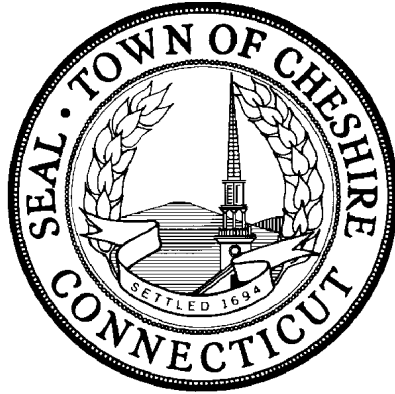


**TOWN OF CHESHIRE, CONNECTICUT**



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2023**

# TOWN OF CHESHIRE, CONNECTICUT



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year  
July 1, 2022 to June 30, 2023

Prepared By:  
FINANCE DEPARTMENT

JAMES JASKOT  
Finance Director/Treasurer

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## **Introductory Section**



## TOWN OF CHESHIRE

James J. Jaskot, CPA  
Finance Director/Treasurer  
84 South Main Street - Cheshire, CT 06410-6639  
203-271-6610 - Fax: 203-271-6664

"The Bedding Plant Capital of Connecticut"

January 26, 2024

Mr. Sean Kimball, Town Manager  
Town Council Members  
Town of Cheshire  
Cheshire, CT 06410

I am pleased to transmit the Annual Comprehensive Financial Report (ACFR) of the Town of Cheshire, Connecticut (the Town) for the Year ended June 30, 2023.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the annual comprehensive financial report of the Town of Cheshire for the fiscal year ended June 30, 2023.

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

CliftonLarsonAllen LLP, a firm of certified public accountants, has audited the Town's financial statements for the year ended June 30, 2023. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2023 are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of broader, Federal and State mandated "Single Audits" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State grant awards. These reports are available in the Town's separately issued Single Audit Reports.



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

### **Profile of the Town**

The Town of Cheshire, incorporated in 1780, is located in the south-central section of the State and has a land area of 33 square miles and a population estimated to be 28,732. Up until about 1950, Cheshire was predominantly a rural farming community that has grown into a well-planned residential, suburban Town. While the Town has experienced significant growth, it maintains its agricultural heritage with over two million square feet of greenhouses and hundreds of acres of open growing fields resulting in the Town having the designation as the bedding plant capital of Connecticut. Cheshire is ideally located in the center of Connecticut with access to all major routes and is a community of choice among families who seek the Town's exceptional public schools, dedication to services and a strong sense of community.

The Town of Cheshire operates under a council-manager form of government. Policy-making and legislative authority are vested in a nine-member Town Council. The Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the Town Manager and Town Attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Council members serve two-year terms with four of the Council members elected by district and the remaining five elected at large.

The Town of Cheshire provides a full range of services as described below:

**Police:** The Cheshire Police Department is staffed with sixty-one full-time employees, forty-eight of whom are sworn police officers. The Department is organized into three divisions; Patrol, Support Services, and Administration. The Police Department manages the municipal animal control function consisting of two full-time employees. It also employs seven part-time school crossing guards. The Cheshire Police Department is a full-service agency providing a full range of police services on a twenty-four hour a day basis.

The headquarters building is a 20,000+ square foot facility, hosting all police department functions including a records division and dispatch facility. The Department is equipped with all appropriate telephone, radio and computer systems common to modern police agencies. The Department operates a fleet of twenty-five marked and unmarked vehicles equipped with two-way radios, computers, video cameras, less-lethal munitions, first aid supplies, Automatic External Defibrillators, GPS and traffic safety equipment. The Department also operates a motorcycle and an all-terrain vehicle.

**Fire:** Fire suppression and rescue services are provided by the Cheshire Fire Department. The Department is comprised of approximately 40 volunteer members. A career Fire Chief, appointed by the Town Manager, is responsible for administrative activities and personnel matters in addition to all the services provided by the Department. The Town appropriates funds annually for the operation of the Department that are used for typical operating expenses such as training, insurance, and fleet maintenance. Apparatus and equipment are funded through the Town's capital budget process.

The Department equipment includes seven fire engines, two heavy-duty rescue units, two aerial ladders and several utility vehicles. The Department maintains three fire stations including an 18,000+ square foot headquarters facility and two substations.

Under the direction of the Fire Chief, the Fire Marshal's Office provides an aggressive prevention/public education/inspection program through its four full time and three part-time staff. They also serve as firefighters and respond with apparatus while on duty.

**Parks and Recreation:** The Parks & Recreation Department, located at the Harmon Leonard, Jr. Youth Center, offers a wide range of year-round inclusive recreational activities and special events for all age groups: preschool, school-age, teens, adult and senior citizens. Over 330 acres are devoted to parks and

active recreation and over 1,500 acres for open space and passive recreation. Parks include Roaring Brook, a natural area with a water course that falls eighty feet; Lock 12 Historical Park, a restored 150 year old canal lock and gatekeeper's home on the Farmington Canal, picnic pavilion and public restrooms; Cheshire Park, 75 acres, 25% set aside for active recreation with balance undeveloped with the Ruth C. Burke trail system. Cheshire Park includes three ball fields, one with athletic lighting, the Mark Jardim picnic pavilion, 3 tennis courts, 6 pickleball courts including court lighting, basketball court, sand volleyball court, playground equipment and public restrooms; Mixville Recreation Area, two picnic pavilions, playground equipment, basketball court, sand volleyball court, pond for swimming, winter sledding, hiking trails, John G. Martin Foundation Outdoor Education Center and public restrooms; Farmington Canal Linear Trail, a 7 mile paved hiking and biking trail along the Farmington Canal running the length of Cheshire; Bartlem Park, features 6 multi use rectangular fields, 1 hardball field, 1 softball field, 50-meter year-round community pool, boundless playground with equipment, skateboard park, community garden, picnic pavilion and public restrooms; Quinnipiac Park, has 7 multi use rectangular fields, concession stand, picnic pavilion, playground equipment, roller rink 80'x180', and public restrooms; McNamara American Legion Recreation Area, features 4 hardball fields, basketball court, playground equipment and public restrooms.

**Library:** The Cheshire Public Library is generally open 62 hours per week providing library materials, services and programs for all ages. The Library houses a collection of over 106,000 print and audiovisual materials along with over 60 databases and electronic collections. Free Wi-Fi and 18 internet accessible computers are available for public use. There are four study rooms that may be reserved by individuals or small groups.

The Library also provides educational and cultural programs including early-literacy classes for preschoolers, teen programs, adult lectures, concerts and art exhibits. The Library also collaborates with the Cheshire Performing and Fine Arts Committee, which provides art and theatre programs to residents.

**Social Services:** The Human Services Department provides programs serving Cheshire youth, senior citizens and the handicapped. Counseling is available for teenagers and their families, as well as positive youth development programs for high school-aged adolescents. Bartlem Park features the "Yellow House" community youth center. The Town Senior Center serves as a gathering place for seniors and offers a variety of activities. A transportation system is provided for seniors and the handicapped.

**Inspection:** The Inspection Department issues all types of building permits and is responsible for the inspection and approval of all construction in Town in accordance with state and local building codes.

**Planning and Zoning:** The Town has a nine-member, elected Planning and Zoning Commission, which is responsible for adopting and administering the zoning and subdivision regulations, and for developing and updating the Comprehensive Plan of Development.

**Economic Development:** The Town has an Economic Development Coordinator who works closely with a seven-member commission, appointed by the Town Council, in promoting the Town and providing information and services to prospective businesses as well as existing, established businesses. See the local economy section later in this document.

**Health:** Cheshire is a member of the multi town (Cheshire, Prospect, and Wolcott) Chesprocott Health District that provides public health and sanitation inspection services to the member municipalities.

**Public Works:** Public Works is responsible for the maintenance and improvements of all Town owned infrastructure. The Department is responsible for all public roads, bridges, sidewalks, storm sewers, trees on Town owned properties, parks and open spaces, the sanitary sewer system, Town owned buildings, and applicable engineering services to all Town Departments. The Public Works Department is responsible for 152 miles of Town roads and practices an aggressive pavement maintenance program that includes asphalt, paving, crack sealing and other pavement preservation techniques. The Department maintains five major parks, 1,500 acres of Open Space, 201,800 square feet of Town Buildings, 115 miles of sidewalk and has a staff of 44 people.

**Sewer System:** The Water Pollution Control Authority oversees management of 20 miles of sanitary sewers and 10 pump stations. The sanitary sewer system serves approximately 5,545 commercial, industrial, and residential properties, or 60 percent of the Town's population. The municipal sanitary sewer system has been extended into the western, southern, southeastern, and northern sections of the community. Sewage is received and treated at the Wastewater Treatment Plant, which has a designed capacity of 4,000,000 gallons per day. The Town has both a phosphorus removal system and a denitrification facility, which provides a substantial reduction in the amount of phosphorus and nitrogen discharged to the Quinnipiac River and eventually Long Island Sound. The current average daily flow of the Wastewater Treatment Plant is 2,500,000 gallons per day. The Town recovers a significant portion of construction costs for sewer main extension through sewer assessments collected over a period of several years. Users of the system pay an annual sewer use charge.

**Waste Disposal:** The Town provides curbside municipal solid waste and recycling collection to approximately 9,604 residential dwellings and condominium units. The town contracts this service through a private trash hauler. Town residents may utilize a private transfer station, run by our contracted hauler, to dispose of bulky waste items.

The Town provides for disposal of household hazardous waste through a seasonal (May through October) collection program provided by the Regional Water Authority located at 90 Sargent Drive, New Haven, Connecticut. Annually, the Town collects bagged leaves at curbside for six weeks during the fall season and the Town holds electronics and mattress recycling events two times per year.

**Education System:** The Town's school system, which services grades pre-kindergarten through 12, is governed by the local Board of Education. Cheshire has a seven-member Board of Education elected to four-year, staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring education funds are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation. The Town has 8 schools for grades pre-kindergarten through 12. Enrollment in grades pre-kindergarten through 12 as of October 1, 2022 was 4,198.

**Budget:** The annual budget serves as the foundation for the Town's financial planning and control. All agencies of the Town are required to submit requests for appropriation to the Town Manager on or before February 15. The Town Manager uses these requests as the starting point for developing a proposed budget. The Town Manager then presents this proposed budget to the Town Council by March 10. The Council is required to hold a public hearing on the budget by March 24 and adopt a budget by April 30.

The Town Council adopts budgets for the General Fund and two special revenue funds, the Water Pollution Control Fund and the Cheshire Community Pool Fund. The level of budgetary control, that is, the level at which expenditures cannot legally exceed the appropriated amount, is at the department level for the General Fund and at the fund level for the Water Pollution Control and Cheshire Community Pool Funds. Budget-to-actual comparisons are provided for these funds. The General Fund summary comparison is presented as part of the Required Supplementary Information section of this report with additional detail in the Supplemental Schedules section. The Water Pollution Control and Cheshire Community Pool fund comparisons are presented in the Supplemental Schedules section as well.

### **Factors Affecting Financial Condition:**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

**Local Economy:** The Town's October 1, 2021 Net Taxable Grand List of \$2,965,614,025 was an increase of \$87,331,198, or 3.03 percent more than the previous year. The Economic Development Commission ("EDC"), a seven-member body appointed by the Town Council, works with the Economic Development Coordinator to promote and develop the Town's economic resources. The EDC feels that economic growth should be of high quality and compatible with the Town and that future commercial and industrial growth be linked closely to thoughtful planning and zoning decisions.

The EDC takes an active role in issues that affect the Town's quality of life. EDC members feel that this involvement helps to make Cheshire a more attractive community in which to live and do business. The Economic Development Coordinator and EDC maintain contact with Cheshire companies as part of the EDC's retention activities. The Coordinator visits local businesses and the EDC invites companies to their monthly meetings to learn about and discuss possible ways the Town could be of service.

The past year has seen impressive grand list growth on all facets. Two of the largest commercial property transactions in the history of the Town occurred in early 2023 with property at 181 West Johnson Avenue transferring for \$39 million and 475 Knotter Drive transferring at the end of April for \$25.250 million. Both properties are located within the north end technology park which is ideally situated along Interstate 691. The transactions reflect the high value of industrial space in Town and our ideal location within the State of Connecticut.

The Town's largest employers continued to add employees over the past year. According to data recently compiled by the Hartford Business Journal, Bozzuto's is now the largest privately held company in Greater Hartford with over 3,500 employees and one of the top 20 employers in Connecticut. In addition to Bozzuto's, both Whole Foods Northeast Distribution and Management Center and Macy's by Mail increased employment and services at their Cheshire facilities.

In the North End of Town, the 110-acre master planned development, Stone Bridge Commons received final land use approvals in 2023. This milestone is the culmination of decades of false starts for the important parcel located along the Southington town line off Interstate 691. Previous iterations of the development had failed because the area lacked proper infrastructure to facilitate major development. With the adoption of the Tax Increment Financing District (TIF), the Town was able to secure a developer that agreed to install the necessary infrastructure. Said work was completed in 2023 with shovels in the ground.

Stonebridge has seen a flurry of activity over 2023. The first component, The Reserve at Stonebridge Crossing, has seen the construction of attached carriage homes and townhouses within a master planned neighborhood setting. The first phase of the Reserve sold out within six months and the developer is installing foundations for phase II.

On the Route 10 side of the development, Town land use boards approved River Pointe, a 300-unit luxury apartment development marketed toward empty nesters and young professionals. On an adjacent lot, a Homewood Suites by Hilton was approved with construction anticipated to start in the spring of 2024. This 120-bed hotel will be the first hotel within the Town of Cheshire and fills a much-needed void for lodging needs for both local businesses and visitors.

After significant design review, planning and zoning approved the Shops at Stonebridge Crossing with approximately 160,000SF of upscale inline retail and several pad sites. The development is anchored by a 40,000SF Whole Foods Market, LL Bean, and several upscale dining options with outdoor dining patios. The shopping center is designed with a colonial vernacular with ample greenspace and an exciting mix of retail. The shopping center will be the largest in the Town of Cheshire and will provide a regional draw to the Town with its diversity of retail amenities.

IAT Insurance, a nationwide Insurance broker purchased and renovated a 25,000SF building and invested several million dollars into its renovation to relocate its executive staff and training center. IAT Insurance is a nationwide Insurance broker with over 1,000 employees. IAT Insurance selected Cheshire as its executive headquarters as a result of the Town's central location, proximity to Hartford and to Tweed New Haven Airport. IAT has become one of the Town's top ten taxpayers in the past year and an excellent corporate citizen. HAI Group, a member owned insurance carrier dedicated to the public and affordable housing communities, has steadily expanded over the past several years. In 2021 they had 160 employees and in 2023 employment reached 182 with several open positions. HAI is located on a ten-acre campus with over 65,000SF of office space. While other communities are seeing high vacancies in their office sector the Town has continued to see expansion and enjoys minimal office vacancies post pandemic.

The Town continued with its efforts to create a walkable downtown village district centered around the Ball & Socket Arts (BaSA) complex. Over the past several years a combination of State and local funds have been directed toward the renovation and remediation of the 65,000SF complex into an arts and mission appropriate center. In the summer of 2022 Sweet Claude's, Cheshire's flagship homemade ice cream shop, relocated to the site signifying a rebirth of the factory. The Town council approved a lease agreement with BaSA for the relocation of ArtsPlace, the Town's municipally funded arts school, to the facility with construction currently underway. Additionally, Town, State and BaSA funds combined to create a 70-car surface parking lot on the property to serve the complex as well as users of the adjacent Farmington Canal Greenway. The parking area and trail access opened in the summer of 2023 connecting the site to West Main, allowing for residents to enjoy the complex and further the revitalization of this important part of Cheshire.

One of the largest announcements recently was by Hanwha Aerospace. Hanwha, a leading aircraft engine and advanced machinery manufacturer, announced plans to establish its headquarters of the International Engines Business in Cheshire. The 300,000SF facility set on 40 acres on Knotter Drive will serve as a hub for global operations, enabling Hanwha to better engage with its customers, stakeholders, and partners. The decision speaks to Cheshire's ideal location, strong workforce and economic vitality. The move will see major renovations and Hanwha's executive leadership relocating to the Cheshire facility.

The Town of Cheshire has much to be proud of, but one could argue that the Cheshire Public Schools is the crown jewel. Focused on the development of social-emotional and complex thinking skills in our students, Cheshire has become one of the top-performing school districts in Connecticut. Cheshire ranked 9th of 166 school districts in the State's latest school district rankings for overall performance. What is more impressive is that this ranking reflects more than the district's academic success. Graduation rates, arts access, attendance, and several other factors of school district health were considered when calculating overall district performance. This success has been accomplished with an eye toward fiscal responsibility as well. Cheshire ranks 109th of 166 Connecticut districts in per pupil spending.

The Town continues to rank among the most desirable communities in the State of Connecticut by both Connecticut Magazine and Money Magazine's ranking of 28<sup>th</sup> best place to live in the United States. The residential real-estate, commercial and industrial market is booming with demand far outpacing supply on all fronts. Socioeconomic indicators such as per capita and median family income and educational attainment continue to far exceed the norms in Connecticut and nationally. Further, Cheshire's unemployment rates continue to be below the State of Connecticut average. Past practices of open space acquisition, sound planning, and fiscal management are ensuring the community retains its charm while welcoming new residents and businesses.

**Long-Term Financial Planning:** Annually the Town Manager prepares a Five Year Capital Expenditure Plan (CEP), which is reviewed by the Planning and Zoning Commission and the Town Council in accordance with the Town Charter. The approved fiscal year 2023 Five Year CEP includes various projects and major equipment purchases totaling \$239,841,000 for the five year period beginning with fiscal year 2023 and ending with fiscal year 2027.

Included in the Five-Year CEP is a recommended Annual Capital Expenditure Budget for the current fiscal year. The 2023 Annual Capital Expenditure Budget approved by the Town Council, and citizen referendum when required, totaled \$174,656,000 and included 29 projects. Borrowing authorizations of \$173,090,000 were approved for financing them along with \$1,566,000 from the Capital and Non-recurring fund. Grants totaling \$72,709,000 are also projected to be available.

As part of this process, the Town extensively evaluates the funding of all projects through a comprehensive debt analysis, including the impact of current and future debt on the Town's mill rate, debt service and related ratios. This model is helpful in prioritizing projects and making prudent financial decisions.

**Relevant Financial Policies:** The Town has several policies that establish parameters and offer financial guidance, including capital expenditure plan, debt, general fund balance and investment policies. In accordance with the fund balance policy, while still maintaining an unassigned fund balance of 9.25 percent of operating expenditures, the Town designated \$2,000,000 of the General fund balance for the fiscal year 2024 budget. The capital expenditure plan policy is complied with each year during the capital budget process when departments submit capital requests for a five-year period. Requests are reviewed and prioritized, and a comprehensive ten-year debt analysis is performed. Debt service is below 10 percent of expenditures as prescribed in the debt policy. The Town continues to invest assets based on an informal policy of safety, liquidity and yield. Pension and other postemployment benefit trusts have an investment policy statement that is reviewed and updated annually.

### **Major Initiatives**

The Town strives to ensure continuing fiscal stability, enhance communications and responsiveness to citizens, preserve and enhance services, and continue to advance key capital projects. Through extensive budget planning, comprehensive program and service evaluations, conservative budgeting practices, and the efficient use of resources, the adopted fiscal year 2023 budget increase was a modest 2.81%. Actual budgetary activity during fiscal year 2023 resulted in a surplus of \$3,528,360.

Capital projects completed during fiscal year 2023 included road paving and sidewalk repairs under the Town's maintenance program, HVAC and locker room improvements at the Police Station, a new pavilion at Mixville Park, restroom upgrades at Quinnipiac Park, a parking lot upgrade at Cheshire Library, and a new parking lot on Railroad Avenue next to the Linear Trail. Other capital purchases included various technology equipment upgrades at Town and school buildings and some new vehicles and equipment purchases, mostly for the Police, Fire and Public Works departments. A new road and sidewalks, Balsam Place, was turned over to the Town from a developer. Also turned over to the Town was a new sewer pump station on Dickerman Road that will service development in the north end.

In addition, numerous projects were completed at various school buildings including security upgrades; roof, boiler, HVAC, and oil tank replacements; lavatory and parking lot upgrades; code compliance; and masonry repairs.

Cheshire voters overwhelmingly approved the comprehensive "Cheshire Public Schools, Next Generation" plan at referendum in November of 2022. The plan was developed over several years and received unanimous approval by both the Board of Education and the Town Council. The \$166.6 million-dollar school building Program will see the closing of three of the Town's oldest school buildings and the construction of two new PreK – 6 Elementary Schools. A School building committee has selected Tecton as the architectural firm for the two buildings, O&G Industries as the construction manager and Arcadis as the Town's owner's representative. A team effort of residents, students, school faculty and local officials helped to shape the conceptual design for the two buildings with final construction documents well underway. A true community effort to help craft the future of the Cheshire Public Schools will see a transformative project with ground breaking planned for early 2025 and dedication for the 2026 school year.

### **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Cheshire for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. The Town has received this award for thirty consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Cheshire also received the GFOA's Distinguished Budget Presentation Award for its annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: a policy document, a financial plan, an operations guide, and a communications device.

### **Acknowledgements**

It is my pleasure to direct the Finance Department and I wish to extend my sincere appreciation to the staff for their assistance with the year-end closing process, preparation of account schedules, and the development of this report. Special thanks to Gina DeFilio, Deputy Finance Director, Donna Ouellet, Deputy Treasurer and Hope Larson, Budget/Treasury Analyst, and Finance personnel Ivana Lewis, Sharon Churma, and Kim Wantroba. Additionally, I appreciate the efforts of the Town department heads, supervisors and staff, for their cooperation in this process.

I would also like to thank the Town Manager Sean Kimball, and the Town Council for their interest and support in planning and conducting the financial affairs of the Town in a responsible and progressive manner.

Finally, the professional assistance and guidance provided by our independent auditors, CliftonLarsonAllen LLP, was most appreciated.

Respectfully submitted,

A handwritten signature in black ink that reads "James Jaskot". The signature is written in a cursive, flowing style.

