encumbrances	-	-	61,492	61,492
Transfers In:				
Bridge Street Remediation - Capital Project Fund	-	-	353	353
BOE Nonlapsing	-	-	-	-
Total Other Financing Sources	<u>400,000</u>	<u>400,000</u>	<u>61,845</u>	<u>(338,155)</u>
Total Revenues and Other Financing Sources	<u>\$ 64,663,974</u>	<u>\$ 64,663,974</u>	<u>\$ 67,123,650</u>	<u>\$ 2,459,676</u>



**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Mayor:				
Human Services	\$ 143,855	\$ 143,855	\$ 149,192	\$ (5,337)
Contractual Services	56,600	56,600	52,922	3,678
Commodities	4,920	4,920	2,146	2,774
Total Mayor	<u>205,375</u>	<u>205,375</u>	<u>204,260</u>	<u>1,115</u>
Town Council:				
Human Services	18,500	18,500	18,766	(266)
Commodities	14,750	14,750	24,933	(10,183)
Total Town Council	<u>33,250</u>	<u>33,250</u>	<u>43,699</u>	<u>(10,449)</u>
Town Attorney	150,000	150,000	166,572	(16,572)
Town Hall/Central Services:				
Human Services	10,000	10,000	5,854	4,146
Contractual Services	187,250	187,250	204,100	(16,850)
Commodities	45,000	45,000	61,856	(16,856)
Capital	1,500	1,500	508	992
Total Town Hall/Central Services	<u>243,750</u>	<u>243,750</u>	<u>272,318</u>	<u>(28,568)</u>
Probate Court	16,674	16,674	16,674	-
Finance:				
Human Services	617,000	617,000	623,537	(6,537)
Contractual Services	66,000	66,000	91,820	(25,820)
Commodities	11,000	11,000	12,636	(1,636)
Total Finance	<u>694,000</u>	<u>694,000</u>	<u>727,993</u>	<u>(33,993)</u>
Insurance and Fringe Benefits:				
Contractual Services	5,020,650	5,020,650	5,097,042	(76,392)
Commodities	6,000	6,000	4,104	1,896
Total Insurance and Fringe Benefits	<u>5,026,650</u>	<u>5,026,650</u>	<u>5,101,146</u>	<u>(74,496)</u>
Board of Assessment Appeals:				
Human Services	200	200	-	200
Commodities	50	50	-	50
Total Board of Assessment Appeals	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Auditor:				
Contractual Services	25,000	25,000	30,841	(5,841)
Commodities	5,000	5,000	1,550	3,450
Total Auditor	<u>30,000</u>	<u>30,000</u>	<u>32,391</u>	<u>(2,391)</u>
Other	220,000	220,000	45,262	174,738
Town Clerk:				
Human Services	148,000	148,000	155,135	(7,135)
Contractual Services	275	275	460	(185)
Commodities	14,000	14,000	8,973	5,027
Total Town Clerk	<u>162,275</u>	<u>162,275</u>	<u>164,568</u>	<u>(2,293)</u>
Registrar of Voters:				
Human Services	44,000	44,000	45,025	(1,025)
Contractual Services	410	410	392	18
Commodities	2,200	2,200	2,582	(382)
Total Registrar of Voters	<u>46,610</u>	<u>46,610</u>	<u>47,999</u>	<u>(1,389)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT (CONTINUED)</b>				
Elections/Referendum:				
Contractual Services	\$ 25,000	\$ 25,000	\$ 19,505	\$ 5,495
Commodities	18,400	18,400	17,217	1,183
Total Elections/Referendum	<u>43,400</u>	<u>43,400</u>	<u>36,722</u>	<u>6,678</u>
Land Use Department:				
Human Services	278,500	278,500	228,911	49,589
Contractual Services	1,000	1,000	1,035	(35)
Commodities	11,500	11,500	27,701	(16,201)
Capital	1,000	1,000	1,853	(853)
Total Land Use Department	<u>292,000</u>	<u>292,000</u>	<u>259,500</u>	<u>32,500</u>
Conservation Commission:				
Contractual Services	65	65	-	65
Commodities	425	425	-	425
Total Conservation Commission	<u>490</u>	<u>490</u>	<u>-</u>	<u>490</u>
Inland Wetlands	1,200	1,200	2,054	(854)
Economic Development Commission:				
Human Services	1,200	1,200	1,358	(158)
Commodities	1,200	1,200	45	1,155
Total Economic Development Commission	<u>2,400</u>	<u>2,400</u>	<u>1,403</u>	<u>997</u>
Zoning Board of Appeals	650	650	575	75
Senior Center:				
Human Services	188,187	188,187	195,896	(7,709)
Contractual Services	33,200	33,200	42,444	(9,244)
Commodities	16,900	16,900	20,820	(3,920)
Total Senior Center	<u>238,287</u>	<u>238,287</u>	<u>259,160</u>	<u>(20,873)</u>
Youth Services:				
Human Services	208,412	208,412	216,951	(8,539)
Contractual Services	21,678	21,678	18,378	3,300
Commodities	14,100	14,100	10,251	3,849
Total Youth Services	<u>244,190</u>	<u>244,190</u>	<u>245,580</u>	<u>(1,390)</u>
Building Inspector:				
Human Services	211,032	211,032	224,148	(13,116)
Contractual Services	400	400	-	400
Commodities	2,650	2,650	1,474	1,176
Capital	350	350	-	350