James Jaskot  
Finance Director/Treasurer

**TOWN OF CHESHIRE, CONNECTICUT**

**LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2023**

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**TOWN COUNCIL**

Timothy Slocum, Chairman  
Donald Walsh, Vice Chairman  
David Borowy  
James Jinks  
John Milone  
Sylvia Nichols  
Sandy Pavano  
Peter Talbot  
David Veleber

**ADMINISTRATION**

Town Manager	Sean Kimball
Finance Director/Treasurer	James Jaskot
Deputy Director of Finance	Gina DeFilio
Town Planner	Michael Glidden
Director of Public Works	Gary Fuerstenberg
Chief of Police	Neil Dryfe
Fire Chief	Jack Casner
Economic Development Coordinator	Andrew Martelli
Human Resources Director	Jaime Lamere
Assistant Town Manager/Public Information Officer	Arnett Talbot
Town Attorney	Jeffrey Donofrio

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**BOARD OF EDUCATION**

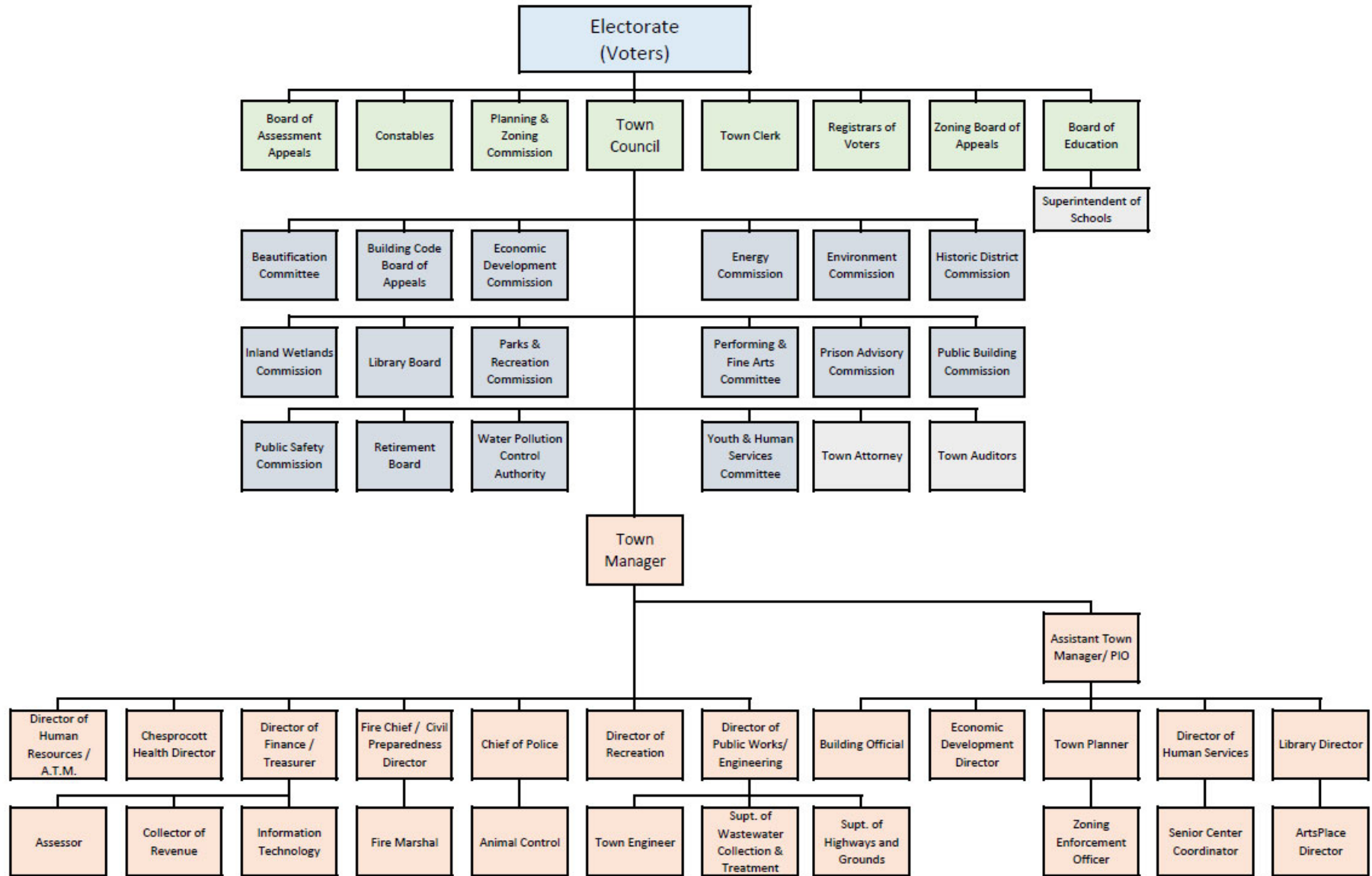
Anthony Perugini, Chairperson  
Adam Grippo, Vice Chairperson  
Anne Harrigan, Secretary  
Faith Ham  
Andrew Martelli  
Samantha Rosenberg  
Timothy White

**ADMINISTRATION**

Superintendent of Schools	Jeffrey Solan, Ed. D.
Assistant Superintendent of Schools	Marlene Silano
Chief Operating Officer	Vincent Masciana



## Town of Cheshire Organizational Chart (May 28, 2020)





Government Finance Officers Association

Certificate of  
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in Financial  
Reporting

Presented to

**Town of Cheshire  
Connecticut**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**Financial Section**



## INDEPENDENT AUDITORS' REPORT

Audit Committee  
Town of Cheshire, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cheshire, 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 Cheshire, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cheshire, 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 Cheshire, 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***

Effective July 1, 2022, the Town of Cheshire, Connecticut adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The guidance requires the recognition of a Subscription Based Information Technology Arrangement asset and corresponding liability. Our opinions are 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 Cheshire, 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 Cheshire, 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 Cheshire, 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cheshire, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 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 and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

***Other Information***

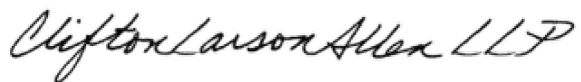
Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not 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.

Audit Committee  
Town of Cheshire, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024, on our consideration of the Town of Cheshire, 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 Cheshire, 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 Cheshire, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
January 26, 2024

## **Town of Cheshire, Connecticut Management's Discussion and Analysis - *unaudited* June 30, 2023**

As management of the Town of Cheshire, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report as well as the Town's basic financial statements that follow this section.

To better understand the Town's financial activities, an overview of how the financial statements are presented in this book and the differences between the various financial statements are discussed below:

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of 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 summary of the Town's finances, on a full accrual basis, taking into account both long-term assets and liabilities.

The Statement of Net Position presents information on all Town assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the 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 only result in cash inflows or outflows in future fiscal periods, e.g. uncollected taxes and earned but unused, vacation leave.

Both of the government-wide financial statements distinguish functions of the Town between two categories: governmental activities that are principally supported by taxes and intergovernmental revenues and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include administration and finance, planning and development, public safety, public works, public health, social services, cultural services, leisure services and education. The Town has no business type activities.

It is important to note that fiduciary funds are not presented in the government-wide statements as their assets cannot be used for Town operations. The Town is simply a conduit for these funds.

The government-wide financial statements can be found on pages 15-16 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 or modified accrual accounting to ensure and demonstrate compliance with finance-related legal requirements. All Town funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.



**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 a government's near-term financing requirements. Therefore, long-term liabilities and capital assets are not presented.

Because the focus of governmental fund financial statements 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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities in the government-wide statements.

The Town maintains 22 individual governmental funds that are classified as either major or non-major funds. The information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The Town's 3 major funds are the General Fund, which includes 2 funds that were reclassified to the General Fund as they did not meet the definition of a special revenue fund per GASB No. 54, the Capital Improvements Fund and the Debt Reserve Fund. The other 17 funds are nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Combining and Individual Nonmajor Fund Financial Statements and Schedules section of this report.

The Town adopts an annual budget for its General Fund, Water Pollution Control, and Community Pool funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their adopted budget.

The basic governmental fund financial statements can be found on pages 17-21 of this report.

**Proprietary Funds.** The Town maintains one type of proprietary fund: internal service funds. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical benefits and heart and hypertension payments. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplemental and Combining and Individual Fund Financial Statements and Other Schedules section of this report. These services have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

**Fiduciary funds.** The Town has one type of fiduciary funds: pension and other postemployment benefit trust funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not available to support Town's programs. Therefore, these funds do not appear in the government-wide financial statements and appear separately in the fund financial statements.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-74 of this report.

**Required Supplementary Information.** The required supplementary information presents the Town's progress in funding its obligation to provide pension and other postemployment benefits to employees. This information for pensions and other postemployment benefits can be found on pages 75-84 of this report. Also included in the required supplementary information is the General Fund budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 85-86 of this report.

Supplemental and combining nonmajor fund statements and schedules showing detail for nonmajor governmental funds, internal service funds, fiduciary funds and capital assets are presented on pages 100-106 of this report.

### ***Financial Highlights-Government-wide Financial Statements***

- Total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources resulting in a net position of \$83.555 million. The net position includes \$143.777 million invested in capital assets. The balance also includes \$5.773 million restricted for various programs and a unrestricted net position (deficit) of \$(65.995) million. Unrestricted net position, if any, may be used to meet the Town's ongoing obligations to citizens and creditors.
- Net position decreased during the year by \$.192 million resulting in a net position of \$83.555 million. The net investment in capital assets portion of net position increased by \$3.389 million. Restricted net position decreased by \$.523 Million, mostly due to a decrease in net assets restricted for capital projects. Unrestricted net position decreased by \$3.058 million, mainly due to the increase in net position that was invested in capital assets as noted above.
- Overall, revenues increased by \$13.825 million, or 9.55 percent, primarily due to an increase in Property Taxes of \$4.444 million, Charges for Services of \$1.628 million, Operating Grants and Contributions of \$2.533 million, Capital Grants and Contributions of \$2.699 million, and Investment Income and Other of \$1.915 million, Charges for Services increases were mainly due to a high volume of building permits and police special duty fees. Recreation program, pool and student activity fees continued to rebound after COVID concerns subsided. The Operating Grants and Contributions increase was largely due to an increase in revenue recognized by the Town for on-behalf contribution payments made by the State of Connecticut for teacher pension and other postemployment benefit plans. Capital Grants and Contributions increased mainly due to the donation of a sewer pump station from a developer and American Rescue Plan Act (ARPA) grant funds expended on new park infrastructure. Investment revenue increased significantly with a sharp increase in short-term interest rates.
- Overall, expenses increased by \$17.130 million, or 12.09 percent. The increase was mostly due to a \$11.106 million increase in Education expenses, a \$4.179 million increase in Public Safety, and \$1.404 Million in Interest on Long-term Debt. Offsetting the overall increase was a decrease in Planning and Development expenses totaling \$1.412 million. The increase in Education expenses was primarily due to an increase in expense recognized by the Town for on-behalf contribution payments made by the State of Connecticut for teacher pension and other postemployment benefit plans. The increase in Public Safety expenses was partly due to an increase in net pension liabilities for the Police Plan following a decrease in the investment rate of return assumption used for actuarial valuation purposes from 7.0% to 6.75%. There were also some actuarial valuation demographic losses. The decrease in Planning and Development expenses was mainly due to a reduction in State grant funded activity for brownfield remediation at a former button and fastener manufacturing building that is being repurposed into a mixed-use arts and retail complex.

### **Financial Highlights - Fund Financial Statements**

- As of the close of the current fiscal year, the overall increase in fund balance for governmental funds is \$15.088 million resulting in an ending fund balance of \$45.854 million. This increase was generated mostly from an \$12.677 increase in the Capital Improvements fund balance. This increase resulted from bond sale proceeds of \$17.500 million, grants and contribution of \$2.396 million, a bond premium of \$1.463 million, and transfers from the Water Pollution Control and General Town funds totaling \$320,000; offset by capital outlay and debt service payments totaling \$7.685 million and a transfer of bond premiums to the Debt Reserve Fund of \$1.317 million. In addition, the General Fund balance increased by \$1.725 million mostly due to several revenue streams that were more than anticipated: investment returns were more than projected as interest rates climbed, building permit fees increased significantly due to robust commercial and residential building activity, the tax collection rate was 96.2% or 4.2% more than what was conservatively used when developing the tax revenue budget, and State grants were more than projected due to State budget adjustments. The Debt Reserve Fund and Nonmajor Governmental fund balances increased by only \$.177 million and \$.509 million respectively.
- The General Fund balance at June 30, 2023 was \$19.203 million, an increase of \$1.725 million from the prior fiscal year as noted above. For reporting purposes, the Insurance Proceeds and Community Pool funds are combined with the General Fund as they did not meet the definition of a special revenue fund per GASB No. 54.
- The \$19.203 million fund balance of the General Fund on June 30, 2023 includes \$14.316 million of unassigned fund balance, or 10.48 percent of GAAP operating expenditures. There is also \$.097 million of nonspendable fund balance earmarked for prepaid expenditures and \$4.817 million of assigned fund balance. Assigned fund balance includes \$2.000 million assigned for the 2024 fiscal year budget, \$2.413 million for outstanding 2023 fiscal year encumbrances, and \$.404 million for the Insurance Proceeds and Community Pool funds that are combined with the General Fund for reporting purposes under GASB 54, as noted in the bullet above.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$83.555 million at the close of the most recent fiscal year.

**Town of Cheshire, Connecticut**  
**Summary Statement of Net Position**  
**June 30, 2023 and 2022**

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 74,551,166	\$ 57,518,971
Capital Assets (net)	<u>235,301,988</u>	<u>233,041,962</u>
<b>Total assets</b>	<b><u>309,853,154</u></b>	<b><u>290,560,933</u></b>
Pension / OPEB related items	7,917,584	9,461,537
Deferred charge on refundings	<u>564,393</u>	<u>693,655</u>
<b>Total deferred outflows of resources</b>	<b><u>8,481,977</u></b>	<b><u>10,155,192</u></b>
Current Liabilities	26,106,400	24,112,567
Long-Term Liabilities	<u>195,138,307</u>	<u>178,460,777</u>
<b>Total liabilities</b>	<b><u>221,244,707</u></b>	<b><u>202,573,344</u></b>
Pension / OPEB related items	5,501,612	10,903,520
Advance tax collections	7,364,014	1,417,725
Leases	<u>732,608</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<b><u>13,598,234</u></b>	<b><u>12,321,245</u></b>
Net Position		
Net investment in capital assets	143,777,158	140,388,311
Restricted	5,772,738	6,295,262
Unrestricted (Deficit)	<u>(65,994,972)</u>	<u>(62,936,503)</u>
<b>Total net position</b>	<b><u>\$ 83,554,924</u></b>	<b><u>\$ 83,747,070</u></b>

The net investment in capital assets, e.g. land, buildings, machinery and equipment, and infrastructure, represents \$143.777 million, or 172.1 percent of the Town's net position. These assets are used to provide services to Town citizens; and, it should be noted that these assets are not available for future spending. While the net investment in capital assets is reported net of related debt, 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.

Net Investment in Capital Assets is calculated as follows:

Capital Assets, net of depreciation	\$ 235,301,988
Less: Related Debt	(102,970,379)
Deferred Loss	564,393
Bond Premium	(4,276,265)
Accounts Payable for Capital Outlay	(1,895,231)
Lease Payable	(92,459)
Subscriptions Payable	(193,077)
Unspent Bond Proceeds	17,338,188
Net Investment in Capital Assets	<u>\$ 143,777,158</u>

A small portion of the Town's net position, \$5.773 million, represents resources that are subject to external restrictions from grantors on how they may be used.

The remainder is a deficit, unrestricted net position (deficit) of \$(65.995) million. Unrestricted net position, if any, may be used to meet the Town's ongoing obligations to citizens and creditors.

**Town of Cheshire**  
**Summary Statement of Activities**  
**Years Ended June 30, 2023 and 2022**

	Governmental Activities		
	2023	2022	% Change
Revenues			
Program Revenues:			
Charges for services	\$ 11,340,752	\$ 9,712,685	16.76%
Operating grants and contributions	32,877,129	30,343,684	8.35%
Capital grants and contributions	3,410,354	711,071	379.61%
General Revenues:			
Property taxes	102,605,630	98,161,958	4.53%
Grants and contributions not restricted to specific programs	6,543,374	5,937,484	10.20%
Investment income and other	1,796,926	(117,964)	-1623.28%
<b>Total revenues</b>	<b>158,574,165</b>	<b>144,748,918</b>	<b>9.55%</b>
Expenses			
Administration & Finance	6,801,156	6,155,293	10.49%
Planning and Development	1,113,160	2,524,873	-55.91%
Public Safety	21,045,862	16,867,053	24.77%
Public Works	15,204,110	14,668,818	3.65%
Public Health	722,488	641,717	12.59%
Social Services	1,900,330	1,737,914	9.35%
Cultural Services	3,020,210	2,881,839	4.80%
Leisure Services	2,476,128	2,186,080	13.27%
Education	104,353,277	93,247,357	11.91%
Interest on long-term debt	2,129,590	725,654	193.47%
<b>Total expenses</b>	<b>158,766,311</b>	<b>141,636,598</b>	<b>12.09%</b>
<b>Change in net position</b>	<b>(192,146)</b>	<b>3,112,320</b>	
Net Position, beginning	83,747,070	80,634,750	
Net Position, ending	<b>\$ 83,554,924</b>	<b>\$ 83,747,070</b>	

**Governmental Activities.** The Town's net position for Governmental activities decreased by \$.192 million.

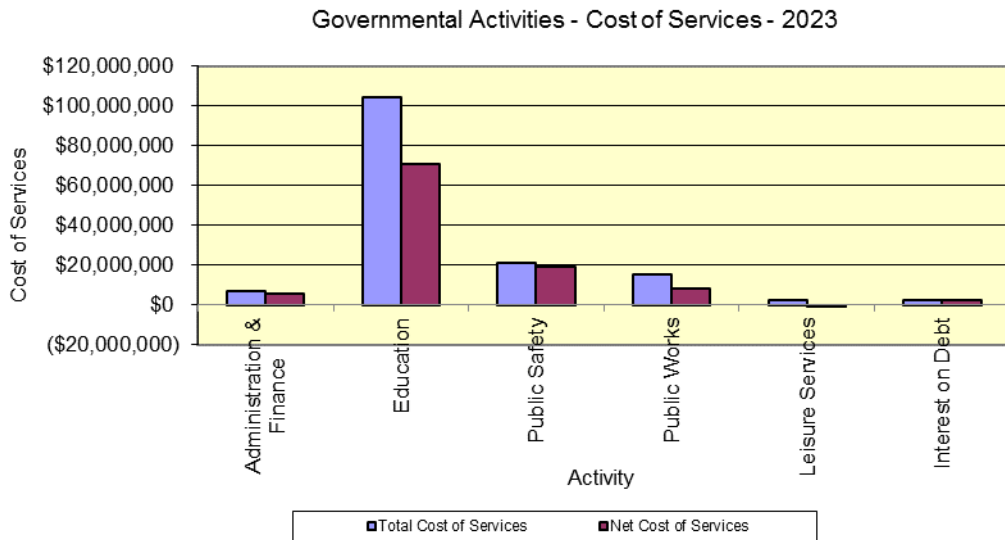
Major revenue factors include:

- Overall, revenues increased by \$13.825 million, or 9.55 percent, primarily due to an increase in Property Taxes of \$4.444 million, Charges for Services of \$1.628 million, Operating Grants and Contributions of \$2.533 million, Capital Grants and Contributions of \$2.699 million, and Investment Income and Other of \$1.915 million, Charges for services increases were mainly due to a high volume of building permits and police special duty fees. Recreation program, pool and student activity fees continued to rebound after COVID concerns subsided. The Operating Grants and Contributions increase was largely due to an increase in revenue recognized by the Town for on-behalf contribution payments made by the State of Connecticut for teacher pension and other postemployment benefit plans. Capital Grants and Contributions increased mainly due to the donation of a sewer pump station from a developer and American Rescue Plan Act (ARPA) grant funds expended on new park infrastructure. Investment revenue increased significantly with a sharp increase in short-term interest rates.
- Property Taxes revenue increased by \$4.444 million, consistent with the fiscal year 2023 budget increase of \$3.433 and an overall decline in non-tax revenues of \$1.246 million, mainly a reduction in American Rescue Plan Act (ARPA) grant funds used to support a bulky waste collection and education medical insurance claim expenses during COVID.

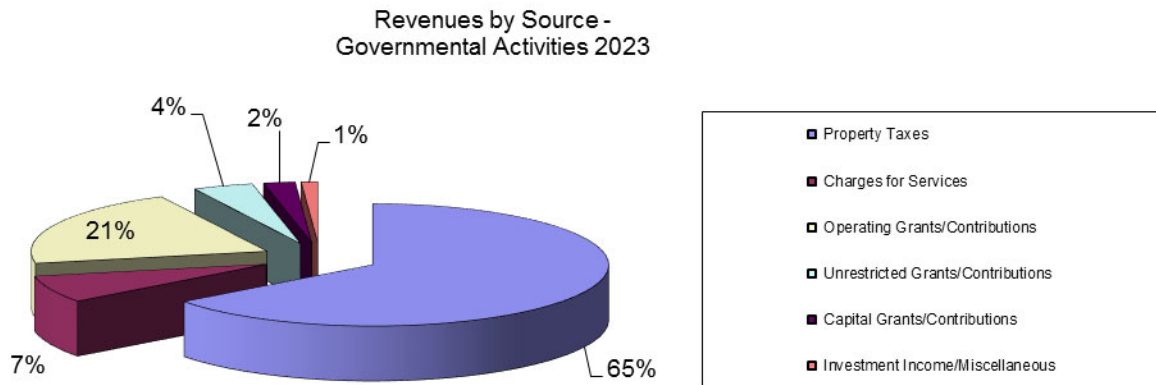
Major expense factors include:

- Overall, expenses increased by \$17.130 million, or 12.09 percent. The increase was mostly due to a \$11.106 million increase in Education expenses, a \$4.179 million increase in Public Safety, and \$1.404 Million in Interest on Long-term Debt. Offsetting the overall increase was a decrease in Planning and Development expenses totaling \$1.412 million. The increase in Education expenses was primarily due to an increase in expense recognized by the Town for on-behalf contribution payments made by the State of Connecticut for teacher pension and other postemployment benefit plans. The increase in Public Safety expenses was partly due to an increase in net pension liabilities for the Police Plan following a decrease in the investment rate of return assumption used for actuarial valuation purposes from 7.0% to 6.75%. There were also some actuarial valuation demographic losses. The decrease in Planning and Development expenses was mainly due to a reduction in State grant funded activity for brownfield remediation at a former button and fastener manufacturing building that is being repurposed into a mixed-use arts and retail complex.

The chart below presents the costs of six of the Town’s major governmental activities as well as their net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.



The chart below represents all Town revenues by source:



### Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund or modified accrual accounting to demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of 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 a government'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 combined ending fund balances of \$45.854 million, an increase of \$15.088 million from the prior year. The \$30.766 million fund balance consists of \$33.674 million that is either nonspendable, restricted, committed, or assigned as defined by Governmental Accounting Standards Board No. 54, and an unassigned fund balance of \$12.180 million. Definitions for these fund balance classifications can be found in Note 1 to the financial statements.

### General Fund

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$14.317 million while total fund balance is \$19.230 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10.48 percent of total General Fund expenditures, while total fund balance represents 14.08 percent of that same amount.

### Capital Improvements Fund

The Capital Improvements fund balance was \$15.449 million, an increase of \$12.677 million. Bond proceeds of \$17.500 million, the premium on bonds issued of \$1.463 million, transfers in from other funds of \$.320 million and grants and contributions totaling \$2.396 million exceeded capital outlay of \$7.540 million, debt service of \$.146 million, and a transfer to the Debt Reserve Fund of \$1.317 million.

## Debt Reserve Fund

The Debt Reserve Fund balance was \$3.420 million, an increase of \$.177 million. A transfer from the Capital Improvements Fund of \$1.317 million and investment income totaling \$.074 million exceeded debt service payments of \$1.214 million. Starting in July 2017, debt service payments from this fund helped to mitigate the impact on taxpayers from a spike in debt service associated with a Connecticut Clean Water Fund loan that financed a major Water Pollution Control Plant upgrade.

## Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets, net of accumulated depreciation, for its governmental activities as of June 30, 2023, amounts to \$235.302 million. This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, infrastructure, and construction in progress.

Major capital asset activity during the current fiscal year follows: Land improvements of \$.750 million, mostly for parking lot projects at Cheshire Library, linear trail at Railroad and Cornwall Avenues, and Yankee Expressway Highlands open space property. Buildings and improvements of \$7.713 million placed in service during the year included HVAC and locker room improvements at the Police Station, a new sewer pump station on Dickerman Road, a pavilion at Mixville Park, security upgrades at various schools, boiler replacements at Doolittle and Highland Elementary schools, roofing at Dodd Middle School, and various other Town and school building upgrades. Vehicle purchases of \$.725 million were for new fleet vehicles at various departments. Machinery and Equipment additions of \$1.005 million included a new loader and generators at the Public Works garage. Other additions include technology equipment upgrades and maintenance equipment for the Town and school ground crews. Infrastructure additions of \$2.398 million included sidewalks and road paving projects under the Town's maintenance programs. Construction in progress had a balance of \$4.569 million, including work done on a new park – Barlem Park South, and various school and infrastructure projects.

	Governmental Activities	
	June 30,	
	2023	2022
Land	\$ 25,310,762	\$ 25,310,762
Building and improvements	110,573,769	106,971,754
Land Improvements	5,249,962	4,764,132
Machinery and equipment	10,000,656	9,987,260
Motor vehicles	6,655,843	6,592,022
Infrastructure	72,569,590	72,689,380
Subscription Assets	282,319	-
Right of Use - Leased Asset	89,606	143,715
Construction in progress	4,569,481	6,582,937
<b>Total</b>	<b>\$ 235,301,988</b>	<b>\$ 233,041,962</b>

Additional information on the Town's capital assets can be found in Note 5 on page 42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town had total gross bonded debt and notes payable outstanding of \$107.247 million including \$4.276 million of unamortized bond premiums. The Town added debt of \$18.963 million and retired \$8.555 million during the year, resulting in an increase in gross debt outstanding of 10.75 percent over the prior year.



The Town maintains an "AAA" rating from both Fitch Ratings and Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections, including interest and lien fees. The current debt limit for the Town is \$685.326 million. The Town had outstanding and authorized debt totaling \$277.565 million, or 40.50 percent of the total debt limitation.

Additional information on the Town's long-term debt can be found in Note 6 on pages 43-46 of this report.

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

Median household income was \$143,418 and per capita income was \$64,033 in 2023. For the fiscal year ended June 30, 2023, unassigned fund balance in the General Fund was \$14.316 million. These factors were among those considered in preparing the Town's budget for the 2024 fiscal year.

The 2024 General Fund budget increased by 5.93 percent, or \$7.450 million, and the mill rate increased by .77 mills to 35.09 mills, or 2.24%. The Water Pollution Control Authority sewer use rate increased by \$20 to \$465 for the 2024 budget year.

### **Requests for Information**

This financial report is designed to provide a general overview 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 financial information should be addressed to the Finance Director/Treasurer James Jaskot, Town of Cheshire, 84 South Main Street, Cheshire, CT 06410.

## **Basic Financial Statements**

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

	Primary Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 36,342,141
Investments	15,886,937
Receivables, net of allowance for collection losses:	
Property taxes	629,867
Assessments and user charges	153,355
Intergovernmental	2,423,138
Other	1,368,908
Other assets	408,632
<b>Total current assets</b>	<b>57,212,978</b>
Noncurrent assets:	
Capital assets not being depreciated	29,880,243
Capital assets being depreciated, net of accumulated depreciation	205,421,745
Restricted cash	17,338,188
<b>Total noncurrent assets</b>	<b>252,640,176</b>
<b>Total assets</b>	<b>309,853,154</b>
Deferred outflows of resources:	
Pension related items	6,545,010
OPEB related items	1,372,574
Deferred charge on refundings	564,393
<b>Total deferred outflows of resources</b>	<b>8,481,977</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	6,203,087
Accrued payroll	5,814,954
Accrued interest payable	1,051,705
Unearned revenue	4,461,144
Current portion of long-term debt obligations	8,575,510
<b>Total current liabilities</b>	<b>26,106,400</b>
Noncurrent	
Noncurrent portion of long-term debt obligations	195,138,307
<b>Total noncurrent liabilities</b>	<b>195,138,307</b>
<b>Total liabilities</b>	<b>221,244,707</b>
Deferred inflows of resources:	
Pension related items	493,761
OPEB related items	5,007,851
Advance tax collections	7,364,014
Leases	669,874
<b>Total deferred inflows of resources</b>	<b>13,535,500</b>
Net position:	
Net investment in capital assets	143,777,158
Restricted for various programs:	
Permanent Trust Purposes - Expendable	78,361
Permanent Trust Purposes - Nonexpendable	25,616
Administration and finance	204,418
Public safety	840,153
Public works	848,140
Social services	102,037
Cultural services	81,786
Leisure services	27,777
Education	3,023,854
Capital outlay	231,605
Debt service	308,991
Unrestricted (deficit)	(65,994,972)
<b>Total net position</b>	<b>\$ 83,554,924</b>

See notes to financial statements.



**Balance Sheet - Governmental Funds**  
**June 30, 2023**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvements Fund	Debt Reserve Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ 21,668,589	\$ -	\$ 3,420,101	\$ 7,117,531	\$ 32,206,221
Receivables (net of allowances for collection losses):					
Property taxes	629,867	-	-	-	629,867
Assessments and user charges		-	-	153,355	153,355
Intergovernmental	223,637	926,673	-	1,272,828	2,423,138
Other	959,862	5,000	-	16,800	981,662
Investments	15,172,580	-	-	714,357	15,886,937
Restricted cash	-	17,338,188	-	-	17,338,188
Due from other funds	155,896	-	-	3,729	159,625
Other assets	96,786	246,000	-	20,000	362,786
Inventory	-	-	-	45,846	45,846
<b>Total assets</b>	<b>\$ 38,907,217</b>	<b>\$ 18,515,861</b>	<b>\$ 3,420,101</b>	<b>\$ 9,344,446</b>	<b>\$ 70,187,625</b>
<b>Liabilities</b>					
Accounts payable	\$ 2,314,333	\$ 1,840,852	\$ -	\$ 673,799	\$ 4,828,984
Accrued payroll	5,788,589	-	-	26,365	5,814,954
Due to other funds	3,729	-	-	155,896	159,625
Unearned revenues	2,948,551	994,781	-	517,812	4,461,144
<b>Total liabilities</b>	<b>11,055,202</b>	<b>2,835,633</b>	<b>-</b>	<b>1,373,872</b>	<b>15,264,707</b>
Deferred inflows of resources:					
Advance tax collections	7,364,014	-	-	-	7,364,014
Leases	669,874	-	-	-	669,874
Unavailable resources	587,852	231,605	-	215,481	1,034,938
<b>Total deferred inflows of resources</b>	<b>8,621,740</b>	<b>231,605</b>	<b>-</b>	<b>215,481</b>	<b>9,068,826</b>
Fund balances:					
Nonspendable	96,786	246,000	-	144,207	486,993
Restricted	-	17,338,188	-	5,386,984	22,725,172
Committed	-	-	3,420,101	2,123,165	5,543,266
Assigned	4,817,218	-	-	101,896	4,919,114
Unassigned	14,316,271	(2,135,565)	-	(1,159)	12,179,547
<b>Total fund balances</b>	<b>19,230,275</b>	<b>15,448,623</b>	<b>3,420,101</b>	<b>7,755,093</b>	<b>45,854,092</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 38,907,217</b>	<b>\$ 18,515,861</b>	<b>\$ 3,420,101</b>	<b>\$ 9,344,446</b>	<b>\$ 70,187,625</b>

See notes to financial statements.

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

Amounts reported for governmental activities in the statement of net position are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Page 17)	\$ 45,854,092
Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures; however, the statement of net position includes those capital assets among the assets of the Town as a whole.	235,301,988
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds: Property tax and other receivables not currently available	1,034,938
Some expenses including deferred outflows/inflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Deferred outflows of resources - pension related items	6,545,010
Deferred outflows of resources - OPEB related items	1,372,574
Deferred loss on refunding	564,393
Deferred inflows of resources - pension related items	(493,761)
Deferred inflows of resources - OPEB related items	(5,007,851)
Internal service funds are used by management to charge the cost of medical insurance to individual departments: The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	108,352
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(102,970,379)
Net pension liability	(62,327,703)
Net OPEB liability	(27,192,149)
Bond premium	(4,276,265)
Accrued interest payable	(1,051,705)
Landfill accrual	(403,000)
Compensated absences	(2,932,561)
Claims	(60,000)
Lease payable	(92,459)
Subscription based information technology arrangements	(193,077)
Early retirement	(225,513)
<b>Net position of governmental activities (page 15)</b>	<b>\$ 83,554,924</b>

See notes to financial statements.

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

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvements Fund	Debt Reserve Fund		
<b>Revenues:</b>					
Property taxes	\$ 102,457,866	\$ -	\$ -	\$ -	\$ 102,457,866
Intergovernmental	30,050,443	2,311,448	73,871	5,704,226	38,139,988
Income from investments	1,495,802	-	-	129,704	1,625,506
Unrealized loss	(265,156)	-	-	(10,818)	(275,974)
Charges for services	4,645,771	-	-	6,733,370	11,379,141
Contributions	-	85,000	-	479,876	564,876
Other	262,328	-	-	43,117	305,445
<b>Total revenues</b>	<b>138,647,054</b>	<b>2,396,448</b>	<b>73,871</b>	<b>13,079,475</b>	<b>154,196,848</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Administration and benefits	14,798,997	-	-	194,937	14,993,934
Planning and development	419,523	-	-	547,967	967,490
Public safety	8,563,663	-	-	409,539	8,973,202
Public works	6,937,183	-	-	2,733,773	9,670,956
Public health	722,488	-	-	-	722,488
Social services	1,075,108	-	-	63,666	1,138,774
Cultural services	1,879,384	-	-	34,719	1,914,103
Leisure services	1,796,362	-	-	2,260	1,798,622
Education	92,646,308	-	-	6,858,061	99,504,369
Debt service	7,403,323	145,708	1,213,960	1,021,600	9,784,591
Capital outlay	315,496	7,539,633	-	1,063,218	8,918,347
<b>Total expenditures</b>	<b>136,557,835</b>	<b>7,685,341</b>	<b>1,213,960</b>	<b>12,929,740</b>	<b>158,386,876</b>
<b>Revenues over (under) expenditures</b>	<b>2,089,219</b>	<b>(5,288,893)</b>	<b>(1,140,089)</b>	<b>149,735</b>	<b>(4,190,028)</b>
<b>Other financing sources (uses):</b>					
Issuance of bonds	-	17,500,000	-	-	17,500,000
Premiums on bonds issued	-	1,462,772	-	-	1,462,772
Subscription based information technology arrangements	315,496	-	-	-	315,496
Transfers in	820,242	320,000	1,317,064	1,500,000	3,957,306
Transfers out	(1,500,000)	(1,317,064)	-	(1,140,242)	(3,957,306)
<b>Total other financing sources (uses)</b>	<b>(364,262)</b>	<b>17,965,708</b>	<b>1,317,064</b>	<b>359,758</b>	<b>19,278,268</b>
<b>Change in fund balances</b>	<b>1,724,957</b>	<b>12,676,815</b>	<b>176,975</b>	<b>509,493</b>	<b>15,088,240</b>
Fund balances, beginning	17,505,318	2,771,808	3,243,126	7,245,600	30,765,852
Fund balances, ending	\$ 19,230,275	\$ 15,448,623	\$ 3,420,101	\$ 7,755,093	\$ 45,854,092

See notes to financial statements.

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds (Page 19) \$ 15,088,240

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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	10,893,599
Depreciation expense	(8,597,177)
<b>Total</b>	<b>2,296,422</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(36,396)

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

Grants	(806,094)
Property tax, sewer use and sewer and water assessment interest and lien revenue	109,375
<b>Total</b>	<b>(696,719)</b>

Change in deferred outflows of resources - pension and OPEB related items:

Pension related items	(1,885,632)
OPEB related items	341,679
<b>Total</b>	<b>(1,543,953)</b>

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

Debt issued or incurred:	
Bond proceeds	(17,500,000)
Subscription based information technology arrangements	(315,496)
Bond premiums issued	(1,462,772)
Amortization of premium	560,777
Amortization of deferred charge on refunding	(129,262)
Principal repayments:	
Leases payable	53,443
Subscription based information technology arrangements	122,419
Notes payable	806,785
General obligation bonds	7,187,604
<b>Total</b>	<b>(10,676,502)</b>

(Continued)

See notes to financial statements.



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

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

This represents the changes in various liability accounts that impact expenses/expenditures:

Compensated absences	\$ (139,415)
Early retirement	(30,873)
Landfill closure	(4,000)
Net pension liability	(4,865,232)
Net OPEB liability	(681,335)
Claims	60,000
Accrued interest payable	(53,360)
<b>Total</b>	<u>(5,714,215)</u>
 The change in net position of the Internal Service Fund is reported with governmental activities	 <u>212,656</u>
 Change in deferred inflows of resources - pension and OPEB related items:	
Pension related items	(309,298)
OPEB related items	1,187,619
<b>Total</b>	<u>878,321</u>
 <b>Change in net position of governmental activities (page 16)</b>	 <u><u>\$ (192,146)</u></u>

(Concluded)

See notes to financial statements.

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

	Governmental Activities
	<u>Internal Service Funds</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 4,135,920
Accounts receivable	387,246
<b>Total assets</b>	<u>4,523,166</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	<u>1,531,513</u>
Noncurrent liabilities:	
Noncurrent portion of long-term debt obligations	<u>2,883,301</u>
<b>Total liabilities</b>	<u>4,414,814</u>
Net position:	
Unrestricted	<u>\$ 108,352</u>

See notes to financial statements.

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

	Governmental Activities
	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 17,680,758
<b>Total operating revenues</b>	<u>17,680,758</u>
Operating expenses:	
Claims incurred	15,583,177
Administration	1,955,103
<b>Total operating expenses</b>	<u>17,538,280</u>
<b>Operating loss</b>	<u>142,478</u>
Nonoperating revenues:	
Investment income	70,178
<b>Total nonoperating revenues</b>	<u>70,178</u>
<b>Change in net position</b>	212,656
Net position (deficit), beginning	<u>(104,304)</u>
Net position (deficit), ending	<u><u>\$ 108,352</u></u>

See notes to financial statements.

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

	Governmental Activities
	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from charges for services	\$ 17,707,203
Claims paid	(15,389,441)
Payments for administration	(1,955,103)
<b>Net cash used in operating activities</b>	<u>362,659</u>
Cash flows provided by investing activities:	
Investment income	70,178
<b>Net cash provided by investing activities</b>	<u>70,178</u>
<b>Net decrease in cash and cash equivalents</b>	432,837
Cash and cash equivalents:	
Beginning	<u>3,703,083</u>
Ending	<u>\$ 4,135,920</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 142,478
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	26,445
Decrease in claims payable	193,736
<b>Net cash provided by operating activities</b>	<u>\$ 362,659</u>

See notes to financial statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2023**

	Pension and OPEB Trust Funds
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 1,260,759</u>
Investments:	
Common stock	12,452,899
Money market mutual funds	2,933,915
Fixed income mutual funds	14,621,134
Equity mutual funds	29,448,021
Private equity funds	3,436,080
Alternative investments	23,059,512
<b>Total investments</b>	<u>85,951,561</u>
<b>Total assets</b>	<u>87,212,320</u>
<b>Liabilities</b>	
Accounts payable	<u>75,608</u>
<b>Total liabilities</b>	<u>75,608</u>
Net position:	
Restricted for pensions	85,485,551
Restricted for OPEB	1,651,161
<b>Total net position</b>	<u><u>\$ 87,136,712</u></u>

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2023**

	Pension and OPEB Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 6,444,542
Plan members	647,626
<b>Total contributions</b>	<u>7,092,168</u>
Investment Income:	
Net depreciation in fair value of investments	6,537,429
Interest and dividends	1,587,147
	<u>8,124,576</u>
Less investment expenses:	
Investment management fees	242,305
<b>Net investment income</b>	<u>7,882,271</u>
<b>Total additions</b>	14,974,439
Deductions:	
Benefits and other	<u>9,378,890</u>
<b>Changes in net position</b>	5,595,549
Net position, restricted for pensions and other postemployment benefits:	
Beginning of year	<u>81,541,163</u>
End of year	<u><u>\$ 87,136,712</u></u>

See notes to financial statements.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies

**Reporting entity:** The Town of Cheshire, Connecticut (the Town), was incorporated in 1780. The Town covers 33 square miles located in New Haven County.

The Town operates under a Council-Manager form of government, as prescribed by its Charter, which was adopted June 9, 1971, and most recently revised November 7, 2017. The Town provides a full range of services including general government, public safety, public works, health, social services, recreation and education. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

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

The Town has established three single-employer Public Retirement Systems (PERS) and two postretirement health care benefits (OPEB) plans to provide retirement benefits and post-retirement health care benefits primary to employees and their beneficiaries. The Town appoints the majority of the Retirement Board which performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans and can impose its will on the plans.

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

#### **Basis of presentation:**

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Taxes and intergovernmental revenues normally support governmental activities.

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

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

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 1. Significant Accounting Policies (Continued)

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**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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. 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, with the exception of grant revenues which are considered available if they are collected 120 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, pension, OPEB, early retirement, landfill, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town.

**Governmental funds:** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance.

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 accounted for in another fund.

The **Capital Improvements Fund** accounts for financial resources to be used for the acquisition or construction of capital facilities and major equipment. Resources for the capital improvements fund generally consist of proceeds from long-term debt, grants and transfers from other funds.

The **Debt Reserve Fund** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The other governmental funds of the Town are considered nonmajor and are as follows:

**Special Revenue Funds** are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Project Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.



## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**Permanent Funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The endowments have no appreciation of investments as they are invested in certificates of deposit which are held to maturity. All of the income is available for expenditure and there are no donor-imposed restrictions.

**Proprietary funds:** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following proprietary fund:

**Internal Service Funds** account for risk financing activities for medical insurance benefits and heart and hypertension claims under GASB Statement No. 10.

**Fiduciary funds:** The Town reports the following as fiduciary funds:

**Pension Trust Funds** account for the fiduciary activities of the Cheshire Retirement System, which accumulates resources for pension benefit payments to qualified employees and volunteer firefighters.

**Other Postemployment Trust Funds** account for the accumulation of resources to pay retiree medical benefits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation (e.g., sewer usage charges). Interfund reimbursements are also not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to other Town funds for medical insurance premiums. Operating expenses for internal service funds include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Pension plan accounting:**

**Pension trust funds:** Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

**Governmental funds and governmental activities:** In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

##### Other post-employment obligations (OPEB) accounting:

**OPEB trust funds:** The OPEB Trust Funds are reported on the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide contributions. Investments are reported at fair value.

**Governmental funds and governmental activities:** In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Funding policy:** The Town makes annual contributions based on management decisions.

**Accounting estimates:** The preparation of 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, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**Restricted assets:** At June 30, 2023, the Town had \$17,338,188 in restricted assets. This amount relates primarily to unspent bond proceeds which are to be used for the acquisition of capital assets.

**Encumbrances:** Encumbrances represent commitments related to contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

**Property taxes:** Property taxes are assessed as of October 1 and levied on the following July 1st. Real estate taxes are generally due and payable in two installments on July 1 and January 1. Real estate taxes not in excess of \$100 and motor vehicle and personal property taxes are due and payable in one installment on July 1. Motor vehicle supplemental bills are due on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1½ percent per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70 percent of the fair value. Liens are recorded during the month of April.

**Allowance for doubtful accounts:** Property taxes receivable for the Town are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those amounts which are deemed uncollectible based upon past collection history and analysis of creditor's ability to pay.

**Cash equivalents:** The Town classifies money market funds, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

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

The pooled fixed income investments adhere to GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The value of the position in the pool is the same as the value of the pool shares. These cash equivalents are stated at amortized cost.

**Investments:** Investments are stated as follows:

- U.S. Government Agencies, U.S. Government Securities, Sovereign Fixed Income, Municipal Bonds, Collateralized Mortgage Obligations using quoted market price.
- Common Stock, and Equity Funds - closing market prices as reported on the primary market or exchange on which they trade.
- Money Market Instruments - amortized cost which approximates fair value.
- Certificates of Deposit with maturities from one to five years held in an investment pool are recorded as fair value.
- Hedge Funds may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The majority of the Town's investments are in the Trust Funds.

**Fair value:** The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

The three categories within the hierarchy are as follows:

- Level 1:** Quoted prices in active markets for identical assets and liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.
- Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

**Investments measured at the net asset value (NAV):** Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable fair values and take the form of limited partnerships. The Town values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

See Note 2 for additional information regarding fair value.

**Inventory:** All inventory is stated at the lower of cost or market and determined on a first-in, first-out basis. These commodities are recorded as expenditures when consumed rather than when purchased.

**Capital assets:** Capital assets, which include property, plant, equipment, and infrastructure assets, e.g. roads, bridges, sidewalks, and similar items, are reported in the governmental column in the government-wide financial statements. The government defines capital assets, as assets with an initial, individual cost of more than \$5,000 for equipment and improvements and all costs 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.

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 1. Significant Accounting Policies (Continued)

<u>Assets</u>	<u>Years</u>
Buildings and improvements	8-100
Land improvements	10-50
Infrastructure:	
Roads	6-50
Sidewalks	50
Sewer lines	75
Bridges and culverts	50
Machinery and equipment	3-30
Vehicles	3-25

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.

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

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

#### **Compensated absences:**

**Town:** All employees are granted vacation and/or sick time based upon contractual provisions. At anniversary year-end, unused vacation up to a maximum of 10 days may be carried forward to the next vacation year with the approval of the Town Manager. Sick time accumulates and vests based upon a sliding scale related to years of service. The maximum sick time to be paid is 33 percent of the accumulated time. A liability for amounts expected to be paid for accrued vacation and/or sick time earned is reported in the government-wide statements. In the governmental funds, the amounts are reported when paid or when payment is due.