Total Building Inspector	<u>214,432</u>	<u>214,432</u>	<u>225,622</u>	<u>(11,190)</u>
Information Technology:				
Human Services	145,240	145,240	152,590	(7,350)
Contractual Services	307,700	307,700	306,743	957
Commodities	4,160	4,160	1,272	2,888
Total Information Technology	<u>457,100</u>	<u>457,100</u>	<u>460,605</u>	<u>(3,505)</u>
Total General Government	<u>8,322,983</u>	<u>8,322,983</u>	<u>8,314,103</u>	<u>8,880</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>PUBLIC SAFETY</b>				
Emergency Management:				
Human Services	\$ 100,100	\$ 100,100	\$ 105,768	\$ (5,668)
Contractual Services	15,000	15,000	14,044	956
Commodities	3,200	3,200	1,109	2,091
Capital	10,288	10,288	10,288	-
Total Emergency Management	<u>128,588</u>	<u>128,588</u>	<u>131,209</u>	<u>(2,621)</u>
Police Department:				
Human Services	2,538,500	2,538,500	2,585,571	(47,071)
Contractual Services	243,738	243,738	158,361	85,377
Commodities	99,450	99,450	126,874	(27,424)
Capital	18,500	18,500	17,556	944
Total Police Department	<u>2,900,188</u>	<u>2,900,188</u>	<u>2,888,362</u>	<u>11,826</u>
Fire Marshal:				
Human Services	100,100	100,100	108,772	(8,672)
Commodities	4,990	4,990	1,755	3,235
Total Fire Marshal	<u>105,090</u>	<u>105,090</u>	<u>110,527</u>	<u>(5,437)</u>
Animal Control:				
Human Services	83,500	83,500	84,848	(1,348)
Contractual Services	2,452	2,452	1,724	728
Commodities	8,800	8,800	9,048	(248)
Total Animal Control	<u>94,752</u>	<u>94,752</u>	<u>95,620</u>	<u>(868)</u>
Public Safety Commission	1,000	1,000	1,413	(413)
Dispatch:				
Human Services	445,000	445,000	429,579	15,421
Commodities	6,850	6,850	9,372	(2,522)
Total Dispatch	<u>451,850</u>	<u>451,850</u>	<u>438,951</u>	<u>12,899</u>
Fire Protection:				
Human Services	1,020,000	1,020,000	1,009,078	10,922
Contractual Services	374,920	374,920	374,920	-
Commodities	112,000	112,000	143,183	(31,183)
Total Fire Protection	<u>1,506,920</u>	<u>1,506,920</u>	<u>1,527,181</u>	<u>(20,261)</u>
Public Safety Building:				
Contractual Services	77,500	77,500	85,084	(7,584)
Commodities	2,000	2,000	-	2,000
Total Public Safety Building	<u>79,500</u>	<u>79,500</u>	<u>85,084</u>	<u>(5,584)</u>
Private Duty:				
Human Services	205,000	205,000	606,060	(401,060)
Total Public Safety	<u>5,472,888</u>	<u>5,472,888</u>	<u>5,884,407</u>	<u>(411,519)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>PUBLIC WORKS</b>				
Public Works:				
Human Services	\$ 1,680,855	\$ 1,680,855	\$ 1,531,609	\$ 149,246
Contractual Services	384,950	384,950	452,484	(67,534)
Commodities	885,100	885,100	846,045	39,055
Capital	10,400	10,400	118,315	(107,915)
Total Public Works	<u>2,961,305</u>	<u>2,961,305</u>	<u>2,948,453</u>	<u>12,852</u>
Camp Oakdale:				
Contractual Services	65,200	65,200	93,662	(28,462)
Commodities	15,700	15,700	21,424	(5,724)
Capital	500	500	56	444
Total Camp Oakdale	<u>81,400</u>	<u>81,400</u>	<u>115,142</u>	<u>(33,742)</u>
Solid Waste:				
Human Services	184,000	184,000	178,279	5,721
Contractual Services	332,050	332,050	381,853	(49,803)
Commodities	36,950	36,950	37,444	(494)
Capital	6,000	6,000	6,268	(268)
Total Solid Waste	<u>559,000</u>	<u>559,000</u>	<u>603,844</u>	<u>(44,844)</u>
Engineering Services	<u>150,000</u>	<u>150,000</u>	<u>188,658</u>	<u>(38,658)</u>
Total Public Works	3,751,705	3,751,705	3,856,097	(104,392)
Health and Welfare:				
Contractual Services	194,186	194,186	182,246	11,940
Commodities	500	500	-	500
Total Health and Welfare	<u>194,686</u>	<u>194,686</u>	<u>182,246</u>	<u>12,440</u>
Social Services:				
Human Services	53,800	53,800	47,178	6,622
Commodities	700	700	865	(165)
Total Social Services	<u>54,500</u>	<u>54,500</u>	<u>48,043</u>	<u>6,457</u>
<b>RECREATION AND LEISURE</b>				
Recreation:				
Human Services	247,890	247,890	266,673	(18,783)
Contractual Services	1,380	1,380	1,634	(254)
Commodities	40,475	40,475	43,044	(2,569)
Capital	4,200	4,200	3,625	575
Total Recreation	<u>293,945</u>	<u>293,945</u>	<u>314,976</u>	<u>(21,031)</u>
Montville Community Center	31,550	31,550	42,658	(11,108)
Parks and Recreation Commission	<u>1,700</u>	<u>1,700</u>	<u>1,782</u>	<u>(82)</u>
Total Recreation and Leisure	327,195	327,195	359,416	(32,221)