**Board of Education:** All full-time employees, except teachers, are granted vacation time based upon contractual provisions. At anniversary year-end, unused vacation may be accrued. Sick time accumulates subject to various contractual limitations, but retirement payouts are generally limited to 10 days. A liability for amounts expected to be paid for the accrued vacation and/or sick time earned is reported in the government-wide statements. In the governmental funds, the amounts are reported when paid or when payment is due.

**Long-term obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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 as reported include the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt principal payments are reported as expenditures.

**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.

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports deferred outflows related to pension and other postemployment benefits in the government-wide statement of net position. A deferred outflow of resources related to pension and other postemployment benefits results from differences between expected and actual experience, changes in assumptions or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings, or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees). The Town also reports deferred inflow(s) of resources related to advanced property tax collections and leases in the government-wide statement of net position and in the governmental funds. 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

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

property taxes, interest on property taxes and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**Net position:** In the government-wide financial statements, net position is classified in the following categories:

**Net investment in capital assets:** The net investment in capital assets 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 those assets. 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 legislations.

**Unrestricted net position:** This category represents the net position of the Town, which are not reported in the other categories.

**Fund balance:** In the fund financial statements, the Town reported the following governmental fund balance classifications:

**Nonspendable:** Amounts which cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

**Restricted:** 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 legislations.

**Committed:** This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Cheshire Town Council.) Commitments may be established, modified, or rescinded only through resolutions approved by the Town Council as per the Town Fund Balance policy.

**Assigned:** Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's Fund Balance policy, the Town Council has by resolution authorized the Town Manager or the Finance Director to assign fund balance.

**Unassigned:** 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.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

As of June 30, 2023, the Town has a minimum General Fund balance policy to maintain an unassigned balance of at least 9.25 percent of the previous year's audited budgetary expenditures.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 1. Significant Accounting Policies (Continued)

**Adoption of New Accounting Standards:** In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Town adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the Town reporting a SBITA asset and a SBITA liability as disclosed in Note 5 and Note 6.

#### Note 2. Cash, Cash Equivalents and Investments

**Deposits:** The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. Town policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

**Investments:** Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the Capital Nonrecurring fund, not more than 31 percent can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town has an investment policy for each of its pension funds and an investment policy for the Police Post-Employment Healthcare Fund that provides an asset allocation, over a full market cycle of approximately 65 percent equities (or alternative investment strategies as equivalents) and 35 percent fixed income and cash (or alternative investment strategies as equivalents). For purposes of this document, a full market cycle is defined by the Retirement Board to be no less than three years, or no more than seven years.

The allocation targets and ranges for all plans are expressed in the Investment Policy Statement as follows:

	Minimum*	Target*	Maximum*
Global equity securities or funds	35%	65%	80%
Fixed income and cash	20%	35%	65%
Domestic equity securities or funds	40%	60%	80%
International equity securities or funds	20%	40%	60%

\* as a percentage of total equity

For both investment policies, no more than 5 percent (at cost) or 10 percent (at market) may be invested in any one company; no more than 20 percent exposure to any one industry.



## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 2. Cash, Cash Equivalents and Investments (Continued)

**Concentrations:** The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

**Custodial credit risk:**

*Investments:* This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Pension Plan does not have custodial credit risk policies for investments.

The following represents the investments in each respective Plan that represents more than 5 percent of the respective Plan's net position as of June 30, 2023:

<b>Town Pension Fund</b>	
Pointer	\$ 4,129,449
Ironwood International Ltd.	4,523,780
<b>Police Pension Fund</b>	
Pointer	2,581,323
Ironwood International Ltd.	2,827,820

*Deposits:* This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2023, approximately \$8,937,652 of the Town's approximate bank balance of \$22,853,901 was uninsured and uncollateralized.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 2. Cash, Cash Equivalents and Investments (Continued)

Cash, restricted cash and investments of the Town, Pension and OPEB trust funds consisted of the following at June 30, 2023:

Cash, restricted cash and cash equivalents:	
Deposits with financial institutions	\$ 11,990,657
State of Connecticut Short-Term Investment Fund	42,950,431
Total cash, restricted cash and cash equivalents	<u>54,941,088</u>
Investments:	
General Fund:	
Certificates of deposit	11,711,406
U.S. Government Securities	3,461,174
Special Revenue Funds:	
Certificates of deposit	489,865
U.S. Government Securities	176,049
Permanent Funds:	
Certificates of deposit	48,443
Total governmental funds investments	<u>15,886,937</u>
Pension and OPEB Trust Funds:	
Common stocks	12,452,899 *
Money market mutual funds	2,933,915
Fixed income mutual funds	14,621,134
Equity mutual funds	29,448,021
Private equity funds	3,436,080
Alternative investments	23,059,512
Total pension and OPEB investments	<u>85,951,561</u>
Total investments	<u>101,838,498</u>
Total cash, restricted cash, cash equivalents and investments	<u>\$ 156,779,586</u>

\* These investments are uninsured, with securities held by the counterparty, but in the Town's, or the Pension Plan's name.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents and Investments (Continued)**

Cash, cash equivalents, restricted cash and investments are classified in the accompanying financial statements as follow:

Statement of Net Position:

Cash and cash equivalents	\$ 36,342,141
Investments	15,886,937
Restricted cash and cash equivalents	<u>17,338,188</u>
	<u>69,567,266</u>

Fiduciary Funds:

Cash and cash equivalents	1,260,759
Investments	<u>85,951,561</u>
	<u>87,212,320</u>

Total cash, restricted cash, cash equivalents and investments	<u>\$ 156,779,586</u>
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*Interest rate risk:* This 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. Information about the exposure of the Town's and fiduciary trust funds' debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (In Years)	
		Less Than 1 Year	1 - 5 Years
Money market mutual funds	\$ 2,933,915	\$ 2,933,915	\$ -
Fixed income mutual funds	<u>14,621,134</u>	-	<u>14,621,134</u>
Total	<u>\$ 17,555,049</u>	<u>\$ 2,933,915</u>	<u>\$ 14,621,134</u>

*Credit risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating by Standard and Poor's as required for each debt-type investment.

Standard & Poor's	STIF	Money Market Mutual Funds	Fixed Income Mutual Fund
Unrated	<u>\$ 42,950,431</u>	<u>\$ 2,933,915</u>	<u>\$ 14,621,134</u>
	<u>\$ 42,950,431</u>	<u>\$ 2,933,915</u>	<u>\$ 14,621,134</u>

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 2. Cash, Cash Equivalents and Investments (Continued)

**Fair value:** The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of the asset as shown in the table below. The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments by fair value level:				
Common stocks	\$ 12,452,899	\$ 12,452,899	\$ -	\$ -
Money market mutual funds	2,933,915	2,933,915	-	-
Fixed income mutual funds	14,621,134	14,621,134	-	-
Equity mutual funds	29,448,021	29,448,021	-	-
Certificates of deposit	12,249,714	-	12,249,714	-
U.S. Government Securities	3,637,223	3,637,223	-	-
Private equity funds	3,436,080	-	-	3,436,080
Total investments by fair value level	78,778,986	63,093,192	12,249,714	3,436,080
Investments measured by the net asset level (NAV):				
Equity long/short hedge funds	10,043,255			
Multi-strategy hedge funds	7,351,600			
Global opportunities hedge funds	3,512,609			
Other alternative investments	2,152,048			
Total investments measured by the NAV	23,059,512			
Total investments at fair value	\$ 101,838,498			

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

Investments measured by the net asset value (NAV) per share are described in the above schedule. A description of how the private equity funds are valued is presented below:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured by the NAV:				
Equity long/short hedge funds	\$ 10,043,255	\$ -	Quarterly/Semi-Annually	105 days
Multi-strategy hedge funds	7,351,600	-	Quarterly	65-95 days
Global opportunities hedge funds	3,512,609	-	Daily/Quarterly	1-30 days
Other alternative investments	2,152,048	-	Daily	Daily
Total investments measured at the NAV	\$ 23,059,512			

**Equity long/short hedge funds:** This type includes one fund of hedge funds that invests both long and short, primarily in global common stocks. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 2. Cash, Cash Equivalents and Investments (Continued)

**Multi-strategy hedge funds:** This type invests in several hedge funds that pursue multiple strategies to diversify and reduce volatility. Underlying investments range across credit, fixed income, relative value, and other event driven strategies that are adjusted periodically by the investment managers' perception of the relative investment climate.

**Global opportunities hedge:** This type includes investments with exposure to a range of trading strategies executed across bond, equity, commodity and foreign exchange futures markets. There is a range of trading strategies employed by managers including trend following, mean reversion, discretionary macro and value. The drivers of returns for these approaches are different from those of equity portfolios and combining these approaches with equities has the potential to create portfolio benefits above those experienced by an equity-only portfolio.

**Other alternative investments:** This type includes alternative investments such as commodities, gold, and real estate that are held within mutual funds.

#### Note 3. Interfund, Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the timing 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. The composition of interfund balances as of June 30, 2023 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 155,896	\$ 3,729
Nonmajor Governmental Funds	3,729	155,896
	<u>\$ 159,625</u>	<u>\$ 159,625</u>

For the most part, all balances are expected to be repaid within a year.

Interfund transfers during the year ended June 30, 2023 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 820,242	\$ 1,500,000
Debt Reserve Fund	1,317,064	-
Capital Improvements Fund	320,000	1,317,064
Nonmajor Governmental Funds	1,500,000	1,140,242
	<u>\$ 3,957,306</u>	<u>\$ 3,957,306</u>

Transfers are used to account for: (1) financing by the General Fund of programs accounted for in other funds in accordance with budgetary appropriations; (2) sewer and water assessments and sewer usage charges collected in special revenue funds appropriated to General Fund to offset debt service expenditures; (3) the annual transfer of accumulated interest from the General Town Funds Special Revenue Fund to the General Fund, and (4) other transfers approved by Town Council.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 4. Lease Receivables

The Town, acting as lessor, leases various assets under long-term, noncancelable lease agreements. The leases expire at various dates through 2043. During the year ended June 30, 2023, the Town recognized \$62,734 and \$14,478 in lease revenue and interest revenue, respectively, pursuant to these contracts.

#### Note 5. Capital Assets

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

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 25,310,762	\$ -	\$ -	\$ -	25,310,762
Construction in progress	6,582,937	8,238,359	187,036	(10,064,779)	4,569,481
Total capital assets, not being depreciated/amortized	31,893,699	8,238,359	187,036	(10,064,779)	29,880,243
Capital assets, being depreciated:					
Land improvements	7,733,999	133,032	-	617,314	8,484,345
Buildings and improvements	178,076,196	1,124,584	-	6,588,333	185,789,113
Vehicles	14,757,393	190,861	82,759	534,534	15,400,029
Machinery and equipment	19,763,764	701,277	119,901	303,804	20,648,944
Infrastructure	123,928,706	377,026	-	2,020,794	126,326,526
Subscription Assets	-	315,496	-	-	315,496
Leased Asset	197,824	-	-	-	197,824
Total capital assets being depreciated/amortized	344,457,882	2,842,276	202,660	10,064,779	357,162,277
Governmental activities capital assets	376,351,581	11,080,635	389,696	-	387,042,520
Less accumulated depreciation/amortization for:					
Land improvements	2,969,867	264,516	-	-	3,234,383
Buildings and improvements	71,104,442	4,110,902	-	-	75,215,344
Vehicles	8,165,371	636,074	57,259	-	8,744,186
Machinery and equipment	9,776,504	980,789	109,005	-	10,648,288
Infrastructure	51,239,326	2,517,610	-	-	53,756,936
Subscription Assets	-	33,177	-	-	33,177
Leased Asset	54,109	54,109	-	-	108,218
Total accumulated depreciation/amortization	143,309,619	8,597,177	166,264	-	151,740,532
Total capital assets, being depreciated/amortized, net	201,148,263	(5,754,901)	36,396	10,064,779	205,421,745
Governmental activities capital assets, net	\$ 233,041,962	\$ 2,483,458	\$ 223,432	\$ -	\$ 235,301,988

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

## Town of Cheshire, Connecticut

### Notes to Financial Statements

Administration and finance	\$ 453,457
Public safety	942,929
Public works	4,303,544
Social services	91,848
Cultural services	132,114
Leisure services	471,009
Education	2,202,276
Total depreciation/amortization expense	<u>\$ 8,597,177</u>

### Note 6. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2023 was as follows:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in Less Than One Year
<b>Bonds/Notes</b>									
Schools:									
School bonds	2,909,732	02/26/15*	07/15/34	2.00 - 5.00%	\$ 1,993,000	\$ -	\$ (153,000)	\$ 1,840,000	\$ 153,000
School refunding bonds	980,000	03/13/15	01/15/29	2.00 - 5.00%	549,000	-	(80,000)	469,000	81,000
School refunding bonds	1,476,000	03/31/16*	07/15/30	2.00 - 4.00%	1,071,000	-	(116,000)	955,000	116,000
School bonds	2,985,000	03/06/17*	07/15/36	2.00 - 5.00%	2,353,000	-	(157,000)	2,196,000	157,000
School bonds	3,533,500	03/06/19*	07/15/38	3.00 - 5.00%	3,160,000	-	(185,000)	2,975,000	185,000
School bonds	2,860,000	04/20/21*	07/15/40	2.00 - 4.00%	2,860,000	-	(155,000)	2,705,000	155,000
School refunding bonds	2,940,000	04/20/21*	07/15/32	2.00 - 4.00%	2,525,000	-	(389,000)	2,136,000	330,000
School bonds	6,509,697	04/18/23*	07/15/42	4.00 - 5.00%	-	6,506,697	-	6,506,697	-
School notes	100,000	12/19	11/30/23	0.00%	35,417	-	(25,000)	10,417	10,417
School notes	78,896	3/21-6/21	2/25-5/25	0.00%	54,561	-	(19,804)	34,757	19,804
Notes Payable	7,734,721	05/14	05/31	3.17%	5,471,576	-	(469,829)	5,001,747	503,640
<b>Subtotal</b>					<b>20,072,554</b>	<b>6,506,697</b>	<b>(1,749,633)</b>	<b>24,829,618</b>	<b>1,710,861</b>
Bond premium					809,441	541,226	(141,060)	1,209,607	-
<b>Total schools</b>					<b>20,881,995</b>	<b>7,047,923</b>	<b>(1,890,693)</b>	<b>26,039,225</b>	<b>1,710,861</b>
Sewer: <sup>(1)</sup>									
WWTP notes	5,086,640	09/28/07	09/28/27	2.00%	1,423,189	-	(288,497)	1,134,692	294,320
WWTP notes	969,061	09/28/07	09/28/27	2.00%	407,809	-	(82,668)	325,141	84,336
WWTP notes	24,428,785	07/01/17	01/01/37	2.00%	17,812,655	-	(1,221,439)	16,591,216	1,221,439
Sewer bonds	46,000	02/26/15*	07/15/34	2.00-5.00%	28,000	-	(3,000)	25,000	3,000
Sewer refunding bonds	1,008,000	03/13/15	01/15/29	2.00-5.00%	549,000	-	(80,000)	469,000	81,000
Sewer refunding bonds	1,238,000	03/31/16*	07/15/30	2.00 - 4.00%	892,000	-	(100,000)	792,000	100,000
Sewer bonds	2,500,000	03/06/17*	07/15/36	2.00 - 5.00%	1,964,000	-	(130,000)	1,834,000	130,000
Sewer bonds	950,028	03/06/19*	07/15/38	3.00 - 5.00%	850,000	-	(50,000)	800,000	50,000
Sewer bonds	450,000	04/20/21*	07/15/40	2.00 - 4.00%	450,000	-	(20,000)	430,000	20,000
Sewer refunding bonds	585,000	04/20/21*	07/15/32	2.00 - 4.00%	420,000	-	(154,000)	266,000	46,000
Sewer bonds	165,000	04/18/23*	07/15/42	4.00 - 5.00%	-	165,000	-	165,000	-
Notes Payable	24,380	05/14	05/31	3.17%	17,247	-	(1,481)	15,766	1,588
<b>Subtotal</b>					<b>24,813,900</b>	<b>165,000</b>	<b>(2,131,085)</b>	<b>22,847,815</b>	<b>2,031,683</b>
Bond premium					225,339	14,628	(40,036)	199,931	-
<b>Total sewer</b>					<b>25,039,239</b>	<b>179,628</b>	<b>(2,171,121)</b>	<b>23,047,746</b>	<b>2,031,683</b>

(Continued)

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in Less Than One Year
<b>Bonds/Notes, Continued</b>									
General purpose: <sup>(2)</sup>									
Improvement bonds	12,044,268	02/26/15*	07/15/34	2.00-5.00%	\$ 8,239,000	\$ -	\$ (634,000)	\$ 7,605,000	\$ 634,000
Improvement refunding bonds	2,977,000	03/13/15	01/15/29	2.00-5.00%	1,682,000	-	(245,000)	1,437,000	248,000
Improvement refunding bonds	3,226,000	03/31/16*	7/15/30	2.00 - 4.00%	2,312,000	-	(264,000)	2,048,000	264,000
Improvement bonds	12,015,000	03/06/17*	07/15/36	2.00 - 5.00%	9,483,000	-	(633,000)	8,850,000	633,000
Improvement bonds	10,016,472	03/06/19*	07/15/38	3.00 - 5.00%	8,970,000	-	(525,000)	8,445,000	525,000
Improvement bonds	10,690,000	04/20/21*	07/15/40	2.00 - 4.00%	10,690,000	-	(565,000)	10,125,000	565,000
Improvement refunding bonds	6,200,000	04/20/21*	07/15/32	2.00 - 4.00%	5,180,000	-	(957,000)	4,223,000	649,000
Improvement bonds	10,828,303	04/18/23*	07/15/42	4.00 - 5.00%	-	10,828,303	-	10,828,303	-
Improvement notes	207,312	10/20	07/22-9/24	0%	93,425	-	(45,074)	48,351	39,050
Notes Payable	2,005,899	05/14	05/31	3.17%	1,418,982	-	(121,844)	1,297,138	130,612
Notes Payable	1,200,000	12/15	02/26	1.97%	509,907	-	(123,753)	386,154	126,203
<b>Subtotal</b>					<b>48,578,314</b>	<b>10,828,303</b>	<b>(4,113,671)</b>	<b>55,292,946</b>	<b>3,813,865</b>
Bond premium					2,339,490	906,918	(379,681)	2,866,727	-
<b>Total general purpose</b>					<b>50,917,804</b>	<b>11,735,221</b>	<b>(4,493,352)</b>	<b>58,159,673</b>	<b>3,813,865</b>
<b>Total bonds and notes</b>					<b>96,839,038</b>	<b>18,962,772</b>	<b>(8,555,166)</b>	<b>107,246,644</b>	<b>7,556,409</b>
Net pension liability					57,462,471	19,391,951	(14,526,719)	62,327,703	-
Net OPEB liability					26,510,814	2,604,582	(1,923,247)	27,192,149	-
Landfill closure/post closure care costs					399,000	17,600	(13,600)	403,000	31,000
Compensated absences					2,793,146	374,906	(235,491)	2,932,561	586,512
Heart and hypertension					2,938,474	288,699	(186,462)	3,040,711	157,410
Claims					120,000	-	(60,000)	60,000	60,000
Lease Payable					145,902	-	(53,443)	92,459	55,017
Subscriptions Payable					-	315,496	(122,419)	193,077	46,832
Early retirement					194,640	95,761	(64,888)	225,513	82,330
<b>Total general long-term obligations</b>					<b>\$ 187,403,485</b>	<b>\$ 42,051,767</b>	<b>\$ (25,741,435)</b>	<b>\$ 203,713,817</b>	<b>\$ 8,575,510</b>

\* Bonds have callable features.

- (1) Sewer bonds are partially funded by sewer assessments transferred from the Sewer and Water Assessments Fund.
- (2) Improvement bonds are partially funded by water assessments transferred from the Sewer and Water Assessments Fund.

All long-term liabilities are generally liquidated by the General Fund, with the exception of heart and hypertension benefits which are accounted for in the Internal Service Fund.



**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

The annual debt service requirements of general obligation bonds and notes are as follows:

	Bonds		Notes		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2024	\$ 5,125,000	\$ 2,397,020	\$ 2,431,409	\$ 548,531	\$ 7,556,409	\$ 2,945,551
2025	6,090,000	2,365,467	2,441,295	493,451	8,531,295	2,858,918
2026	5,785,000	2,136,243	2,451,597	436,912	8,236,597	2,573,155
2027	5,780,000	1,915,687	2,275,490	380,031	8,055,490	2,295,718
2028-2032	25,785,000	6,706,394	9,647,323	1,131,529	35,432,323	7,837,923
2033-2037	19,560,000	3,075,357	5,598,265	261,252	25,158,265	3,336,609
2038-2042	9,080,000	813,094	-	-	9,080,000	813,094
2043	920,000	18,400	-	-	920,000	18,400
	<u>\$ 78,125,000</u>	<u>\$ 19,427,662</u>	<u>\$ 24,845,379</u>	<u>\$ 3,251,706</u>	<u>\$ 102,970,379</u>	<u>\$ 22,679,368</u>

**Bonds authorized but unissued:** Total authorized but unissued debt at June 30, 2023 consists of the following:

General purpose	\$ 6,059,294
Schools	167,554,813
Sewers	695,000
	<u>\$ 174,309,107</u>

**Legal debt limit:** The Town's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 220,283,512	\$ 61,637,776	\$ 158,645,736
Unfunded pension benefit obligation	293,711,349	-	293,711,349
Schools	440,567,024	192,384,431	248,182,593
Sewers	367,139,186	23,542,815	343,596,371
Urban renewal	318,187,295	-	318,187,295

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$685,326,481.

**Landfill closure and post-closure care costs:** State and federal laws and regulations required the Town to place a final cover on its 12 and 18 acre landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. As of June 30, 2023, both landfill sites have been closed.

The projected liability reported at June 30, 2023 is estimated at \$403,000. The monitoring costs are based on what it would cost to perform all post-closure care at 2023 prices with a third party performing all closure work. Actual costs may also change based on inflation, deflation, technology, or changes in the applicable laws and regulations.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

The Town has landfill post-closure care costs as follows:

Town Landfill	Year of Closure	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Southern Section	2006	<u>\$ 31,000</u>	13	<u>\$ 403,000</u>	<u>\$ 31,000</u>	<u>\$ 372,000</u>

**Leases payable:** The Town leases various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026.

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 55,017	\$ 1,254	\$ 56,271
2025	34,741	265	35,006
2026	2,701	3	2,704
Total	<u>\$ 92,459</u>	<u>\$ 1,522</u>	<u>\$ 93,981</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Asset class:	Amount
Machinery and equipment	\$ 197,824
Less: accumulated amortization	(108,218)
Net book value	<u>\$ 89,606</u>

**Subscription-Based Information Technology Arrangements:** The Town has entered into subscription based information technology arrangements (SBITAs) for educational software and other software used in the operation of the Town. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

The future minimum payments under SBITA agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 46,832	\$ 3,477	\$ 50,309
2025	47,778	2,531	50,309
2026	48,742	1,567	50,309
2027	49,725	583	50,308
Total	<u>\$ 193,077</u>	<u>\$ 8,158</u>	<u>\$ 201,235</u>

SBITA assets acquired through outstanding contracts are shown below:

	Amount
Subscription Based Information Technology Arrangements	\$ 315,496
Less: accumulated amortization	(33,177)
Net book value	<u>\$ 282,319</u>

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems

The Town administers three single employer, defined benefit pension plans. The three plans, Town Plan, Police Plan, and Volunteer Firefighter Plan, are included in the financial statements as pension trust funds. The plans do not issue stand-alone financial reports. Plan contribution requirements and benefits are established by Town ordinances. Administrative expenses of the plan, including actuarial and legal fees, are paid from the trust fund. The Town reserves the right by action of the Council, after required public hearings, to amend the plans, subject to provisions, if any, in collective bargaining agreements.

**Plan administration:** The Retirement Board (Board) is responsible for the general administration and management of the pension plans. Membership on the Board is as follows:

- The regular members of the Board are 5 resident electors of the Town. They are appointed by the Town Council and serve four-year terms.
- Police members are two representatives appointed by the President of the Cheshire Police Department Collective Bargaining Unit. They serve a four-year term and vote only on matters relating exclusively to police officers.
- A Volunteer Fire Department Member is a representative appointed by the Town Council. The representative serves a four-term term and votes only on matters relating exclusively to volunteer fire fighters.

Based on actuarial valuation reports dated July 1, 2022, membership consisted of:

Category	Town	Police	Volunteer Firefighter
Retirees and beneficiaries currently receiving benefits	266	55	17
Terminated employees entitled to benefits, but not yet receiving them	75	3	71 <sup>(1)</sup>
Active plan members	129	29	69
	<u>470</u>	<u>87</u>	<u>157</u>

(1) Volunteer firefighter count includes terminated volunteers and associate and lifetime members who are no longer active members but still affiliated with the volunteer organization.

**Town plan:** This plan covers all regular full-time employees except teachers covered by the Connecticut Teachers' Retirement System and policemen. Employees are 100 percent vested after ten years of credited service. They may retire at age 65 after completing five years of credited service or, if earlier, the date upon which their age plus completed years of credited service equals 80. Retirement benefits are based on the plan and benefits elected. The plan was closed to new entrants for various union and nonunion groups between July 1, 2006 and June 30, 2012.

The latest valuation reflected no changes in plan provisions but did reflect changes in actuarial methods and assumptions. The mortality improvement scale was updated from MP-2019 Ultimate to MP-2021 Ultimate. The interest rate assumption was changed from 7.00% to 6.75%. These changes combined increased the accrued liability by about \$1.4 million and increased the actuarially determined contribution by approximately \$100,000.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Police plan:** This plan covers all regular, full-time police officers except those hired at age 55 and older. Officers are fully vested after completing ten years of credited service. Normal retirement shall be the earlier of 20 years of service or age 55 with 10 years of service. Final average compensation is computed in the same manner as for the Town plan. The plan also provides disability benefits, spousal benefits, and a death benefit equal to the return of employee contributions with interest if the employee has not satisfied the plan's vesting requirements. The plan was closed to new entrants on January 1, 2014.

The latest valuation reflected no changes in plan provisions but did reflect changes in actuarial methods and assumptions. The mortality improvement scale was updated from MP-2019 Ultimate to MP-2021 Ultimate. The interest rate assumption was changed from 7.00% to 6.75%. These changes combined increased the accrued liability by about \$1.9 million and increased the actuarially determined contribution by approximately \$121,000.

**Volunteer firefighters plan:** This plan covers all volunteer firefighters. Firefighters are vested on a percentage basis after five years of credited service. Normal retirement is the participant's 65th birthday. Benefits are calculated based upon a flat rate schedule for years of service. The plan also provides disability benefits by the return of the value of their accrued benefit in a lump sum payment.

The latest valuation reflected no changes in plan provisions but did reflect changes in actuarial methods and assumptions. The mortality improvement scale was updated from MP-2019 Ultimate to MP-2021 Ultimate. The interest rate assumption was changed from 7.00% to 6.75%. These changes combined increased the accrued liability by about \$246,000 and increased the actuarially determined contribution by approximately \$19,000.

Employee contributions are based upon a percentage of earnings as follows:

Town	Police	Volunteer Firefighters
Plan A - 3.5% - 4%	8.50%	None
Plan B - 1.5% - 2%	-	-

**Rate of return:** For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town	Police	Volunteer Firefighters
9.42%	9.28%	12.64%

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Net pension liability of the Town:** The components of the net pension liability of the Town at June 30, 2023 were as follows:

Net Pension Liability	Town	Police	Volunteer Firefighters
Total pension liability	\$ 74,214,499	\$ 65,630,349	\$ 7,968,406
Fiduciary net position	50,742,310	31,669,746	3,073,495
Net pension liability	\$ 23,472,189	\$ 33,960,603	\$ 4,894,911
Fiduciary net position as a percentage of total pension liability	68.37%	48.25%	38.57%
Covered payroll	8,825,837	3,978,888	N/A
Net pension liability as a percentage of covered payroll	265.95%	853.52%	N/A

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2022, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2023. Since the valuation date, the Town signed two new union contracts, for Public Works and the Town Hall Union. The Public Works contract included a retirement incentive program. However, the program benefits are not payable by the pension plan and the program is not expected to significantly impact pension benefits. Therefore, there were no adjustments to the liabilities.

	Town	Police	Volunteer Firefighters
Valuation date	July 1, 2022	July 1, 2022	July 1, 2022
Measurement date	June 30, 2023	June 30, 2023	June 30, 2023
Inflation	2.75%	2.75%	2.75%
Discount rate	6.75%	6.75%	6.75%
Long-term expected rate of return, net of investment expense	6.75%	6.75%	6.75%
Municipal bond rate	N/A	N/A	N/A
Salary increases including inflation	Rates based on age	Rates based on age	N/A
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unit Credit
Asset valuation method	Fair Value	Fair Value	Fair Value

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Discount rate:** The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Town will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Town plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2022	\$ 72,448,463	\$ 48,078,913	\$ 24,369,550
Changes for the year:			
Service cost	905,693	-	905,693
Interest on total pension liability	4,988,360	-	4,988,360
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(1,331,609)	-	(1,331,609)
Effect of assumptions changes or inputs	1,459,314	-	1,459,314
Benefit payments	(4,255,722)	(4,255,722)	-
Employer contributions	-	2,242,681	(2,242,681)
Member contributions	-	215,562	(215,562)
Net investment income	-	4,537,271	(4,537,271)
Administrative expenses	-	(76,395)	76,395
Net changes	1,766,036	2,663,397	(897,361)
Balances as of June 30, 2023	\$ 74,214,499	\$ 50,742,310	\$ 23,472,189

**Police plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2022	\$ 60,138,656	\$ 29,425,442	\$ 30,713,214
Changes for the year:			
Service cost	779,430	-	779,430
Interest on total pension liability	4,155,405	-	4,155,405
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	1,851,873	-	1,851,873
Effect of assumptions changes or inputs	1,868,811	-	1,868,811
Benefit payments	(3,163,826)	(3,163,826)	-
Employer contributions	-	2,282,448	(2,282,448)
Member contributions	-	355,001	(355,001)
Net investment income	-	2,804,796	(2,804,796)
Administrative expenses	-	(34,115)	34,115
Net changes	5,491,693	2,244,304	3,247,389
Balances as of June 30, 2023	\$ 65,630,349	\$ 31,669,746	\$ 33,960,603

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Volunteer Firefighter plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2022	\$ 5,001,929	\$ 2,622,222	\$ 2,379,707
Changes for the year:			
Service cost	49,175	-	49,175
Interest on total pension liability	348,914	-	348,914
Effect of plan changes	2,589,441	-	2,589,441
Effect of economic/demographic gains or losses	(143,918)	-	(143,918)
Effect of assumptions changes or inputs	258,384	-	258,384
Benefit payments	(135,519)	(135,519)	-
Employer contributions	-	259,357	(259,357)
Member contributions	-	-	-
Net investment income	-	354,076	(354,076)
Administrative expenses	-	(26,641)	26,641
Net changes	2,966,477	451,273	2,515,204
Balances as of June 30, 2023	\$ 7,968,406	\$ 3,073,495	\$ 4,894,911

**Sensitivity analysis:** The following table presents the net pension liability calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate.

	1% Decrease 5.75	Current Discount Rate 6.75	1% Increase 7.75
<b>Town</b>			
Net pension liability	\$ 30,624,182	\$ 23,472,189	\$ 17,330,099
<b>Police</b>			
Net pension liability	\$ 42,816,039	\$ 33,960,603	\$ 26,685,614
<b>Volunteer Firefighters</b>			
Net pension liability	\$ 6,109,932	\$ 4,894,911	\$ 3,909,221

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

For the fiscal year ended June 30, 2023, the recognized pension expense is as follows:

	Town	Police	Volunteer Firefighters
Pension expense	\$ 3,404,361	\$ 5,555,692	\$ 2,884,595

As of June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources			
	Town	Police	Volunteer Firefighters	Total
Difference between expected and actual experience	\$ -	\$ 1,318,366	\$ 802	\$ 1,319,168
Changes of assumptions	243,219	\$ 1,695,001	\$ 543,621	2,481,841
Net difference between projected and actual earnings	1,680,062	1,046,080	17,859	2,744,001
Total outflows	<u>\$ 1,923,281</u>	<u>\$ 4,059,447</u>	<u>\$ 562,282</u>	<u>\$ 6,545,010</u>
	Deferred Inflows of Resources			
	Town	Police	Volunteer Firefighters	Total
Differences between expected and actual experience	\$ (221,935)	\$ -	\$ (271,826)	\$ (493,761)
Total inflows	<u>\$ (221,935)</u>	<u>\$ -</u>	<u>\$ (271,826)</u>	<u>\$ (493,761)</u>
Net deferred outflows (inflows)	<u>\$ 1,701,346</u>	<u>\$ 4,059,447</u>	<u>\$ 290,456</u>	<u>\$ 6,051,249</u>

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

Year Ending June 30,	Town	Police	Volunteer Firefighters	Total
2024	\$ 546,769	\$ 1,883,221	\$ 48,914	\$ 2,478,904
2025	(117,033)	1,072,943	16,027	971,937
2026	1,518,756	1,256,059	120,478	2,895,293
2027	(247,146)	(152,776)	21,789	(378,133)
2028	-	-	49,272	49,272
Thereafter	-	-	33,976	33,976
Total	<u>\$ 1,701,346</u>	<u>\$ 4,059,447</u>	<u>\$ 290,456</u>	<u>\$ 6,051,249</u>



## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems (Continued)

**Assumed rate of return:** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2022, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return	Long-Term Expected Geometric Real Return
US Core Fixed Income	1.95%	1.84%
Non-US Bonds	-0.13%	-0.54%
Emerging Markets Bonds	4.89%	3.95%
Global Equity	6.49%	4.91%
Commodities	2.56%	1.18%
Hege Funds - MultiStrategy	4.28%	3.76%
Assumed Inflation - Mean	2.75%	2.75%
Assumed Inflation - Standard Deviation	1.25%	1.25%
Portfolio Real Mean Return	4.38%	3.86%
Portfolio Nominal Mean Return	7.13%	6.71%
Portfolio Standard Deviation		9.58%
Long-Term Expected Rate of Return		6.75%

#### Investments:

**Concentrations:** Information regarding investment concentration is presented in Note 2.

**Investment policy:** The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board:

Asset Class	Pension Funds Allocation %
Emerging Markets Bonds	3%
Commodities	4%
Non-US Bonds	5%
US Core Fixed Income	22%
Hedge Funds - MultiStrategy	26%
Global Equity	40%
Total	<u>100%</u>

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Schedule of Plan Net Position  
June 30, 2023

	Pension Trust Funds			OPEB Trust		Total
	Town Pension Fund	Police Pension Fund	Volunteer Firefighters Pension	Police Post-Employment Healthcare Fund	Other Post-Employment Benefit Fund	
Assets						
Cash	\$ 699,680	\$ 387,459	\$ 26,469	\$ 133,102	\$ 14,049	\$ 1,260,759
	<u>699,680</u>	<u>387,459</u>	<u>26,469</u>	<u>133,102</u>	<u>14,049</u>	<u>1,260,759</u>
Investments:						
Common stock	7,662,844	4,790,055	-	-	-	12,452,899
Money market mutual funds	1,653,054	1,033,305	160,810	42,056	44,690	2,933,915
Fixed income mutual funds	8,575,921	5,360,821	481,046	93,619	109,727	14,621,134
Equity mutual funds	16,023,448	10,016,281	2,230,384	621,517	556,391	29,448,021
Private equity funds	2,114,379	1,321,701	-	-	-	3,436,080
Alternative investments	14,026,400	8,767,923	177,067	44,198	43,924	23,059,512
Total investments	<u>50,056,046</u>	<u>31,290,086</u>	<u>3,049,307</u>	<u>801,390</u>	<u>754,732</u>	<u>85,951,561</u>
Total assets	<u>50,755,726</u>	<u>31,677,545</u>	<u>3,075,776</u>	<u>934,492</u>	<u>768,781</u>	<u>87,212,320</u>
Liabilities						
Accounts payable	13,416	7,799	2,281	50,160	1,952	75,608
Net Position:						
Restricted for pension benefits	50,742,310	31,669,746	3,073,495	-	-	85,485,551
Restricted for OPEB benefits	-	-	-	884,332	766,829	1,651,161
Total Net Position	<u>\$ 50,742,310</u>	<u>\$ 31,669,746</u>	<u>\$ 3,073,495</u>	<u>\$ 884,332</u>	<u>\$ 766,829</u>	<u>\$ 87,136,712</u>

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Schedule of Changes in Plan Net Position  
Year Ended June 30, 2023

	Pension Trust Funds			OPEB Trust		Total
	Town Pension Fund	Police Pension Fund	Volunteer Firefighters Pension	Police Post-Employment Healthcare Fund	Other Post-Employment Benefit Fund	
<b>Additions:</b>						
Employer contributions	\$ 2,242,681	\$ 2,282,448	\$ 259,357	\$ 611,340	\$ 1,048,716	\$ 6,444,542
Employee contributions	215,562	355,001	-	77,063	-	647,626
Total additions	2,458,243	2,637,449	259,357	688,403	1,048,716	7,092,168
<b>Investment Income:</b>						
Net appreciation/depreciation in fair value of investments	3,775,106	2,317,534	291,813	77,969	75,007	6,537,429
Interest and dividends	906,017	576,932	68,054	19,883	16,261	1,587,147
Total Investment Income:	4,681,123	2,894,466	359,867	97,852	91,268	8,124,576
<b>Less investment expenses:</b>						
Investment management fees	143,852	89,670	5,791	1,563	1,429	242,305
Net investment earnings	4,537,271	2,804,796	354,076	96,289	89,839	7,882,271
Total additions	6,995,514	5,442,245	613,433	784,692	1,138,555	14,974,439
<b>Deductions:</b>						
Benefits	4,255,722	3,163,826	135,519	540,323	1,048,716	9,144,106
Contribution refunds	-	-	-	58,554	-	58,554
Administration	76,395	34,115	26,641	15,719	23,360	176,230
Total deductions	4,332,117	3,197,941	162,160	614,596	1,072,076	9,378,890
Change in net position	2,663,397	2,244,304	451,273	170,096	66,479	5,595,549
Net position, restricted for pensions and other postemployment benefits:						
Beginning of year	48,078,913	29,425,442	2,622,222	714,236	700,350	81,541,163
End of year	\$ 50,742,310	\$ 31,669,746	\$ 3,073,495	\$ 884,332	\$ 766,829	\$ 87,136,712

Aggregate pension plans:

	Net Pension Liability	Pension Expense	Deferred Inflows	Deferred Outflows
Town plan	\$ 23,472,189	\$ 3,404,361	\$ (221,935)	\$ 1,923,281
Police plan	33,960,603	5,555,692	-	4,059,447
Volunteer Firefighters plan	4,894,911	2,884,595	(271,826)	562,282
Total	\$ 62,327,703	\$ 11,844,648	\$ (493,761)	\$ 6,545,010

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 7. Employee Retirement Systems (Continued)

**Connecticut state teachers' retirement system:** Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

**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).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$12,165,612 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

**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 percent of the average annual salary times the years of credited service (maximum benefit is 75 percent of average annual salary during the 3 years of highest salary).

**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 percent of average annual salary times credited service to date of disability, but not less than 15 percent of average annual salary, nor more than 50 percent of average annual salary.

**Contribution requirements:** 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.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 7. Employee Retirement Systems (Continued)

The statutes require the State of Connecticut to contribute 100 percent 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 \$11,995,942 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 percent of salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**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 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	6.90 Percent

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

Benefit changes since the prior year are as follows:

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

**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%.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems (Continued)

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 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.4%	20.0%
Developed Market Intl. Stock Fund	6.4%	11.0%
Emerging Market Intl. Stock Fund	8.6%	9.0%
Cored Fixed Income Fund	0.8%	13.0%
Emerging Market Debt Fund	3.8%	5.0%
High Yield Bond Fund	3.4%	3.0%
Real Estate Fund	5.2%	19.0%
Private Equity	9.4%	10.0%
Private Credit	6.5%	5.0%
Alternative Investments	3.1%	3.0%
Liquidity Fund	-0.4%	2.0%
Total		100%

**Discount rate:** The discount rate used to measure the total pension liability was 6.90 percent. 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 proportionate share 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.

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** 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 OPEB liability that was associated with the Town was as follows:

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems (Continued)

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>152,150,125</u>
Total	\$	<u>152,150,125</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 \$14,705,480 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Defined contribution retirement savings plans:** Town employees hired after the pension plan was closed to new entrants, between July 1, 2006 and June 30, 2012 depending on the union and nonunion group, are eligible to participate in a 457 defined contribution plan administered by the Town. Town contributions to the plan for the year were \$397,246. For union participants, the Plan requires the Town to contribute 6 percent. For nonunion participants, the Plan requires the Town to contribute 5 percent and 6 percent if the employee contributes at least 1 percent. Board of Education employees similarly participate in a 403(b) defined contribution plan. This plan covers all regular full-time employees except teachers covered by the Connecticut Teachers' Retirement System. For the Cheshire Educational Secretaries and Technicians United Union participants, the Plan requires the BOE to contribute 5 percent if the participant contributes 3 percent, 6.5 percent if the participant contributes 4 percent and 8 percent if the participant contributes 5 percent. For all other BOE union and nonunion participants the Plan requires the BOE to contribute 5 percent of each participant's salary and 6 percent if the employee contributes at least 1 percent. Town contributions to the plan for the year were \$486,680.

Police officers hired on or after January 1, 2014 are required to participate in a 401(a) defined contribution plan. The Plan requires the Town to contribute 10 percent of an officer's salary. Town contributions to the plan for the year were \$162,872. Officers are also required to contribute 6 percent of their salary.

#### Note 8. Other Post-Employment Benefits (OPEB)

In addition to providing pension benefits, the Town instituted a policy providing for a portion of health insurance coverage or subsidized coverage to retired employees. Teachers, town employees and police may become eligible for those benefits if they retire under a normal retirement or with disability.

**Plan description:** The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through single-employer defined benefit plans. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2021. The post-retirement plans do not issue stand-alone financial reports.

The contribution requirements of plan members and the Town are based on a percentage of plan members' annual compensation. Contribution requirements are established and may be amended by the Town. The Town determines the required contribution using the Entry Age Normal Cost Method.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

The valuation date July 1, 2021 reflects changes made to the plan provisions. The expected claims costs were updated based on analysis of the claims experience and premium information. Overall, per capita healthcare costs increased more than expected, which increased liabilities by about \$0.9 million. The mortality assumption was updated to use the MP-2-21 ultimate scale. The rates of retirement, termination, disability and salary growth for Certified Board of Education employees was updated to reflect the assumption that were used in the June 30, 2020 valuation of the Connecticut State Teachers' Retirement System. The discount rate was decreased from 3.50% to 2.16% to align with the 20 Year Tax-Exempt Municipal bond yield as of June 30, 2021. These assumption changes in combination increased the Unfunded Accrued Liability by about \$4.6 million.

Membership in the plans consisted of the following at July 1, 2021.