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Nonprofit Organizations	\$ 84,300	\$ 84,300	\$ 84,153	\$ 147
Education	40,961,544	40,961,544	40,961,544	-
Capital Outlay	500,000	500,000	406,197	93,803
Debt Service:				
Redemption of Debt - Principle	4,467,660	4,467,660	4,456,057	11,603
Interest Payments	526,513	526,513	544,186	(17,673)
Total Debt Service	<u>4,994,173</u>	<u>4,994,173</u>	<u>5,000,243</u>	<u>(6,070)</u>
Total Expenditures	64,663,974	64,663,974	65,096,449	(432,475)
<b>OTHER FINANCING USES</b>				
Transfers Out - Capital and Nonrecurring	-	-	95,000	(95,000)
Transfers Out - BOE Nonlapsing	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>(95,000)</u>
Total Expenditures and Other Uses	<u>\$ 64,663,974</u>	<u>\$ 64,663,974</u>	<u>\$ 65,191,449</u>	<u>\$ (527,475)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
REPORT OF PROPERTY TAX COLLECTIONS  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

Grand List of October 1,	Uncollected Taxes July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Adjustments	Adjusted Tax Levy	Collections			Uncollected Taxes June 30, 2023
			Additions	Deletions				Taxes	Interest Liens and Other Fees	Total	
2008	\$ 258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258	\$ -	\$ -	\$ -	\$ 258
2009	37	-	-	-	-	-	37	-	-	-	37
2010	40	-	-	-	-	-	40	-	-	-	40
2011	7,152	-	-	-	-	-	7,152	2,880	12,391	15,271	4,272
2012	8,880	-	-	-	-	-	8,880	4,536	12,023	16,559	4,344
2013	19,557	-	-	-	-	-	19,557	8,922	18,411	27,333	10,635
2014	29,614	-	-	-	1,445	-	28,169	12,800	19,538	32,338	15,369
2015	23,106	-	61	121	813	-	22,233	14,445	14,368	28,813	7,788
2016	119,074	-	2,490	4,984	86,513	-	30,067	20,382	16,742	37,124	9,685
2017	119,013	-	3,019	2,898	-	-	119,134	38,320	26,315	64,635	80,814
2018	161,351	-	1,466	3,555	292	-	158,970	56,454	42,153	98,607	102,516
2019	265,189	-	3,929	13,209	577	-	255,332	91,617	35,482	127,099	163,715
2020	638,829	-	26,893	69,115	1,449	-	595,158	351,646	90,127	441,773	243,512
Total Prior Years	1,392,100	-	37,858	93,882	91,089	-	1,244,987	602,002	287,550	889,552	642,985
2021	-	43,486,352	59,086	123,014	9,926	-	43,412,498	42,832,868	183,903	43,016,771	579,630
Total All Years	\$ 1,392,100	\$ 43,486,352	\$ 96,944	\$ 216,896	\$ 101,015	\$ -	\$ 44,657,485	\$ 43,434,870	\$ 471,453	\$ 43,906,323	\$ 1,222,615

**NONMAJOR GOVERNMENTAL FUNDS**

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

	Special Revenue Funds										
	Town Aid Road	Small Cities	Mental Health Grant	Hot Lunch Program	Special Education Grants	Student Activities	Scholarship Fund	Nonbudget Funds	Social Services	Town Historic Preservation	Youth Service Bureau
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ -	\$ 35,253	\$ -	\$ 740,107	\$ 99,135	\$ 384,085	\$ 245,687	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	366,202	-	-	-	-
Receivables, Net:											
Loans	-	272,364	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	135,333	270	-	-	-	-	-	-
Other Receivables	-	-	-	8,608	-	-	-	-	-	-	-
Due from Other Funds	137,418	-	18,956	-	-	-	11,259	302,271	73,269	149,228	-
Inventories	-	-	-	7,566	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 137,418</b>	<b>\$ 307,617</b>	<b>\$ 18,956</b>	<b>\$ 891,614</b>	<b>\$ 99,405</b>	<b>\$ 384,085</b>	<b>\$ 611,889</b>	<b>\$ 11,259</b>	<b>\$ 302,271</b>	<b>\$ 73,269</b>	<b>\$ 149,228</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts Payable	\$ -	\$ -	\$ -	\$ 10,771	\$ -	\$ -	\$ -	\$ 250	\$ 4,560	\$ -	\$ 1,141
Accrued Payroll and Other Liabilities	-	-	-	7,421	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	3,810	21,850	99,441	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,810</b>	<b>40,042</b>	<b>99,441</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>4,560</b>	<b>-</b>	<b>1,141</b>
<b>Deferred Inflows of Resources:</b>											
Unavailable Revenue - Loans	-	272,364	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Intergovernmental Receivable	-	-	-	-	270	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>272,364</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>											
Nonspendable	-	-	-	7,566	-	-	-	-	-	-	-
Restricted	137,418	35,253	15,146	-	-	-	611,889	-	-	73,269	-
Committed	-	-	-	844,006	-	384,085	-	11,009	297,711	-	148,087
Unassigned	-	-	-	-	(306)	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>137,418</b>	<b>35,253</b>	<b>15,146</b>	<b>851,572</b>	<b>(306)</b>	<b>384,085</b>	<b>611,889</b>	<b>11,009</b>	<b>297,711</b>	<b>73,269</b>	<b>148,087</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 137,418</b>	<b>\$ 307,617</b>	<b>\$ 18,956</b>	<b>\$ 891,614</b>	<b>\$ 99,405</b>	<b>\$ 384,085</b>	<b>\$ 611,889</b>	<b>\$ 11,259</b>	<b>\$ 302,271</b>	<b>\$ 73,269</b>	<b>\$ 149,228</b>



**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Funds							Capital Project Funds			
	Police Donations	Recreation Services	Parks and Recreation	Dog Warden Donations	Montville Farmer's Market	Police Forfeiture	Comstock Book Fund	NIPS Fund	Bonded Projects Fund	Old Colchester/Black Ash Road	Public Works Facility Improvement
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,191	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, Net:											
Loans	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	863,251	-	70,830
Other Receivables	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	16,588	-	76,294	-	3,690	5,520	-	39,912	1,951,882	95,152	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 16,588</b>	<b>\$ -</b>	<b>\$ 76,294</b>	<b>\$ -</b>	<b>\$ 3,690</b>	<b>\$ 5,520</b>	<b>\$ 5,191</b>	<b>\$ 39,912</b>	<b>\$ 2,815,133</b>	<b>\$ 95,152</b>	<b>\$ 70,830</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ 11,113	\$ -	\$ 4,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll and Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	4,699	-	1,521	-	-	-	-	-	-	70,828
Unearned Revenue	-	-	-	-	-	-	-	-	-	95,152	-
<b>Total Liabilities</b>	<b>11,113</b>	<b>4,699</b>	<b>4,341</b>	<b>1,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,152</b>	<b>70,828</b>
Deferred Inflows of Resources:											
Unavailable Revenue - Loans	-	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Intergovernmental Receivable	-	-	-	-	-	-	-	-	863,251	-	70,830
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>863,251</b>	<b>-</b>	<b>70,830</b>
Fund Balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	5,475	-	-	-	3,690	5,520	5,191	39,912	2,918,083	-	-
Committed	-	-	71,953	-	-	-	-	-	-	-	-
Unassigned	-	(4,699)	-	(1,521)	-	-	-	-	(966,201)	-	(70,828)
<b>Total Fund Balances</b>	<b>5,475</b>	<b>(4,699)</b>	<b>71,953</b>	<b>(1,521)</b>	<b>3,690</b>	<b>5,520</b>	<b>5,191</b>	<b>39,912</b>	<b>1,951,882</b>	<b>-</b>	<b>(70,828)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,588</b>	<b>\$ -</b>	<b>\$ 76,294</b>	<b>\$ -</b>	<b>\$ 3,690</b>	<b>\$ 5,520</b>	<b>\$ 5,191</b>	<b>\$ 39,912</b>	<b>\$ 2,815,133</b>	<b>\$ 95,152</b>	<b>\$ 70,830</b>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