Category	Town	Police
Retirees and beneficiaries receiving benefits	93	43
Active plan members	605	42
Total	698	85

**Rate of return:** For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Town	Police
Rate of return	13.07%	12.41%

**Net OPEB liability of the Town:** The components of the net OPEB liability of the Town at June 30, 2023 were as follows:

Net OPEB Liability as of June 30, 2023	Town	Police
Total OPEB liability	\$ 18,479,160	\$ 10,364,150
Plan fiduciary net position	766,829	884,332
Net OPEB liability	\$ 17,712,331	\$ 9,479,818
Plan fiduciary net position as a percentage of total OPEB liability	4.15%	8.53%
Covered payroll	49,964,394	3,609,170
Net OPEB liability as a percentage of covered payroll	35.45%	262.66%



**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, calculated based on the discount rate and the actuarial assumptions below, and then was projected forward to the measurement date June 30, 2023. There have been no significant changes between the valuation date and the fiscal year-end. The information presented was determined as part of the actuarial valuations. Information as of the July 1, 2021 valuation follows:

	Town	Police
Valuation date:	July 1, 2021	July 1, 2021
Measurement date:	June 30, 2023	June 30, 2023
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Asset valuation method:	Fair Value	Fair Value
Amortization method:	30 Years, Level Percent, Closed	30 Years, Level Percent, Closed
Remaining amortization period	19 Years	19 Years
Actuarial assumptions:		
Discount rate	3.65%	3.65%
Salary increase rate	Rates Based on Age	Rates Based on Age
Inflation rate	2.30%	2.30%

Healthcare cost trend rates

Average annual healthcare cost trend rates are assumed to be as follows:

Medical inflation rate:	
Initial inflation rate	6.50%
Ultimate inflation rate	4.00%
Years until ultimate inflation rate	50

The plans are considered to be part of the Town's financial reporting entity and are included in the Town's report as the OPEB Trust funds. These plans do not issue stand-alone financial reports.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Town Plan</b>			
<b>Changes in the Net OPEB Liability:</b>			
Balances at June 30, 2022	\$ 18,075,810	\$ 700,350	\$ 17,375,460
Changes for the year:			
Service cost	325,139	-	325,139
Interest on total OPEB liability	632,993	-	632,993
Effect of assumptions changes or inputs	493,934	-	493,934
Benefit payments	(1,048,716)	(1,048,716)	-
Employer contributions	-	1,048,716	(1,048,716)
Net investment income	-	89,839	(89,839)
Administrative expenses	-	(23,360)	23,360
Net changes	403,350	66,479	336,871
Balances at June 30, 2023	\$ 18,479,160	\$ 766,829	\$ 17,712,331

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Police Plan</b>			
<b>Changes in the Net OPEB Liability:</b>			
Balances at June 30, 2022	\$ 9,849,590	\$ 714,236	\$ 9,135,354
Changes for the year:			
Service cost	509,059	-	509,059
Interest on total OPEB liability	356,188	-	356,188
Effect of assumptions changes or inputs	248,190	-	248,190
Benefit payments	(598,877)	(598,877)	-
Employer contributions	-	611,340	(611,340)
Member contributions	-	77,063	(77,063)
Net investment income	-	96,289	(96,289)
Administrative expenses	-	(15,719)	15,719
Net changes	514,560	170,096	344,464
Balances at June 30, 2023	\$ 10,364,150	\$ 884,332	\$ 9,479,818

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:** The following presents what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.00% lower or 1.00% higher than the current healthcare cost trend rates:

Town	1.0% Decrease	Current Trend Rate	1.0% Increase
Net OPEB liability	\$ 15,555,526	\$ 17,712,331	\$ 20,259,068

Police	1.0% Decrease	Current Trend Rate	1.0% Increase
Net OPEB liability	\$ 8,205,607	\$ 9,479,818	\$ 10,994,854

**Sensitivity of estimates used in calculating the net OPEB liability:** The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.65%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

Town	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB liability	\$ 19,653,734	\$ 17,712,331	\$ 16,032,450

Police	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB liability	\$ 10,489,357	\$ 9,479,818	\$ 8,583,686

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

As of June 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources		
	Town	Police	Total
Differences between expected and actual experience	\$ -	\$ 68,369	\$ 68,369
Changes of assumptions	971,604	332,601	1,304,205
Total outflows	<u>\$ 971,604</u>	<u>\$ 400,970</u>	<u>\$ 1,372,574</u>
	Deferred Inflows of Resources		
	Town	Police	Total
Differences between expected and actual experience	\$ (726,924)	\$ (1,157,110)	\$ (1,884,034)
Changes of assumptions	(1,938,857)	(1,104,943)	\$ (3,043,800)
Net difference between projected and actual earnings on OPEB plan investments	(43,908)	(36,109)	(80,017)
Total inflows	<u>\$ (2,709,689)</u>	<u>\$ (2,298,162)</u>	<u>\$ (5,007,851)</u>
Net deferred inflows	<u>\$ (1,738,085)</u>	<u>\$ (1,897,192)</u>	<u>\$ (3,635,277)</u>

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

	Town	Police	Total
Year ending June 30:			
2024	\$ (386,854)	\$ (517,775)	\$ (904,629)
2025	(392,827)	(418,228)	(811,055)
2026	(223,210)	(414,243)	(637,453)
2027	(229,097)	(317,868)	(546,965)
2028	(243,474)	(134,924)	(378,398)
Thereafter	(262,623)	(94,154)	(356,777)
	<u>\$ (1,738,085)</u>	<u>\$ (1,897,192)</u>	<u>\$ (3,635,277)</u>

**Aggregate OPEB plans:**

	Net OPEB Liability	OPEB Expense	Deferred Inflows	Deferred Outflows
Town plan	\$ 17,712,331	\$ 568,872	\$ (2,709,689)	\$ 971,604
Police plan	9,479,818	243,221	(2,298,162)	400,970
CT State Teachers' Retirement System	-	803,189	-	-
Total	<u>\$ 27,192,149</u>	<u>\$ 1,615,282</u>	<u>\$ (5,007,851)</u>	<u>\$ 1,372,574</u>

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Assumed rate of return:** The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2023 and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return	Long-Term Expected Geometric Real Return
Cash	0.21%	0.20%
Intermediate - Term Bonds	1.48%	1.39%
Broad U.S. Equities	5.70%	4.10%
Developed Foreign Equities	7.90%	6.06%
Assumed Inflation - Mean	2.30%	2.30%
Assumed Inflation - Standard Deviation	1.25%	1.25%
Portfolio Real Mean Return	4.73%	4.02%
Portfolio Nominal Mean Return	7.03%	6.42%
Portfolio Standard Deviation		11.42%
Long-Term Expected Rate of Return		3.50%

**Investments:**

**Concentrations:** Information regarding investment concentration is presented in Note 2.

**Investment policy:** The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board:

Asset Class	OPEB Funds Allocation %
Cash	5%
Intermediate - Term Bonds	30%
Broad U.S. Equities	39%
Developed Foreign Equities	26%
Total	100%

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Discount rate:** The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

	Town	Police
Discount rate	3.65%	3.65%
Long-term expected rate of return, net of investment expense	3.50%	3.50%
20 Year Tax-Exempt Municipal Bond Yield	3.65%	3.65%

**Other Post-Employment Benefit - Connecticut State Teachers' 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 post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a Section 10-183 (t) 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 healthcare 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 Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 8. Other Post-Employment Benefits (OPEB) (Continued)

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

Any member that 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 Supplemental 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 healthcare coverage:** Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**Eligibility:** Any member that 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.

**Proratable retirement:** Age 60 with 10 years of Credited Service.

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

**Termination of employment:** 10 or more years of Credited Service.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

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**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the State was \$169,670 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’s proportionate share of the net OPEB liability	\$ -
State’s proportionate share of the net OPEB liability associated with the Town	13,324,861
	<u>\$ 13,324,861</u>

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 \$803,189 in Exhibit II for on-behalf amounts for the benefits provided by the State.



## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 8. Other Post-Employment Benefits (OPEB) (Continued)

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

Inflation	2.50%
Healthcare costs trend rates	Known increase until calendar year 2024 then general trend decreasing to an ultimate rate of 4.5% by 2031
Salary increases	3.00-6.50%, including inflation
Investment rate of return	3.53%, net of OPEB plan investment expense, including inflation
Year 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

- 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 claim 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 Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

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

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 (0.98%).

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 8. Other Post-Employment Benefits (OPEB) (Continued)

**Discount rate:** The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**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 healthcare 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 Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 9. Fund Balances (Deficits)**

The detail of the Town's fund balances are as follows:

	General Fund	Capital Improvements Fund	Debt Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Prepays	\$ 96,786	\$ 246,000	\$ -	\$ 20,000	\$ 362,786
Inventory	-	-	-	45,846	45,846
Permanent Trust Purposes - Nonexpendable	-	-	-	78,361	78,361
Total nonspendable	96,786	246,000	-	144,207	486,993
Restricted:					
Permanent Trust Purposes - Expendable	-	-	-	25,616	25,616
General government activities	-	-	-	204,418	204,418
Police operations	-	-	-	375,686	375,686
Fire operations	-	-	-	464,467	464,467
Sewer and water assessments	-	-	-	21,288	21,288
Water pollution control operations	-	-	-	826,852	826,852
Social services	-	-	-	102,037	102,037
Library operations	-	-	-	81,786	81,786
Parks and recreation programs	-	-	-	27,777	27,777
School cafeteria operations	-	-	-	1,541,316	1,541,316
Educational programs	-	-	-	1,406,750	1,406,750
Road, sidewalk and bridge construction	-	17,338,188	-	-	17,338,188
Debt service	-	-	-	308,991	308,991
Total restricted	-	17,338,188	-	5,386,984	22,725,172
Committed:					
Capital projects	-	-	-	2,123,165	2,123,165
Debt service	-	-	3,420,101	-	3,420,101
Total committed	-	-	3,420,101	2,123,165	5,543,266
Assigned:					
Education	1,739,249	-	-	-	1,739,249
General government activities	47,638	-	-	-	47,638
Police and fire equipment	88,836	-	-	-	88,836
Parks maintenance	109,331	-	-	-	109,331
Social services	-	-	-	-	-
Library books and supplies	99,908	-	-	-	99,908
Recreation	-	-	-	-	-
Water pollution control	-	-	-	48,971	48,971
Subsequent year expenditures	2,000,000	-	-	-	2,000,000
Community pool services	349,422	-	-	-	349,422
Insurance reserves	55,150	-	-	-	55,150
Capital outlay	327,684	-	-	52,925	380,609
Total assigned	4,817,218	-	-	101,896	4,919,114
Unassigned					
	14,316,271	(2,135,565)	-	(1,159)	12,179,547
Total fund balance	\$ 19,230,275	\$ 15,448,623	\$ 3,420,101	\$ 7,755,093	\$ 45,854,092

Encumbrances included in the above table in the assigned categories are as follows: \$2,416,566 in the General Fund and \$40,141 in the Water Pollution Control Fund.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 9. Fund Balances (Deficits) (Continued)

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The following fund had a fund deficit as of June 30, 2023:

Internal Service Fund:	
Heart & Hypertension	\$ 2,818,147

The Internal Service fund deficit will be repaid with future charges.

#### Note 10. Contingencies and Commitments

Construction and other significant commitments have been reported as assigned fund balance in the fund equity section of the balance sheet. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 2,416,566
Capital Improvements Fund	17,046,502
Nonmajor governmental funds	93,065
Total	<u>\$ 19,556,133</u>

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

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials that such pending litigation will not result individually or in the aggregate in a final judgment against the Town which would have a material adverse effect on its financial position.

**Construction commitments:** The Town has active construction projects as of June 30, 2023. At year-end, the Town's commitment on uncompleted contracts is approximately \$17,099,000.

#### Note 11. Risk Management

The Town is exposed to various risks of loss relating to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees, employee health and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies, except for self-insured medical benefits provided under its three health insurance plans, prescription drug plan, dental plans, and workers' compensation covered under a public entity risk pool. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from coverage in the prior year.

The Town established an internal service fund, the health insurance fund, to account for and finance employee medical benefits claims for eligible employees of both the Town and Board of Education. The Town retains the risk of loss under the three medical plans it offers, along with dental and prescription drugs.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 11. Risk Management (Continued)**

A third party processes the claims filed under the Town’s self-insured health plans, for which the Town is charged an administrative fee. The Town participates in a stop-loss captive for individuals exceeding \$175,000. The captive self-insures claims exceeding \$175,000. Incurred but not recorded (IBNR) are accrued for in the Health Insurance Fund.

The Town established another internal service fund, Heart and Hypertension, to account for the financing of heart and hypertension claims.

Payments to the Health Insurance internal service fund are based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. For the Heart and Hypertension fund, payments to the fund are based upon estimates of claim reserves necessary to pay annual commitments as well as future claims. The claims liability for the Health Insurance Fund and Heart and Hypertension Fund, respectively, reported in the fund at June 30, 2023, is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated.

The amount of the claims accrual is based on the estimated ultimate costs of settling the claims, which includes past experience data, inflation and other future economic and societal factors and incremental claims adjustment expenses, net of estimated subrogation recoveries. Liabilities for unpaid claims are based on recommendations from third-party administrators. The claims accrual does not include other allocated or unallocated claims adjustment expenses. Such amounts are included as a component of liabilities in the statement of financial position (Exhibit I) as accounts payable for health insurance claims payable and current and noncurrent portions of long-term debt obligations for heart and hypertension claims payable.

Health Insurance Fund						
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Due Within One Year	
2021-2022	\$ 1,149,554	\$ 14,183,144	\$ 14,050,094	\$ 1,282,604	\$ 1,282,604	
2022-2023	\$ 1,282,604	\$ 15,294,478	\$ 15,202,979	\$ 1,374,103	\$ 1,374,103	

Heart & Hypertension Fund						
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Due Within One Year	
2021-2022	\$ 2,086,252	\$ 972,364	\$ 120,142	\$ 2,938,474	\$ 182,860	
2022-2023	\$ 2,938,474	\$ 288,699	\$ 186,462	\$ 3,040,711	\$ 157,410	

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 12. Project Authorizations**

The following is a summary of Capital Improvement Fund projects at June 30, 2023:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Unspent Authorizations</u>
Various capital improvements	<u>\$ 255,999,817</u>	<u>\$ 63,558,461</u>	<u>\$ 192,441,356</u>

**Note 13. Tax Abatements**

The Town of Cheshire enters into property tax abatement agreements under Connecticut General Statute (CGS) Section 12-65b with local businesses that apply. Under the Statute, municipalities may grant property tax abatements for real estate for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or seeking to relocate to Cheshire. Cheshire's current policy is to abate taxes based on 50% of the assessed value of new construction for a 4-year period for projects with improvements less than three million and a 7-year period for projects that are three million or more. The Town can recapture abated taxes if the business does not stay in Cheshire for at least ten years. There is also a penalty if an agreed upon minimum staffing level is not maintained for the four or seven-year abatement period. For the year ended June 30, 2023, property taxes in the amount of \$227,751 were abated under this program.

**Required Supplementary  
Information - *unaudited***

**Required Supplementary Information - unaudited  
Schedule of Investment Returns - Pension Plan Trusts  
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income, for:										
Town	9.42%	-9.23%	25.06%	0.43%	3.84%	6.88%	9.85%	-3.29%	1.35%	13.20%
Police	9.28%	-9.07%	24.40%	0.34%	3.80%	6.76%	9.66%	-3.39%	1.32%	13.15%
Volunteer Firefighters	12.64%	-11.10%	28.99%	-0.34%	4.96%	6.00%	12.24%	0.14%	-0.36%	14.68%



**Required Supplementary Information - unaudited**  
**Schedule of Employer Contributions - Pension Trust Funds**  
**Last Ten Fiscal Years**

<i>Schedule of Employer Contributions - Pension Trust Fund</i>					
Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
<b><u>Town</u></b>					
2014	2,014,125	1,540,124	474,001	14,629,500	10.53%
2015	2,096,584	1,840,124	256,460	11,411,022	16.13%
2016	1,821,202	1,821,202	-	13,079,769	13.92%
2017	1,773,905	1,773,905	-	12,000,249	14.78%
2018	1,825,373	1,825,373	-	12,298,389	14.84%
2019	1,788,342	1,788,342	-	11,023,734	16.22%
2020	1,800,781	1,800,781	-	11,275,762	15.97%
2021	2,167,287	2,019,781	147,506	9,979,654	20.24%
2022	2,347,738	2,347,738	-	10,456,128	22.45%
2023	2,242,681	2,242,681	-	8,825,837	25.41%
<b><u>Police</u></b>					
2014	1,143,257	702,765	440,492	4,203,371	16.72%
2015	1,205,946	852,765	353,181	4,146,467	20.57%
2016	1,342,563	1,152,765	189,798	3,743,751	30.79%
2017	1,456,934	1,302,765	154,169	3,687,620	35.33%
2018	1,631,178	1,452,765	178,413	3,673,204	39.55%
2019	1,814,532	1,702,765	111,767	3,694,630	46.09%
2020	1,884,505	1,884,505	-	3,730,828	50.51%
2021	2,008,256	2,008,256	-	3,752,318	53.52%
2022	2,217,278	2,217,278	-	3,990,499	55.56%
2023	2,282,448	2,282,448	-	3,978,888	57.36%
<b><u>Volunteer Firefighters</u></b>					
2014	249,892	223,000	26,892	N/A	N/A
2015	241,200	241,200	-	N/A	N/A
2016	263,917	263,917	-	N/A	N/A
2017	270,278	270,278	-	N/A	N/A
2018	257,157	257,157	-	N/A	N/A
2019	264,646	264,646	-	N/A	N/A
2020	259,652	259,652	-	N/A	N/A
2021	265,069	265,069	-	N/A	N/A
2022	252,998	252,998	-	N/A	N/A
2023	259,357	259,357	-	N/A	N/A

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Town									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>										
Service cost	\$ 906	\$ 1,127	\$ 1,097	\$ 1,048	\$ 1,019	\$ 1,184	\$ 1,101	\$ 1,513	\$ 1,407	\$ 1,237
Interest on total pension liability	4,988	4,869	4,787	4,458	4,383	4,214	4,179	3,991	3,780	4,023
Effect of plan changes	-	-	-	-	-	-	-	-	(9)	-
Effect of economic/demographic gains or (losses)	(1,331)	-	(999)	-	(1,274)	-	(2,104)	-	(1,284)	-
Effect of assumption changes or inputs	1,459	-	-	6,792	-	-	-	-	(5,119)	-
Benefit payments	(4,256)	(3,901)	(3,572)	(3,249)	(3,065)	(2,902)	(2,680)	(2,521)	(2,405)	(2,111)
<b>Net change in total pension liability</b>	<b>1,766</b>	<b>2,095</b>	<b>1,313</b>	<b>9,049</b>	<b>1,063</b>	<b>2,496</b>	<b>496</b>	<b>2,983</b>	<b>(3,630)</b>	<b>3,149</b>
Total pension liability, beginning	72,448	70,353	69,040	59,991	58,928	56,432	55,936	52,953	56,583	53,434
<b>Total pension liability, ending (a)</b>	<b>74,214</b>	<b>72,448</b>	<b>70,353</b>	<b>69,040</b>	<b>59,991</b>	<b>58,928</b>	<b>56,432</b>	<b>55,936</b>	<b>52,953</b>	<b>56,583</b>
<b>Fiduciary net position:</b>										
Employer contributions	\$ 2,243	\$ 2,348	\$ 2,020	\$ 1,801	\$ 1,788	\$ 1,825	\$ 1,774	\$ 1,821	\$ 1,840	\$ 1,540
Member contributions	215	239	269	286	303	330	325	327	341	345
Investment income net of investment expenses	4,537	(5,061)	11,257	195	1,738	2,972	3,938	(1,380)	559	4,869
Benefit payments	(4,256)	(3,902)	(3,572)	(3,249)	(3,065)	(2,902)	(2,680)	(2,521)	(2,405)	(2,111)
Administrative expenses	(76)	(82)	(95)	(40)	(63)	(42)	(60)	(54)	(65)	(51)
<b>Net change in plan fiduciary net position</b>	<b>2,663</b>	<b>(6,458)</b>	<b>9,879</b>	<b>(1,007)</b>	<b>701</b>	<b>2,183</b>	<b>3,297</b>	<b>(1,807)</b>	<b>270</b>	<b>4,592</b>
Fiduciary net position, beginning	48,079	54,537	44,658	45,665	44,964	42,781	39,484	41,291	41,021	36,429
<b>Fiduciary net position, ending (b)</b>	<b>50,742</b>	<b>48,079</b>	<b>54,537</b>	<b>44,658</b>	<b>45,665</b>	<b>44,964</b>	<b>42,781</b>	<b>39,484</b>	<b>41,291</b>	<b>41,021</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 23,472</b>	<b>\$ 24,369</b>	<b>\$ 15,816</b>	<b>\$ 24,382</b>	<b>\$ 14,326</b>	<b>\$ 13,964</b>	<b>\$ 13,651</b>	<b>\$ 16,452</b>	<b>\$ 11,662</b>	<b>\$ 15,562</b>
Fiduciary net position as a % of total pension liability	68.37%	66.36%	77.52%	64.68%	76.12%	76.30%	75.81%	70.59%	77.98%	72.50%
Covered payroll	\$ 8,826	\$ 10,456	\$ 9,980	\$ 11,276	\$ 11,024	\$ 12,298	\$ 12,000	\$ 13,080	\$ 11,411	\$ 14,630
Net pension liability as a % of covered payroll	265.95%	233.06%	158.49%	216.24%	129.96%	113.54%	113.75%	125.78%	102.20%	106.37%

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Police									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 779	\$ 851	\$ 828	\$ 682	\$ 664	\$ 732	\$ 681	\$ 744	\$ 692	\$ 689
Interest on total pension liability	4,155	4,035	3,899	3,625	3,510	3,421	3,208	3,099	2,987	2,870
Effect of plan changes	-	-	-	-	-	(378)	-	-	-	1,001
Effect of economic/demographic gains or (losses)	1,852	-	111	-	(41)	-	1,314	-	1,063	-
Effect of assumption changes or inputs	1,869	-	-	5,626	-	-	-	-	(1,071)	-
Benefit payments	(3,164)	(3,014)	(2,818)	(2,639)	(2,591)	(2,449)	(2,389)	(2,269)	(2,181)	(1,829)
<b>Net change in total pension liability</b>	<b>5,491</b>	<b>1,872</b>	<b>2,020</b>	<b>7,294</b>	<b>1,542</b>	<b>1,326</b>	<b>2,814</b>	<b>1,574</b>	<b>1,490</b>	<b>2,731</b>
Total pension liability, beginning	60,139	58,267	56,247	48,953	47,411	46,085	43,271	41,697	40,207	37,476
<b>Total pension liability, ending (a)</b>	<b>65,630</b>	<b>60,139</b>	<b>58,267</b>	<b>56,247</b>	<b>48,953</b>	<b>47,411</b>	<b>46,085</b>	<b>43,271</b>	<b>41,697</b>	<b>40,207</b>
Fiduciary net position:										
Employer contributions	\$ 2,282	\$ 2,217	\$ 2,008	\$ 1,885	\$ 1,703	\$ 1,453	\$ 1,303	\$ 1,153	\$ 853	\$ 703
Member contributions	355	323	330	339	331	321	302	305	307	337
Investment income net of investment expenses	2,805	(3,061)	6,720	95	1,033	1,757	2,348	(877)	349	3,173
Benefit payments	(3,164)	(3,014)	(2,818)	(2,638)	(2,590)	(2,449)	(2,389)	(2,269)	(2,181)	(1,829)
Administrative expenses	(34)	(48)	(50)	(32)	(51)	(22)	(31)	(26)	(47)	(27)
<b>Net change in plan fiduciary net position</b>	<b>2,244</b>	<b>(3,583)</b>	<b>6,190</b>	<b>(351)</b>	<b>426</b>	<b>1,060</b>	<b>1,533</b>	<b>(1,714)</b>	<b>(719)</b>	<b>2,357</b>
Fiduciary net position, beginning	29,426	33,009	26,819	27,170	26,744	25,684	24,151	25,865	26,584	24,227
<b>Fiduciary net position, ending (b)</b>	<b>31,670</b>	<b>29,426</b>	<b>33,009</b>	<b>26,819</b>	<b>27,170</b>	<b>26,744</b>	<b>25,684</b>	<b>24,151</b>	<b>25,865</b>	<b>26,584</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 33,960</b>	<b>\$ 30,713</b>	<b>\$ 25,258</b>	<b>\$ 29,428</b>	<b>\$ 21,783</b>	<b>\$ 20,667</b>	<b>\$ 20,401</b>	<b>\$ 19,120</b>	<b>\$ 15,832</b>	<b>\$ 13,623</b>
Fiduciary net position as a % of total pension liability	48.25%	48.93%	56.65%	47.68%	55.50%	56.41%	55.73%	55.81%	62.03%	66.12%
Covered payroll	\$ 3,979	\$ 3,990	\$ 3,752	\$ 3,731	\$ 3,695	\$ 3,673	\$ 3,688	\$ 3,744	\$ 4,146	\$ 4,203
Net pension liability as a % of covered payroll	853.52%	769.66%	673.13%	788.80%	589.58%	562.64%	553.22%	510.72%	381.86%	324.13%