Capital Project Funds										
ASSETS	Transfer Station	LOCIP	Capital and Nonrecurring	Capital Projects Fund	Open Space	Bridges	Community Center	Dog Pound Facility	Bridge St. Remediation	Total
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,509,458
Investments	-	-	-	-	-	-	-	-	-	366,202
Receivables, Net:										
Loans	-	-	-	-	-	-	-	-	-	272,364
Intergovernmental	72,655	-	-	-	-	5,040	-	-	-	1,147,379
Other Receivables	-	-	-	-	-	-	-	-	-	8,608
Due from Other Funds	-	95,911	476,298	169,594	5,000	-	-	325	-	3,628,567
Inventories	-	-	-	-	-	-	-	-	-	7,566
<b>Total Assets</b>	<b>\$ 72,655</b>	<b>\$ 95,911</b>	<b>\$ 476,298</b>	<b>\$ 169,594</b>	<b>\$ 5,000</b>	<b>\$ 5,040</b>	<b>\$ -</b>	<b>\$ 325</b>	<b>\$ -</b>	<b>\$ 6,940,144</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ 5,607	\$ 323,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,383
Accrued Payroll and Other Liabilities	-	-	-	-	-	-	-	-	-	7,421
Due to Other Funds	165,970	-	-	-	-	5,040	65,191	-	-	313,249
Unearned Revenue	-	-	-	-	-	-	-	-	-	220,253
<b>Total Liabilities</b>	<b>165,970</b>	<b>-</b>	<b>5,607</b>	<b>323,600</b>	<b>-</b>	<b>5,040</b>	<b>65,191</b>	<b>-</b>	<b>-</b>	<b>902,306</b>
Deferred Inflows of Resources:										
Unavailable Revenue - Loans	-	-	-	-	-	-	-	-	-	272,364
Unavailable Revenue - Intergovernmental Receivable	72,655	-	-	-	-	-	-	-	-	1,007,006
<b>Total Deferred Inflows of Resources</b>	<b>72,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,279,370</b>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	7,566
Restricted	-	-	-	-	-	-	-	-	-	3,850,846
Committed	-	95,911	470,691	-	5,000	-	-	325	-	2,328,778
Unassigned	(165,970)	-	-	(154,006)	-	-	(65,191)	-	-	(1,428,722)
<b>Total Fund Balances</b>	<b>(165,970)</b>	<b>95,911</b>	<b>470,691</b>	<b>(154,006)</b>	<b>5,000</b>	<b>-</b>	<b>(65,191)</b>	<b>325</b>	<b>-</b>	<b>4,758,468</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 72,655</b>	<b>\$ 95,911</b>	<b>\$ 476,298</b>	<b>\$ 169,594</b>	<b>\$ 5,000</b>	<b>\$ 5,040</b>	<b>\$ -</b>	<b>\$ 325</b>	<b>\$ -</b>	<b>\$ 6,940,144</b>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds										
	Town Aid Road	Small Cities	Mental Health Grant	Hot Lunch Program	Special Education Grants	Student Activities	Scholarship Fund	Nonbudget Funds	Social Services	Town Historic Preservation	Youth Service Bureau
<b>REVENUES</b>											
Intergovernmental Revenues	\$ 316,148	\$ -	\$ 5,304	\$ 1,128,331	\$ 2,522,323	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ 55,924
Charges for Services	-	-	-	166,832	-	390,336	-	3,000	57,530	9,206	22,284
Investment Income (Loss)	-	-	-	-	-	-	41,267	-	-	-	-
Contributions and Other	-	-	-	-	-	-	22,150	-	23,006	-	-
Total Revenues	<u>316,148</u>	<u>-</u>	<u>5,304</u>	<u>1,295,163</u>	<u>2,522,323</u>	<u>390,336</u>	<u>63,417</u>	<u>3,000</u>	<u>80,536</u>	<u>14,706</u>	<u>78,208</u>
<b>EXPENDITURES</b>											
General Government	-	-	-	-	-	-	-	500	-	5,500	17,614
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Public Works	422,521	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	3,107	-	-	-	-	-	134,027	-	-
Recreation and Leisure	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	1,187,307	2,522,629	364,520	6,982	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>422,521</u>	<u>-</u>	<u>3,107</u>	<u>1,187,307</u>	<u>2,522,629</u>	<u>364,520</u>	<u>6,982</u>	<u>500</u>	<u>134,027</u>	<u>5,500</u>	<u>17,614</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(106,373)	-	2,197	107,856	(306)	25,816	56,435	2,500	(53,491)	9,206	60,594
<b>OTHER FINANCING SOURCES (USES)</b>											
Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(106,373)	-	2,197	107,856	(306)	25,816	56,435	2,500	(53,491)	9,206	60,594
Fund Balance - Beginning of Year, as Restated	<u>243,791</u>	<u>35,253</u>	<u>12,949</u>	<u>743,716</u>	<u>-</u>	<u>358,269</u>	<u>555,454</u>	<u>8,509</u>	<u>351,202</u>	<u>64,063</u>	<u>87,493</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 137,418</u>	<u>\$ 35,253</u>	<u>\$ 15,146</u>	<u>\$ 851,572</u>	<u>\$ (306)</u>	<u>\$ 384,085</u>	<u>\$ 611,889</u>	<u>\$ 11,009</u>	<u>\$ 297,711</u>	<u>\$ 73,269</u>	<u>\$ 148,087</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds							Capital Project Funds			
	Police Donations	Recreation Services	Parks and Recreation	Dog Warden Donations	Montville Farmer's Market	Police Forfeiture	Comstock Book Fund	NIPS Fund	Bonded Projects Fund	Old Colchester/Black Ash Road	Public Works Facility Improvement
<b>REVENUES</b>											
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	110,959	-	4,497	-	-	39,912	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	250	-	-	-	-
Contributions and Other	10,886	2,200	-	380	-	-	-	-	-	-	-
Total Revenues	<u>10,886</u>	<u>2,200</u>	<u>110,959</u>	<u>380</u>	<u>4,497</u>	<u>-</u>	<u>250</u>	<u>39,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>											
General Government	-	-	-	-	4,246	-	1,554	-	-	-	-
Public Safety	19,454	-	-	2,344	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-
Recreation and Leisure	-	2,080	123,376	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	81,917	-	-
Total Expenditures	<u>19,454</u>	<u>2,080</u>	<u>123,376</u>	<u>2,344</u>	<u>4,246</u>	<u>-</u>	<u>1,554</u>	<u>-</u>	<u>81,917</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(8,568)	120	(12,417)	(1,964)	251	-	(1,304)	39,912	(81,917)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>											
Issuance of Bonds	-	-	-	-	-	-	-	-	3,000,000	-	-
Premium on Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,568)	120	(12,417)	(1,964)	251	-	(1,304)	39,912	2,918,083	-	-
Fund Balance - Beginning of Year, as Restated	14,043	(4,819)	84,370	443	3,439	5,520	6,495	-	(966,201)	-	(70,828)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,475</u>	<u>\$ (4,699)</u>	<u>\$ 71,953</u>	<u>\$ (1,521)</u>	<u>\$ 3,690</u>	<u>\$ 5,520</u>	<u>\$ 5,191</u>	<u>\$ 39,912</u>	<u>\$ 1,951,882</u>	<u>\$ -</u>	<u>\$ (70,828)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Capital Project Funds									
	Transfer Station	LOCIP	Capital and Nonrecurring	Capital Projects Fund	Open Space	Bridges	Community Center	Dog Pound Facility	Bridge St. Remediation	Total
<b>REVENUES</b>										
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,033,530
Charges for Services	-	6,870	-	-	-	-	-	325	-	811,751
Investment Income (Loss)	-	-	-	-	-	-	-	-	-	41,517
Contributions and Other	-	33	-	-	-	-	-	-	-	58,655
Total Revenues	-	6,903	-	-	-	-	-	325	-	4,945,453
<b>EXPENDITURES</b>										
General Government	-	-	-	-	-	-	-	-	-	29,414
Public Safety	-	-	-	-	-	-	-	-	-	21,798
Public Works	-	-	-	-	-	-	-	-	-	422,521
Health and Welfare	-	-	-	-	-	-	-	-	-	137,134
Recreation and Leisure	-	-	-	-	-	-	-	-	-	125,456
Education	-	-	-	-	-	-	-	-	-	4,081,438
Capital Outlay	-	-	10,902	1,025,513	-	-	65,191	-	-	1,101,606
Debt Service	-	-	-	-	-	-	-	-	-	81,917
Total Expenditures	-	-	10,902	1,025,513	-	-	65,191	-	-	6,001,284
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	6,903	(10,902)	(1,025,513)	-	-	(65,191)	325	-	(1,055,831)
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Bonds	-	-	-	-	-	-	-	-	-	3,000,000
Premium on Issuance of Bonds	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	95,000	-	-	-	-	-	-	95,000
Transfers Out	-	-	-	-	-	-	-	-	(353)	(353)
Total Other Financing Sources (Uses)	-	-	95,000	-	-	-	-	-	(353)	3,094,647
<b>NET CHANGE IN FUND BALANCE</b>	-	6,903	84,098	(1,025,513)	-	-	(65,191)	325	(353)	2,038,816
Fund Balance - Beginning of Year, as Restated	(165,970)	89,008	386,593	871,507	5,000	-	-	-	353	2,719,652
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (165,970)</u>	<u>\$ 95,911</u>	<u>\$ 470,691</u>	<u>\$ (154,006)</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (65,191)</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 4,758,468</u>

**STATISTICAL SECTION**

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

Grand List Dated 10/1	Real Property Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List <sup>(1)</sup>	Less Exemptions <sup>(1)</sup>	Net Taxable Grand List <sup>(1)</sup>	Percent Change
2012	82.6 %	7.4 %	10.0 %	\$ 1,602,427	\$ 347,898	\$ 1,254,529	(4.28)%
2013	82.1	7.8	10.1	1,605,569	346,271	1,259,298	0.38
2014	76.8	13.7	9.5	1,619,701	350,045	1,269,656	0.82
2015	81.1	8.9	10.0	1,636,050	355,646	1,280,404	0.84
2016	78.3	11.2	10.5	1,640,413	369,988	1,270,425	(0.79)
2017	77.6	11.9	10.4	1,656,074	367,257	1,288,817	1.43
2018	77.4	12.0	10.5	1,666,847	367,643	1,299,204	0.80
2019	77.7	13.7	8.6	1,713,751	369,461	1,344,290	3.35
2020	74.7	15.4	9.9	1,730,700	375,081	1,355,619	0.84
2021	77.0	13.1	9.9	2,002,187	368,139	1,634,048	17.73

Source: Town of Montville, Office of the Assessor

<sup>(1)</sup>In thousands

**TOWN OF MONTVILLE, CONNECTICUT**  
**MAJOR TAXPAYERS**  
**2021 GRANT LIST**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount<sup>(1)</sup></u>	<u>Percentage of Net Taxable Grand List<sup>(2)</sup></u>
Eversource	Utility	\$ 116,247,950	7.11 %
Yankee Gas Services Company	Utility	21,670,420	1.33
MTIC Acquisitions LLC	Hotel	19,731,040	1.21
Montville Station LLC	Utility	13,593,490	0.83
Montville Power LLC	Utility	12,892,666	0.79
Home Depot USA Inc.	Retail Shopping Center	11,197,290	0.69
Rand Whitney Containerboard LTD	Paper / Paperboard	11,001,175	0.67
Sun Hillcrest LLC	Residential Community	9,761,990	0.60
Hitalk Hotels LLC	Hotel	9,421,760	0.58
Uncasville Lodging Partners LLC	Hotel	<u>8,848,950</u>	<u>0.54</u>
Total		<u><u>\$ 234,366,731</u></u>	<u><u>14.34 %</u></u>