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Volunteer Firefighter									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>										
Service cost	\$ 49	\$ 53	\$ 53	\$ 42	\$ 41	\$ 44	\$ 39	\$ 30	\$ 27	\$ 29
Interest on total pension liability	349	333	326	297	285	273	269	257	247	237
Effect of plan changes	2,589	-	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(144)	-	(128)	-	2	-	(203)	-	(2)	-
Effect of assumption changes or inputs	258	-	-	516	-	-	95	-	-	-
Benefit payments	(135)	(161)	(168)	(168)	(154)	(151)	(145)	(143)	(141)	(139)
<b>Net change in total pension liability</b>	<b>2,966</b>	<b>225</b>	<b>83</b>	<b>687</b>	<b>174</b>	<b>166</b>	<b>55</b>	<b>144</b>	<b>131</b>	<b>127</b>
Total pension liability, beginning	5,002	4,777	4,694	4,007	3,833	3,667	3,612	3,468	3,337	3,210
<b>Total pension liability, ending (a)</b>	<b>7,968</b>	<b>5,002</b>	<b>4,777</b>	<b>4,694</b>	<b>4,007</b>	<b>3,833</b>	<b>3,667</b>	<b>3,612</b>	<b>3,468</b>	<b>3,337</b>
<b>Fiduciary net position:</b>										
Employer contributions	\$ 259	\$ 253	\$ 265	\$ 259	\$ 265	\$ 257	\$ 270	\$ 264	\$ 241	\$ 223
Member contributions	-	-	-	-	-	-	-	-	-	-
Investment income net of investment expenses	354	(338)	669	(8)	101	110	191	2	(5)	162
Benefit payments	(135)	(161)	(168)	(168)	(153)	(151)	(145)	(143)	(141)	(139)
Administrative expenses	(27)	(17)	(20)	(9)	(16)	(14)	(24)	(17)	(23)	(15)
<b>Net change in plan fiduciary net position</b>	<b>451</b>	<b>(263)</b>	<b>746</b>	<b>74</b>	<b>197</b>	<b>202</b>	<b>292</b>	<b>106</b>	<b>72</b>	<b>231</b>
Fiduciary net position, beginning	2,622	2,885	2,139	2,065	1,868	1,666	1,374	1,268	1,195	964
<b>Fiduciary net position, ending (b)</b>	<b>3,073</b>	<b>2,622</b>	<b>2,885</b>	<b>2,139</b>	<b>2,065</b>	<b>1,868</b>	<b>1,666</b>	<b>1,374</b>	<b>1,268</b>	<b>1,195</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 4,895</b>	<b>\$ 2,380</b>	<b>\$ 1,892</b>	<b>\$ 2,555</b>	<b>\$ 1,942</b>	<b>\$ 1,965</b>	<b>\$ 2,001</b>	<b>\$ 2,238</b>	<b>\$ 2,200</b>	<b>\$ 2,142</b>
Fiduciary net position as a % of total pension liability	38.57%	52.42%	60.39%	45.57%	51.53%	48.73%	45.43%	38.04%	36.56%	35.81%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability -**  
**Teachers' Retirement Plan**  
**Last Nine Fiscal Years**

Measurement Period	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	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability	\$ 152,150,125	\$ 126,238,571	\$ 159,390,429	\$ 140,330,173	\$ 108,202,716	\$ 110,113,252	\$ 116,170,342	\$ 89,484,226	\$ 82,710,234
Town's covered payroll	\$ 38,934,370	\$ 37,489,453	\$ 36,755,966	\$ 36,131,492	\$ 35,521,574	\$ 34,901,983	\$ 33,640,478	\$ 33,261,768	\$ 32,127,000
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%	61.56%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**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 for 6/30/2024 valuation
Single equivalent amortization period	27.8 years
Asset valuation method	4-year smoothed fair value
Inflation	2.50%
Salary increase	3.00%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

Notes:

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

**Required Supplementary Information - unaudited  
Schedule of Investment Returns - OPEB Trusts  
Last Seven Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment income for:							
Town	13.07%	-12.07%	32.57%	-0.71%	5.33%	6.65%	13.15%
Police	12.41%	-10.70%	24.42%	-0.60%	4.76%	5.24%	10.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net OPEB Liability and Related Ratios (in 1,000's)**  
**Last Seven Fiscal Years**

Changes in Net OPEB Liability	Town							Police						
	2023	2022	2021	2020	2019	2018	2017	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:														
Service cost	\$ 325	\$ 503	\$ 457	\$ 423	\$ 378	\$ 400	\$ 424	\$ 509	\$ 644	\$ 593	\$ 537	\$ 516	\$ 528	\$ 612
Interest on total OPEB liability	633	446	453	695	723	734	631	356	243	241	440	451	442	366
Effect of plan changes	-	-	-	257	-	-	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(303)	-	(331)	-	(1,241)	(1,922)	-	92	-	(2,204)	-	(867)	-
Effect of assumption changes or inputs	494	(2,237)	107	442	835	(948)	-	248	(1,414)	51	(27)	434	(311)	(905)
Benefit payments	(1,049)	(934)	(930)	(824)	(751)	(734)	(772)	(599)	(617)	(537)	(473)	(503)	(468)	(495)
<b>Net change in total OPEB liability</b>	<b>403</b>	<b>(2,525)</b>	<b>87</b>	<b>662</b>	<b>1,185</b>	<b>(1,789)</b>	<b>(1,639)</b>	<b>514</b>	<b>(1,052)</b>	<b>348</b>	<b>(1,727)</b>	<b>898</b>	<b>(676)</b>	<b>(422)</b>
Total OPEB liability, beginning	18,076	20,601	20,514	19,852	18,667	20,456	22,095	9,850	10,902	10,554	12,281	11,383	12,059	12,481
<b>Total OPEB liability ending (a)</b>	<b>18,479</b>	<b>18,076</b>	<b>20,601</b>	<b>20,514</b>	<b>19,852</b>	<b>18,667</b>	<b>20,456</b>	<b>10,364</b>	<b>9,850</b>	<b>10,902</b>	<b>10,554</b>	<b>12,281</b>	<b>11,383</b>	<b>12,059</b>
Fiduciary net position:														
Employer contributions	\$ 1,049	\$ 934	\$ 930	\$ 825	\$ 750	\$ 734	\$ 772	\$ 611	\$ 629	\$ 543	\$ 497	\$ 500	\$ 505	\$ 505
Member contributions	-	-	-	-	-	-	-	77	68	64	64	60	54	54
Investment income net of investment expenses	90	(97)	202	(5)	33	39	70	96	(79)	143	(3)	20	17	25
Benefit payments	(1,049)	(934)	(930)	(825)	(750)	(734)	(772)	(599)	(617)	(537)	(473)	(502)	(468)	(496)
Administrative expenses	(23)	(8)	(22)	(8)	(21)	(8)	(7)	(15)	(8)	(19)	(7)	(16)	(9)	(8)
<b>Net change in plan fiduciary net position</b>	<b>67</b>	<b>(105)</b>	<b>180</b>	<b>(13)</b>	<b>12</b>	<b>31</b>	<b>63</b>	<b>170</b>	<b>(7)</b>	<b>194</b>	<b>78</b>	<b>62</b>	<b>99</b>	<b>80</b>
Fiduciary net position, beginning	700	805	625	638	626	595	532	714	721	527	450	388	289	209
<b>Fiduciary net position, ending (b)</b>	<b>767</b>	<b>700</b>	<b>805</b>	<b>625</b>	<b>638</b>	<b>626</b>	<b>595</b>	<b>884</b>	<b>714</b>	<b>721</b>	<b>528</b>	<b>450</b>	<b>388</b>	<b>289</b>
<b>Net OPEB liability, ending = (a) - (b)</b>	<b>\$ 17,712</b>	<b>\$ 17,376</b>	<b>\$ 19,796</b>	<b>\$ 19,889</b>	<b>\$ 19,214</b>	<b>\$ 18,041</b>	<b>\$ 19,861</b>	<b>\$ 9,480</b>	<b>\$ 9,136</b>	<b>\$ 10,181</b>	<b>\$ 10,026</b>	<b>\$ 11,831</b>	<b>\$ 10,995</b>	<b>\$ 11,770</b>
Fiduciary net position as a % of total OPEB liability	4.15%	3.87%	3.91%	3.05%	3.21%	3.35%	2.91%	8.53%	7.25%	6.62%	5.00%	3.66%	3.41%	2.40%
Covered payroll	\$ 49,964	\$ 49,964	\$ 48,101	\$ 48,101	\$ 44,717	\$ 44,717	\$ 37,814	\$ 3,609	\$ 3,609	\$ 4,064	\$ 4,064	\$ 4,465	\$ 4,465	\$ 2,990
Net OPEB liability as a % of covered payroll	35.45%	34.78%	41.15%	41.35%	42.97%	40.34%	52.52%	262.66%	253.12%	250.53%	246.73%	264.99%	246.25%	393.61%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net OPEB Liability -**  
**Teachers' Retiree Health Plan**  
**Last Six Fiscal Years**

Measurement Period	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	\$ 13,324,861	\$ 13,753,461	\$ 23,773,088	\$ 21,885,283	\$ 21,630,403	\$ 28,341,917
Town's covered payroll	\$ 38,934,370	\$ 37,489,453	\$ 36,755,966	\$ 36,131,492	\$ 33,502,384	\$ 34,902,001
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%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**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 claim costs were updated;
  - Long-term health care cost trend rates were updated; and
  - The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Fair value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.50%

Notes:

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



**Required Supplementary Information - unaudited  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis -  
 Budget and Actual - General Fund  
 For the Year Ended June 30, 2023**

	Original	Revised Final	Actual Budgetary Basis	Variance With Final Budget
<b>Revenues:</b>				
Property taxes, interest and lien fees	\$ 101,843,521	\$ 101,843,521	\$ 102,457,866	\$ 614,345
Charges for services	2,952,480	2,952,480	3,750,515	798,035
Intergovernmental	17,069,830	17,069,830	17,884,831	815,001
Interest and dividend income	750,000	750,000	1,494,213	744,213
Other local income	211,002	211,002	262,257	51,255
<b>Total revenues</b>	<b>122,826,833</b>	<b>122,826,833</b>	<b>125,849,682</b>	<b>3,022,849</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration and finance	14,624,905	14,797,305	14,714,483	82,822
Planning and development	440,011	440,411	414,910	25,501
Public safety	8,556,670	8,575,070	8,503,113	71,957
Public works	7,221,732	7,145,231	7,062,958	82,273
Public health	721,744	722,544	722,488	56
Social services	1,065,653	1,074,953	1,072,766	2,187
Cultural services	2,005,984	2,006,184	1,959,172	47,012
Leisure services	734,476	734,476	675,559	58,917
Education	80,664,420	80,664,420	80,659,253	5,167
Contingency	125,000	-	-	-
Debt service	7,403,322	7,403,323	7,403,323	-
<b>Total expenditures</b>	<b>123,563,917</b>	<b>123,563,917</b>	<b>123,188,025</b>	<b>375,892</b>
<b>Revenues over (under) expenditures</b>	<b>(737,084)</b>	<b>(737,084)</b>	<b>2,661,657</b>	<b>3,398,741</b>
<b>Other financing sources (uses):</b>				
Cancellation of prior year encumbrances	230,000	230,000	333,461	103,461
Transfers in	794,084	794,084	820,242	26,158
Transfers out	(1,987,000)	(1,987,000)	(1,987,000)	-
<b>Net other financing sources (uses)</b>	<b>(962,916)</b>	<b>(962,916)</b>	<b>(833,297)</b>	<b>129,619</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses before utilization of fund balance</b>	<b>(1,700,000)</b>	<b>(1,700,000)</b>	<b>1,828,360</b>	<b>3,528,360</b>
Utilization of fund balance	1,700,000	1,700,000	-	(1,700,000)
<b>Excess of revenues and other financing sources over expenditures and other financing uses after utilization of fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,828,360</b>	<b>\$ 1,828,360</b>
Budgetary fund balance, July 1, 2022			15,901,969	
Budgetary fund balance, June 30, 2023			<u>\$ 17,730,329</u>	

## Town of Cheshire, Connecticut

### Note to Required Supplementary Information - unaudited

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#### Note 1. Budgets and Budgetary Accounting

The Town's budget policies for the General Fund, the Water Pollution Control Fund, and the Cheshire Community Pool Fund are as follows:

- A. Each department, office, board or commission of the Town, including the Board of Education, shall submit to the Town Manager a detailed estimate of the expenditures and anticipated revenues by February 15.
- B. On or before March 10, the Town Manager submits a balanced budget and budget message to the Town Council based upon requests submitted by the various Town departments.
- C. By March 24, the Town Council submits the proposed operating budget to one or more public hearings, at which elector or taxpayer comments are obtained. A second public hearing is held prior to adoption. The budget includes proposed expenditures and the means of financing them. By April 30, the Town council must adopt an operating budget and fix a tax rate in mills and shall file it with the Town Clerk by May 10.
- D. The budget adopted by the Town Council is subject to one referendum by petition of at least 10 percent of the registered electors. The petition must be filed by May 20, and the Council must hold a referendum no later than June 20. If the budget is rejected at referendum, the Council has until June 27 to adopt a new budget and file it with the Town Clerk.
- E. The legal level of control for the General Fund, the level at which expenditures may not exceed appropriations, is at the department level within a function that includes departments, offices, projects, sub-functions, boards and commissions as prescribed by the Town Charter. The legal level of control is at the fund level for the Water Pollution Control Fund and the Cheshire Community Pool Fund.
- F. Management is not authorized to make budgetary transfers. The Town Council, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Additional appropriations up to \$250,000 may be approved by the Town Council. Additional appropriations that exceed \$250,000 but do not exceed \$500,000 may be approved by the Council following a public hearing. Those in excess of \$500,000 may be approved for referendum by the Council following a public hearing. There were additional appropriations from The Cheshire Community Pool fund balance of \$59,487 for emergency maintenance repairs. There were also additional appropriations from the Water Pollution Control Department fund balance of \$438,171, including \$143,171 for chemicals for breaking down solids, \$170,000 to finance the adopted fiscal year 2022-2023 capital project for WPCD treatment plant equipment replacement, and \$125,000 to finance the adopted fiscal year 2022-2023 capital project for upgrading waste-thickening control panels.
- G. The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- H. Formal budgetary integration is employed as a management control device during the year.

**Town of Cheshire, Connecticut**

**Note to Required Supplementary Information - unaudited**

**Note 1. Budgets and Budgetary Accounting (Continued)**

- I. 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 in the current year. Generally, all unencumbered appropriations lapse at year-end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

A reconciliation of General Fund revenues, expenditures and net other financing sources/uses, as presented in accordance with GAAP and as presented on the budgetary basis, is as follows:

	Revenues	Expenditures	Net Other Financing Sources/(Uses)	Fund Balance
General Fund, budgetary basis	\$ 125,849,682	\$ 123,188,025	\$ (833,297)	\$ 17,730,329
Accrued payroll	-	43,141	-	(278,852)
Unrealized gain	(265,156)	-	-	(1,038,420)
State Teachers Retirement				
System on-behalf payments	12,165,612	12,165,612	-	-
Issuance of SBITAs	-	315,496	315,496	-
Encumbrances:				
June 30, 2022	-	1,808,095	-	231,589
June 30, 2023	-	(2,181,057)	-	2,181,057
Cancellation of prior year encumbrances	-	-	(333,461)	-
Effect of GASB No. 54	896,916	1,218,523	487,000	404,572
Combined General Fund, GAAP basis	<u>\$ 138,647,054</u>	<u>\$ 136,557,835</u>	<u>\$ (364,262)</u>	<u>\$ 19,230,275</u>

**Combining and Individual Fund  
Financial Statements and Other Schedules**

**General Fund**

## **General Fund**

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units. The following funds have been reclassified to the General Fund, which were previously reported as Special Revenue Funds, but they no longer meet the definition in accordance with GASB 54:

### **Insurance Proceeds Fund**

To account for receipts from insurance companies and disbursements for insurance claims.

### **Cheshire Community Pool Fund**

To account for the collection of user charges to support the cost of operating the Cheshire community pool.

**General Fund Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Property Taxes</b>				
Current tax levy	\$ 100,329,232	\$ 100,329,232	\$ 100,249,424	\$ (79,808)
Supplemental motor vehicle tax	1,124,289	1,124,289	1,303,360	179,071
Motor vehicle mill rate cap	-	-	373,568	373,568
Prior year tax levies	50,000	50,000	97,910	47,910
Interest and lien fees	200,000	200,000	276,666	76,666
Telecommunication - property tax	140,000	140,000	156,938	16,938
<b>Total property taxes</b>	<b>101,843,521</b>	<b>101,843,521</b>	<b>102,457,866</b>	<b>614,345</b>
<b>Charges for Services</b>				
Building official	700,000	700,000	1,090,221	390,221
Town clerk	875,000	875,000	878,207	3,207
Parks and recreation	294,980	294,980	382,611	87,631
Police department	190,000	190,000	403,792	213,792
Public library	10,000	10,000	8,600	(1,400)
Animal control	6,000	6,000	7,569	1,569
Solid waste	2,000	2,000	1,845	(155)
Public works	15,000	15,000	25,283	10,283
Planning	35,000	35,000	39,940	4,940
Senior services	15,000	15,000	16,865	1,865
Youth activities	4,500	4,500	7,190	2,690
Fine arts	110,000	110,000	122,500	12,500
Police special duty	115,000	115,000	153,720	38,720
Birth to three	400,000	400,000	443,989	43,989
Tuition	180,000	180,000	168,183	(11,817)
<b>Total charges for services</b>	<b>2,952,480</b>	<b>2,952,480</b>	<b>3,750,515</b>	<b>798,035</b>
<b>Intergovernmental</b>				
Payment in Lieu of Taxes:				
Cheshire Academy	1,000	1,000	1,000	-
Cheshire Housing Authority	25,000	25,000	22,728	(2,272)
South Central Regional Water Authority	677,313	677,313	677,313	-
New Tiered Reimbursement	2,314,640	2,314,640	2,314,640	-
Totally disabled	1,780	1,780	2,144	364
Additional veterans' exemption	8,155	8,155	8,424	269
Pequot/Mohegan	1,962,440	1,962,440	1,962,440	-
<b>Total payment in lieu of taxes</b>	<b>4,990,328</b>	<b>4,990,328</b>	<b>4,988,689</b>	<b>(1,639)</b>

(Continued)

**General Fund Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Intergovernmental, Continued</b>				
Town:				
Youth services grant	\$ 17,184	\$ 17,184	\$ 17,233	\$ 49
Miscellaneous grants	24,000	24,000	33,158	9,158
Town Aid Road	402,791	402,791	398,409	(4,382)
Municipal Revenue Sharing Bond	736,700	736,700	736,700	-
MRSA	-	-	576,851	576,851
Local Capital Improvement Program	180,878	180,878	177,113	(3,765)
Municipal Stabilization Grant	241,134	241,134	241,134	-
American Rescue Plan Act 2	500,000	500,000	500,000	-
<b>Total Town</b>	<b>2,102,687</b>	<b>2,102,687</b>	<b>2,680,598</b>	<b>577,911</b>
Education:				
Education cost sharing	9,420,222	9,420,222	9,407,091	(13,131)
Special education - excess cost	500,000	500,000	748,336	248,336
Transportation	15,600	15,600	14,300	(1,300)
Nonpublic transportation and health	14,500	14,500	15,568	1,068
Adult education	26,493	26,493	30,249	3,756
<b>Total education</b>	<b>9,976,815</b>	<b>9,976,815</b>	<b>10,215,544</b>	<b>238,729</b>
<b>Total intergovernmental</b>	<b>17,069,830</b>	<b>17,069,830</b>	<b>17,884,831</b>	<b>815,001</b>
Investment Income	750,000	750,000	1,494,213	744,213
Other Local Income				
Miscellaneous - Town	201,002	201,002	255,177	54,175
Miscellaneous - Board of Education	10,000	10,000	7,080	(2,920)
<b>Total other local income</b>	<b>211,002</b>	<b>211,002</b>	<b>262,257</b>	<b>51,255</b>
<b>Total revenues</b>	<b>122,826,833</b>	<b>122,826,833</b>	<b>125,849,682</b>	<b>3,022,849</b>
Other Financing Sources				
Cancellation of prior year encumbrances	230,000	230,000	333,461	103,461
Transfers In				
Special Grants Fund	-	-	26,158	26,158
General Town Funds	25,000	25,000	25,000	-
CRRRA Fund	109,084	109,084	109,084	-
Sewer and water assessments fund	10,000	10,000	10,000	-
Water pollution control fund	650,000	650,000	650,000	-
<b>Total transfers in</b>	<b>794,084</b>	<b>794,084</b>	<b>820,242</b>	<b>26,158</b>

(Continued)



**General Fund Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other Financing Sources, Continued				
Utilization of fund balance				
General Fund Equity	\$ 1,700,000	\$ 1,700,000	\$ -	\$ (1,700,000)
<b>Total Utilization of Fund Balance</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>-</b>	<b>(1,700,000)</b>
<b>Total other financing sources</b>	<b>2,724,084</b>	<b>2,724,084</b>	<b>1,153,703</b>	<b>(1,570,381)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 125,550,917</b>	<b>\$ 125,550,917</b>	<b>\$ 127,003,385</b>	<b>\$ 1,452,468</b>