Source: Town of Montville, Office of the Assessor

<sup>(1)</sup>Net taxable grand list 10/1/21

<sup>(2)</sup>Net taxable grand list as of 10/1/21 was \$1,634,048,000



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

Fiscal Year Ended June 30,	Grand List Year	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2012	\$ 36,173,699	\$ 35,271,962	97.51 %	\$ 465,617	\$ 35,737,579	98.79 %
2015	2013	36,794,710	35,912,024	97.60	515,240	36,427,264	99.00
2016	2014	37,925,442	37,067,885	97.74	70,265	37,138,150	97.92
2017	2015	38,989,997	38,044,641	97.58	639,288	38,683,929	99.22
2018	2016	40,017,994	39,214,729	97.99	835,978	40,050,707	100.08
2019	2017	40,671,178	40,007,599	98.37	792,861	40,800,460	100.32
2020	2018	42,007,460	41,397,727	98.55	608,245	42,005,972	100.00
2021	2019	43,291,232	42,680,896	98.59	428,576	43,109,472	99.58
2022	2020	43,527,751	42,888,922	98.53	351,646	43,240,568	98.53
2023	2021	43,412,498	42,832,868	98.66	-	42,832,868	98.66

Source: Town audit reports

**TOWN OF MONTVILLE, CONNECTICUT**  
**RATIOS OF GENERAL BONDED DEBT**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

Fiscal Year June 30,	Total Bonded Debt	Clean Water Fund Notes	Total Net Bonded Debt	Ratio of Net Bonded Debt to Est. Actual Taxable Value *	Percentage of Personal Income**	Per Capita **
Governmental Activities:						
2014	\$ 40,650,200	\$ -	\$ 40,650,200	3.24 %	7.17 %	2,084
2015	37,631,200	-	37,631,200	2.99	5.23	1,929
2016	34,937,500	-	34,937,500	2.75	5.61	1,779
2017	31,723,800	-	31,723,800	2.48	5.46	1,621
2018	28,293,300	-	28,293,300	2.23	4.73	1,451
2019	27,369,000	-	27,369,000	2.12	4.58	1,403
2020	23,380,000	-	23,380,000	1.80	3.69	1,196
2021	22,576,000	-	22,576,000	1.68	3.57	1,155
2022	18,636,000	-	18,636,000	1.37	2.67	989
2023	20,934,000	-	20,934,000	1.28	3.00	1,125
Business-Type Activities:						
2014	\$ 2,534,800	\$ -	\$ 2,534,800	0.20 %	0.45 %	130
2015	2,263,800	245,631	2,509,431	0.20	0.35	129
2016	1,966,500	224,008	2,190,508	0.17	0.35	112
2017	1,669,200	213,623	1,882,823	0.15	0.32	96
2018	1,373,700	203,026	1,576,726	0.12	0.26	81
2019	1,080,000	192,515	1,272,515	0.10	0.21	65
2020	990,000	181,184	1,171,184	0.09	0.18	60
2021	810,000	158,454	968,454	0.07	0.15	50
2022	720,000	158,454	878,454	0.06	0.13	47
2023	720,000	146,744	866,744	0.05	0.12	47
Town-Wide:						
2014	\$ 43,185,000	\$ -	\$ 43,185,000	3.44 %	7.62 %	2,214
2015	39,895,000	245,631	40,140,631	3.19	5.58	2,057
2016	36,904,000	224,008	37,128,008	2.92	5.96	1,891
2017	33,393,000	213,623	33,606,623	2.62	5.78	1,717
2018	29,667,000	203,026	29,870,026	2.35	4.99	1,531
2019	28,449,000	192,515	28,641,515	2.22	4.79	1,468
2020	24,370,000	181,184	24,551,184	1.89	3.88	1,256
2021	23,386,000	158,454	23,544,454	1.75	3.72	1,205
2022	19,356,000	158,454	19,514,454	1.44	2.80	1,036
2023	21,654,000	146,744	21,800,744	1.33	3.12	1,172

## Notes:

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.  
The Town of Montville has no overlapping debt nor does it collect taxes for any other entity.

\* See Table 1 for property value data.

\*\* Personal income and population data can be found in Table 5.

**TOWN OF MONTVILLE, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year June 30,	Population <sup>(1)</sup>	Personal Income (000)s	Personal Capita Personal Income <sup>(2)</sup>	Median Age <sup>(1)</sup>	Unemployment Rate <sup>(3)</sup>
2014	19,505	\$ 566,640	\$ 29,051	42	6.7 %
2015	19,511	719,780	36,891	40	6.0
2016	19,635	623,278	31,743	43	4.2
2017	19,571	581,043	29,689	43	4.3
2018	19,505	598,199	30,669	43	4.3
2019	19,505	598,199	30,669	42	3.2
2020	19,546	633,251	32,398	42	8.6
2021	19,546	633,251	32,398	42	8.6
2022	18,835	697,853	37,051	43	10.0
2023	18,607	697,853	37,051	43	5.2

<sup>(1)</sup>CT Economic Resource Center Inc., Annual Town Profile

<sup>(2)</sup>State of Connecticut, Department of Economic and Community Development

<sup>(3)</sup>State of Connecticut, Labor Department, By Town, Not Seasonally Adjusted

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

Total Tax Collections, (Including Interest and Lien Fees)  
For the year ended June 30, 2022 (Prior Fiscal Year)  
Taxes, Interest, and Lien Fees

\$ 43,822,573

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation:						
2.25 Times Base	\$ 98,600,789	\$ -	\$ -	\$ -	\$ -	\$ 98,600,789
4.50 Times Base	-	197,201,579	-	-	-	197,201,579
3.75 Times Base	-	-	164,334,649	-	-	164,334,649
3.25 Times Base	-	-	-	142,423,362	-	142,423,362
3 Times Base	-	-	-	-	131,467,719	131,467,719
Total Debt Limitation	<u>98,600,789</u>	<u>197,201,579</u>	<u>164,334,649</u>	<u>142,423,362</u>	<u>131,467,719</u>	<u>734,028,098</u>
Indebtedness:						
Bonds and CWF Notes Payable	13,337,150	6,697,450	866,744	-	-	20,901,344
Financed Purchases	982,569	-	-	-	-	982,569
Authorized, But Unissued Debt	1,200,000	5,000,000	-	-	-	6,200,000
Less: Anticipated Grant Proceeds	-	(863,251)	-	-	-	(863,251)
Total Indebtedness	<u>15,519,719</u>	<u>10,834,199</u>	<u>866,744</u>	<u>-</u>	<u>-</u>	<u>27,220,662</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 83,081,070</u>	<u>\$ 186,367,380</u>	<u>\$ 163,467,905</u>	<u>\$ 142,423,362</u>	<u>\$ 131,467,719</u>	<u>\$ 706,807,436</u>

- Notes:
- In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$ 306,758,011
  - There is no overlapping debt for the Town of Montville.
  - Water bonds, notes, and capital leases of \$899,400 have been omitted from this schedule as the debt is self supporting and or excluded by statute.

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS – PHASE II  
YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

Year Ended June 30,	Uncollected Assessments Beginning of Year	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deletions		Assessments Collected	Interest Liens and Other Fees	Total	
2002	\$ 3,274,736	\$ 61	\$ 1,424	\$ 3,273,373	\$ 422,036	\$ 258,963	\$ 680,999	\$ 2,851,337
2003	2,851,337	-	4,108	2,847,229	466,519	297,766	764,285	2,380,710
2004	2,380,710	65	3,584	2,377,191	323,598	15,781	339,379	2,053,593
2005	2,053,593	218	-	2,053,811	299,662	138,600	438,262	1,754,149
2006	1,754,149	24	46,244	1,707,929	367,903	91,784	459,687	1,340,026
2007	1,340,026	142	-	1,340,168	260,239	74,600	334,839	1,079,929
2008	1,079,929	-	2,702	1,077,227	211,382	64,108	275,490	865,845
2009	865,845	-	4,106	861,739	184,117	41,507	225,624	677,622
2010	677,622	-	175	677,447	189,341	31,885	221,226	488,106
2011	488,106	20	-	488,126	154,173	25,776	179,949	333,953
2012	333,953	-	20	333,933	138,002	21,363	159,365	195,931
2013	195,931	-	1,338	194,593	134,573	9,246	143,819	60,020
2014	60,020	-	-	60,020	18,244	4,376	22,620	41,776
2015	41,776	-	5,971	35,805	8,041	7,535	15,576	27,764
2016	27,764	-	-	27,764	4,707	7,534	12,241	23,057
2017	23,057	-	-	23,057	2,152	3,075	5,227	20,905
2018	20,905	-	-	20,905	2,163	3,651	5,814	18,742
2019	18,742	-	-	18,742	2,909	8,267	11,176	15,833
2020	15,833	-	-	15,833	537	1,563	2,100	15,296
2021	15,296	-	-	15,296	-	-	-	15,296
2022	15,296	-	-	15,296	-	-	-	15,296
2023	15,296	-	-	15,296	-	-	-	15,296

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS – PHASE IV  
YEAR ENDED JUNE 30, 2023  
(UNAUDITED)**

Year Ended June 30,	Uncollected Assessments Beginning of Year	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deletions		Assessments Collected	Interest Liens and Other Fees	Total	
2002	\$ 154,119	\$ -	\$ -	\$ 154,119	\$ 15,255	\$ 7,520	\$ 22,775	\$ 138,864
2003	138,864	-	-	138,864	18,057	5,775	23,832	120,807
2004	120,807	-	-	120,807	11,026	4,686	15,712	109,781
2005	109,781	-	-	109,781	12,041	4,836	16,877	97,740
2006	97,740	-	14,521	83,219	26,527	13,500	40,027	56,692
2007	56,692	-	-	56,692	10,359	2,638	12,997	46,333
2008	46,333	-	-	46,333	8,714	1,896	10,610	37,619
2009	37,619	-	-	37,619	12,898	1,829	14,727	24,721
2010	24,721	-	-	24,721	8,811	1,720	10,531	15,910
2011	15,910	82	-	15,992	9,319	1,528	10,847	6,673
2012	6,673	-	-	6,673	537	268	805	6,136
2013	6,136	-	-	6,136	1,967	2,686	4,653	4,169
2014	4,169	-	-	4,169	927	468	1,395	3,242
2015	3,242	-	-	3,242	463	178	641	2,779
2016	2,779	-	-	2,779	463	153	616	2,316
2017	2,316	-	-	2,316	463	127	590	1,853
2018	1,853	-	-	1,853	463	102	565	1,390
2019	1,390	-	-	1,390	463	76	539	927
2020	927	-	-	927	464	51	515	463
2021	463	-	-	463	-	-	-	463
2022	463	-	-	463	-	-	-	463
2023	463	-	-	463	-	-	-	463