**General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Administration and Finance</b>				
Town Council	\$ 40,255	\$ 67,455	\$ 67,439	\$ 16
Town Manager	402,176	406,176	406,140	36
Human Resources	150,100	188,600	188,579	21
Town Attorney	220,000	220,000	170,682	49,318
Town Clerk	259,802	270,502	270,484	18
Elections	140,876	141,276	141,210	66
Probate Court	2,000	2,000	-	2,000
Finance Department	2,390,973	2,427,473	2,418,505	8,968
Board of Assessment Appeals	2,055	2,055	2,005	50
General Services	297,925	353,025	352,942	83
Public Property	1,311,840	1,311,840	1,294,388	17,452
Employee Benefits	9,406,903	9,406,903	9,402,109	4,794
<b>Total administration and finance</b>	<b>14,624,905</b>	<b>14,797,305</b>	<b>14,714,483</b>	<b>82,822</b>
<b>Planning and Development</b>				
Planning Department	277,233	277,233	267,961	9,272
Planning and Zoning Commission	8,330	8,330	6,040	2,290
Zoning Board of Appeals	2,900	3,300	3,229	71
Economic Development Commission	122,743	122,743	117,387	5,356
Beautification Committee	14,875	14,875	13,288	1,587
Public Buildings Commission	2,100	2,100	385	1,715
Inland Wetlands Commission	6,110	6,110	4,865	1,245
Environmental Commission	1,220	1,220	130	1,090
Historic District Commission	2,175	2,175	507	1,668
Energy Commission	2,325	2,325	1,118	1,207
<b>Total planning and development</b>	<b>440,011</b>	<b>440,411</b>	<b>414,910</b>	<b>25,501</b>
<b>Public Safety</b>				
Police Department	6,713,682	6,713,682	6,652,513	61,169
Animal Control	120,114	120,414	120,402	12
Civil Preparedness	38,755	38,755	37,189	1,566
Public Safety Commission	6,850	6,850	5,446	1,404
Fire Department	1,303,636	1,321,736	1,314,123	7,613
Inspection Department	373,633	373,633	373,440	193
<b>Total public safety</b>	<b>8,556,670</b>	<b>8,575,070</b>	<b>8,503,113</b>	<b>71,957</b>
<b>Public Works</b>				
Public Works Department	7,218,132	7,141,631	7,061,072	80,559
W.P.C.A.	3,600	3,600	1,886	1,714
<b>Total public works</b>	<b>7,221,732</b>	<b>7,145,231</b>	<b>7,062,958</b>	<b>82,273</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Health	\$ 721,744	\$ 722,544	\$ 722,488	\$ 56
Social Services				
Human Services	1,064,153	1,073,453	1,072,766	687
Human Services Committee	1,500	1,500	-	1,500
<b>Total social services</b>	<b>1,065,653</b>	<b>1,074,953</b>	<b>1,072,766</b>	<b>2,187</b>
Cultural Services				
Library	1,760,963	1,760,963	1,715,038	45,925
Library Board	1,250	1,250	172	1,078
Fine Arts Commission	243,771	243,971	243,962	9
<b>Total cultural services</b>	<b>2,005,984</b>	<b>2,006,184</b>	<b>1,959,172</b>	<b>47,012</b>
Leisure Services				
Parks and Recreation Department	732,676	732,676	674,599	58,077
Parks and Recreation Commission	1,800	1,800	960	840
<b>Total leisure services</b>	<b>734,476</b>	<b>734,476</b>	<b>675,559</b>	<b>58,917</b>
Education				
Certified personnel	39,580,691	39,748,203	39,745,157	3,046
Noncertified personnel	10,568,879	10,681,034	10,675,963	5,071
Employee benefits	14,927,191	14,913,876	14,915,025	(1,149)
Institutional program improvement	211,700	351,845	351,845	-
Pupil services	801,468	721,247	721,247	-
Other professional and technical services	814,150	890,119	890,119	-
Public utilities	1,112,893	989,500	989,500	-
Cleaning, repairs and maintenance	2,249,576	2,308,920	2,308,920	-
Rentals	310,000	237,395	237,395	-
Pupil transportation	3,627,790	3,499,728	3,499,728	-
Property insurance	119,384	104,471	104,471	-
Liability insurance - general	135,431	133,511	133,511	-
Liability insurance - transportation	45,618	44,917	44,917	-
Communications, advertising and printing	223,037	156,518	156,518	-
Tuition	2,252,214	2,150,899	2,150,899	-
Travel and other transportation	61,074	62,906	62,906	-
Other purchased services	285,421	276,624	276,624	-
Other supplies and materials	85,500	100,106	101,852	(1,746)
Instructional supplies	440,147	497,408	497,408	-
Maintenance supplies	267,450	318,878	318,933	(55)
Heat energy	391,418	537,049	537,049	-
Transportation supplies	353,741	364,369	364,369	-

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Education, Continued				
Textbooks	\$ 427,500	\$ 200,570	\$ 200,570	\$ -
Library books and periodicals	101,929	65,691	65,691	-
Testing	69,926	43,125	43,125	-
Adult education	16,650	8,677	8,677	-
Nursing supplies	9,750	5,203	5,203	-
Equipment	237,500	189,994	189,994	-
Technology and capital equipment	875,490	979,057	979,057	-
Dues and fees	60,902	82,580	82,580	-
<b>Total education</b>	<b>80,664,420</b>	<b>80,664,420</b>	<b>80,659,253</b>	<b>5,167</b>
Contingency	125,000	-	-	-
Debt Service				
Town principal and interest	5,709,388	5,709,389	5,709,389	-
School principal and interest	1,693,934	1,693,934	1,693,934	-
<b>Total debt service</b>	<b>7,403,322</b>	<b>7,403,323</b>	<b>7,403,323</b>	<b>-</b>
<b>Total expenditures</b>	<b>123,563,917</b>	<b>123,563,917</b>	<b>123,188,025</b>	<b>375,892</b>
Other Financing Uses				
Transfers Out:				
Cheshire Community Pool Fund	487,000	487,000	487,000	-
Capital and Nonrecurring Expenditures Fund	1,500,000	1,500,000	1,500,000	-
<b>Total other financing uses</b>	<b>1,987,000</b>	<b>1,987,000</b>	<b>1,987,000</b>	<b>-</b>
<b>Total</b>	<b>\$ 125,550,917</b>	<b>\$ 125,550,917</b>	<b>\$ 125,175,025</b>	<b>\$ 375,892</b>

**Summary of Budgetary Operations - General Fund  
For the Year Ended June 30, 2023**

Available fund balance, July 1, 2022				\$	15,901,969
Fund balance committed to 2022-2023 budget					<u>(1,700,000)</u>
Unassigned fund balance, July 1, 2023					14,201,969
<b>Current Year Budgetary Operations</b>					
	<u>Budget</u>		<u>Actual</u>		<u>Budget Comparison</u>
Revenues and other financing sources	\$ 123,850,917	\$	127,003,385	\$	3,152,468
Expenditures and other financing uses	125,550,917		125,175,025		375,892
Results from current year operations					<u>3,528,360</u>
Available fund balance, June 30, 2023					17,730,329
Unrealized gain on investments					(1,038,420)
Prepays					(96,785)
Accrued payroll					(278,853)
Fund balance committed to 2023-2024 budget					<u>(2,000,000)</u>
Unassigned fund balance, June 30, 2023				\$	<u><u>14,316,271</u></u>

**Cheshire Community Pool Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Pool fees	\$ 550,000	\$ 550,000	\$ 793,174	\$ 243,174
Other	-	-	71	(71)
<b>Total revenues</b>	<b>550,000</b>	<b>550,000</b>	<b>793,245</b>	<b>243,103</b>
<b>Expenditures</b>				
Personnel Services:				
Full time	302,272	302,272	320,021	(17,749)
Temporary part time	276,530	276,530	253,553	22,977
Overtime	4,500	4,500	1,077	3,423
Salary Diff/Perf	2,325	2,325	1,125	1,200
Salary adjustment	6,130	6,130	(11,797)	17,927
<b>Total personnel services</b>	<b>591,757</b>	<b>591,757</b>	<b>563,979</b>	<b>27,778</b>
Supplies and Services:				
Office supplies	900	900	818	82
Building supplies	45,600	45,600	46,431	(831)
Equipment supplies	2,800	2,800	1,696	1,104
Program supplies	5,500	5,500	7,527	(2,027)
Advertising	700	700	-	700
Gas and Diesel Fuel	600	600	625	(25)
Personnel expense	700	700	534	166
Training	400	400	-	400
<b>Total supplies and services</b>	<b>57,200</b>	<b>57,200</b>	<b>57,631</b>	<b>(431)</b>
Utilities:				
Telephone	2,500	2,500	3,973	(1,473)
Electric	51,000	51,000	26,714	24,286
Gas	90,128	90,128	151,406	(61,278)
Water	33,000	33,000	16,859	16,141
<b>Total utilities</b>	<b>176,628</b>	<b>176,628</b>	<b>198,952</b>	<b>(22,324)</b>

(Continued)

**Cheshire Community Pool Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Contracted Services:</b>				
Consultants	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Construction	1,500	1,500	4,256	(2,756)
Equipment maintenance and repairs	8,876	8,876	5,395	3,481
Building maintenance	30,800	90,287	101,550	(11,263)
Rentals	19,000	19,000	20,281	(1,281)
Other Services	700	700	2,063	(1,363)
<b>Total contracted services</b>	<b>62,876</b>	<b>122,363</b>	<b>133,545</b>	<b>(11,182)</b>
<b>Professional Services:</b>				
Meetings and seminars	-	-	95	(95)
Mileage	100	100	-	100
<b>Total professional services</b>	<b>100</b>	<b>100</b>	<b>95</b>	<b>5</b>
<b>Equipment:</b>				
Tools	400	400	399	1
Office equipment	400	400	-	400
Other equipment	1,200	1,200	337	863
<b>Total equipment</b>	<b>2,000</b>	<b>2,000</b>	<b>736</b>	<b>1,264</b>
<b>Miscellaneous:</b>				
General insurance	8,177	8,177	7,542	635
Medical and life insurance	86,306	86,306	86,785	(479)
Workers' compensation	20,151	20,151	20,136	15
Social security	32,000	32,000	28,062	3,938
Unemployment compensation	2,400	2,400	-	2,400
457 Deferred Contribution	25,918	25,918	25,918	-
Pension	8,000	8,000	8,388	(388)
<b>Total miscellaneous</b>	<b>182,952</b>	<b>182,952</b>	<b>176,831</b>	<b>6,121</b>
<b>Total expenditures</b>	<b>1,073,513</b>	<b>1,133,000</b>	<b>1,131,769</b>	<b>1,231</b>
<b>Deficiency of revenues under expenditures</b>	<b>(523,513)</b>	<b>(583,000)</b>	<b>(338,524)</b>	<b>244,476</b>

**Cheshire Community Pool Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual (Continued)  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Utilization of fund balance	\$ 36,513	\$ 96,000	\$ -	\$ (96,000)
Cancellation of prior year encumbrances	-	-	7,560	7,560
Transfer in:				
General Fund	487,000	487,000	487,000	-
	<u>523,513</u>	<u>583,000</u>	<u>494,560</u>	<u>(88,440)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,036</u>	<u>\$ 156,036</u>
Fund balance - July 1, 2022			<u>202,459</u>	
Fund balance - June 30, 2023			<u>\$ 358,495</u>	
Reconciliation to GAAP basis				
	Expenditures	Revenues	Net Other Financing Sources	Fund Balance
Balance, budgetary basis, June 30, 2023	\$ 1,131,769	\$ 793,245	\$ 494,560	\$ 358,495
Accrued payroll	(5,659)	-	-	(12,992)
Encumbrances outstanding at June 30, 2022, liquidated during the year ended June 30, 2023	1,025	-	-	-
Encumbrances outstanding at June 30, 2022, cancelled during the year ended June 30, 2023	-	-	(7,560)	-
Encumbrances outstanding at June 30, 2023, charged to budgetary expenditures	(3,919)	-	-	3,919
<b>Balance, GAAP basis, June 30, 2023</b>	<u>\$ 1,123,216</u>	<u>\$ 793,245</u>	<u>\$ 487,000</u>	<u>\$ 349,422</u>



**Balance Sheet - By Account - General Fund  
June 30, 2023**

	General Fund	Insurance Proceeds Fund	Cheshire Community Pool Fund	Totals
<b>Assets</b>				
Cash and cash equivalents:	\$ 21,193,143	\$ 83,915	\$ 391,531	\$ 21,668,589
Receivables:				
Property taxes, net of allowance of \$245,856	629,867	-	-	629,867
Intergovernmental	223,637	-	-	223,637
Other	959,862	-	-	959,862
Investments	15,172,580	-	-	15,172,580
Due from other funds	155,896	-	-	155,896
Other assets	96,786	-	-	96,786
<b>Total assets</b>	<b>\$ 38,431,771</b>	<b>\$ 83,915</b>	<b>\$ 391,531</b>	<b>\$ 38,907,217</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 2,256,451	\$ 28,765	\$ 29,117	\$ 2,314,333
Accrued payroll	5,775,597	-	12,992	5,788,589
Due to other funds	3,729	-	-	3,729
Unearned revenue	2,948,551	-	-	2,948,551
<b>Total liabilities</b>	<b>10,984,328</b>	<b>28,765</b>	<b>42,109</b>	<b>11,055,202</b>
Deferred inflows of resources:				
Advance tax collections	7,364,014	-	-	7,364,014
Leases	669,874	-	-	669,874
Unavailable resources	587,852	-	-	587,852
<b>Total deferred inflows         of resources</b>	<b>8,621,740</b>	<b>-</b>	<b>-</b>	<b>8,621,740</b>
Fund balances:				
Nonspendable	96,786	-	-	96,786
Assigned	4,412,646	55,150	349,422	4,817,218
Unassigned	14,316,271	-	-	14,316,271
<b>Total fund balances</b>	<b>18,825,703</b>	<b>55,150</b>	<b>349,422</b>	<b>19,230,275</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 38,431,771</b>	<b>\$ 83,915</b>	<b>\$ 391,531</b>	<b>\$ 38,907,217</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund  
For the Year Ended June 30, 2023**

	General Fund	Insurance Proceeds Fund	Cheshire Community Pool Fund	Eliminations	Totals
<b>Revenues:</b>					
Property taxes	\$ 102,457,866	\$ -	\$ -	\$ -	\$ 102,457,866
Intergovernmental	30,050,443	-	-	-	30,050,443
Investment income	1,494,213	1,589	-	-	1,495,802
Unrealized gain (loss)	(265,156)	-	-	-	(265,156)
Charges for services	3,750,515	102,082	793,174	-	4,645,771
Other	262,257	-	71	-	262,328
<b>Total revenues</b>	<b>137,750,138</b>	<b>103,671</b>	<b>793,245</b>	<b>-</b>	<b>138,647,054</b>
<b>Expenditures:</b>					
Administration and finance	14,744,915	54,082	-	-	14,798,997
Planning and development	419,523	-	-	-	419,523
Public safety	8,531,843	31,820	-	-	8,563,663
Public works	6,937,183	-	-	-	6,937,183
Public health	722,488	-	-	-	722,488
Social services	1,068,986	6,122	-	-	1,075,108
Cultural services	1,879,384	-	-	-	1,879,384
Leisure services	673,146	-	1,123,216	-	1,796,362
Education	92,643,025	3,283	-	-	92,646,308
Capital Outlay	315,496	-	-	-	315,496
Debt service	7,403,323	-	-	-	7,403,323
<b>Total expenditures</b>	<b>135,339,312</b>	<b>95,307</b>	<b>1,123,216</b>	<b>-</b>	<b>136,557,835</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,410,826</b>	<b>8,364</b>	<b>(329,971)</b>	<b>-</b>	<b>2,089,219</b>
<b>Other financing sources (uses):</b>					
Subscription based information technology arrangements	315,496	-	-	-	315,496
Transfers in	820,242	-	487,000	(487,000)	820,242
Transfers out	(1,987,000)	-	-	487,000	(1,500,000)
<b>Net other financing sources (uses)</b>	<b>(851,262)</b>	<b>-</b>	<b>487,000</b>	<b>-</b>	<b>(364,262)</b>
<b>Net change in fund balances</b>	<b>1,559,564</b>	<b>8,364</b>	<b>157,029</b>	<b>-</b>	<b>1,724,957</b>
Fund balances, beginning of year July 1, 2022	17,266,139	46,786	192,393	-	17,505,318
Fund balances, end of year June 30, 2023	\$ 18,825,703	\$ 55,150	\$ 349,422	\$ -	\$ 19,230,275

**Schedule of Property Taxes Levied, Collected and Outstanding  
For the Year Ended June 30, 2023**

Grand List Year	Balance Uncollected July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspend	Balance to be Collected	Collections					Balance Uncollected June 30, 2023
			Additions	Deletions			Taxes	Overpayments	Net Taxes Collected	Interest and Lien Fees	Total	
2006	\$ 843	\$ -	\$ -	\$ 843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931	\$ 931	\$ -
2007	857	-	-	-	-	857	-	-	-	782	782	857
2008	1,555	-	-	-	-	1,555	-	-	-	-	-	1,555
2009	1,602	-	1,371	-	-	2,973	(1)	(1,372)	1,371	-	1,371	1,602
2010	2,191	-	870	-	-	3,061	-	(871)	871	-	871	2,190
2011	5,861	-	1,216	-	-	7,077	-	(1,216)	1,216	48	1,264	5,861
2012	5,941	-	703	-	-	6,644	-	(703)	703	204	907	5,941
2013	13,403	-	1,224	-	-	14,627	248	(1,040)	1,288	1,534	2,822	13,339
2014	14,972	-	14,773	-	-	29,745	1,427	(14,773)	16,200	1,563	17,763	13,545
2015	21,522	-	7,510	-	2,419	26,613	1,411	(7,575)	8,986	1,089	10,075	17,627
2016	15,078	-	1,219	-	-	16,297	1,475	(1,268)	2,743	752	3,495	13,554
2017	16,032	-	8,991	69	-	24,954	4,533	(5,512)	10,045	1,901	11,946	14,909
2018	16,039	-	9,343	2,325	-	23,057	1,748	(6,021)	7,769	3,138	10,907	15,288
2019	18,478	-	3,853	4,126	-	18,205	328	(352)	680	8,018	8,698	17,525
2020	281,857	-	7,280	18,835	3,323	266,979	142,046	(16,667)	158,713	36,313	195,026	108,266
2021	-	102,018,743	173,095	318,911	4,016	101,868,911	101,555,636	74,981	101,480,655	212,950	101,693,605	388,256
	<u>\$ 416,231</u>	<u>\$ 102,018,743</u>	<u>\$ 231,448</u>	<u>\$ 345,109</u>	<u>\$ 9,758</u>	<u>\$ 102,311,555</u>	<u>\$ 101,708,851</u>	<u>\$ 17,611</u>	<u>\$ 101,691,240</u>	<u>\$ 269,223</u>	<u>\$ 101,960,463</u>	<u>\$ 620,315</u>

## **Nonmajor Governmental Funds**

## **Nonmajor Governmental Funds**

### ***Special Revenue Funds***

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

#### **Special Grants Fund**

To account for expenditures of grants not otherwise accounted for in another fund.

#### **School Cafeteria Fund**

To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State grants and USDA food donations.

#### **Sewer and Water Assessment Fund**

To account for the financing of sanitary sewer and water improvements deemed to benefit owner properties.

#### **Senior Citizens Minibus Fund**

To account for rider fare collections from the operation of the senior minibus. Periodic expenditures for new minibuses are charged to this fund.

#### **Water Pollution Control Fund**

To account for the collection of user charges to support the cost of operating the Town's sewer operations.

#### **Educational Programs Fund**

To account for State and Federal education grant activities and Cheshire Adult Education, Summer School, and other programs.

#### **Emergency Fuel Bank Fund**

To account for fuel expenditures for needy families.

#### **General Town Funds**

To account for gifts or donations to the Town for specific purposes.

#### **Annie Peck Fund**

Established in 1978 to provide for the improvement and betterment of the Cheshire Public Schools.

#### **Julia Tompkins Fund**

Established in January 1896 to purchase library books.

#### **Student Activities Fund**

To account for monies from various self-funding school activity programs.

#### **CRRA Fund**

To account for fund distributed from the Connecticut Resource Recovery Authority, a five-town, trash-to-energy plant consortium, set aside for future expense.

## ***Capital Projects Fund***

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### **Capital & Nonrecurring Expenditures Fund**

To account for funds set aside for future capital improvements.

### **Turf Fund**

To account for funding the future replacement of the existing synthetic turf field at Cheshire High School.

## ***Permanent Funds***

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

### **Parks and Recreation Fund**

Established in January 1987 to support Parks and Recreation Department activities.

### **James A. Darcey Memorial Fund**

Established in October 1966 to provide a scholarship for mathematics students at Darcey School.

### **Various Endowment Funds**

Established to account for various library and other endowments.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Special Revenue												
	Special Grants Fund	School Cafeteria Fund	Sewer and Water Assessment Fund	Senior Citizens Minibus Fund	Water Pollution Control Fund	Educational Programs Fund	Emergency Fuel Bank Fund	General Town Funds	Annie Peck Fund	Julia Tompkins Fund	Student Activities Fund	CRRA Fund	
<b>Assets</b>													
Cash and cash equivalents	\$ 198,591	\$ 1,195,785	\$ 21,288	\$ 24,933	\$ 1,338,549	\$ 32,455	\$ 17,206	\$ 1,084,222	\$ 59,075	\$ 15,614	\$ 677,692	\$ 169,788	
Receivables:													
Assessment and user charges	-	-	74,674	-	74,720	-	-	-	-	-	-	-	
Intergovernmental	229,110	413,750	-	-	2,188	627,780	-	-	-	-	-	-	
Other	-	1,980	-	-	14,820	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	3,729	-	-	-	-	-	-	
Certificates of deposit	-	-	-	-	-	-	-	-	607,280	58,634	-	-	
Prepays	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory	-	45,846	-	-	-	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>427,701</b>	<b>1,657,361</b>	<b>95,962</b>	<b>24,933</b>	<b>1,430,277</b>	<b>663,964</b>	<b>17,206</b>	<b>1,084,222</b>	<b>666,355</b>	<b>74,248</b>	<b>677,692</b>	<b>169,788</b>	
<b>Liabilities and deferred inflows of resources</b>													
Liabilities:													
Accounts payable	\$ 242,807	\$ -	\$ -	\$ -	\$ 144,378	\$ 205,921	\$ -	\$ 24,864	\$ -	\$ -	\$ -	\$ -	
Accrued payroll	-	-	-	-	26,365	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	147,866	-	-	-	-	8,030	-	
Unearned revenue	184,894	70,199	-	-	-	176,070	-	86,649	-	-	-	-	
<b>Total liabilities</b>	<b>427,701</b>	<b>70,199</b>	<b>-</b>	<b>-</b>	<b>170,743</b>	<b>529,857</b>	<b>-</b>	<b>111,513</b>	<b>-</b>	<b>-</b>	<b>8,030</b>	<b>-</b>	
Deferred inflows of resources:													
Unavailable resources	-	-	74,674	-	74,720	66,087	-	-	-	-	-	-	
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>74,674</b>	<b>-</b>	<b>74,720</b>	<b>66,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Fund balances:													
Nonspendable	-	45,846	-	-	-	-	-	-	-	-	-	-	
Restricted	-	1,541,316	21,288	24,933	1,135,843	68,020	17,206	972,709	666,355	74,248	669,662	169,788	
Committed	-	-	-	-	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	48,971	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total fund balances</b>	<b>-</b>	<b>1,587,162</b>	<b>21,288</b>	<b>24,933</b>	<b>1,184,814</b>	<b>68,020</b>	<b>17,206</b>	<b>972,709</b>	<b>666,355</b>	<b>74,248</b>	<b>669,662</b>	<b>169,788</b>	
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 427,701</b>	<b>\$ 1,657,361</b>	<b>\$ 95,962</b>	<b>\$ 24,933</b>	<b>\$ 1,430,277</b>	<b>\$ 663,964</b>	<b>\$ 17,206</b>	<b>\$ 1,084,222</b>	<b>\$ 666,355</b>	<b>\$ 74,248</b>	<b>\$ 677,692</b>	<b>\$ 169,788</b>	

(Continued)

**Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
June 30, 2023**

	Capital Projects		Permanent Funds			Totals
	Capital & Nonrecurring Expenditures Fund	Turf Fund	Parks and Recreation Fund	James A. Darcey Memorial Fund	Various Endowment Funds	
<b>Assets</b>						
Cash and cash equivalents	\$ 2,179,283	\$ 47,225	\$ 40,264	\$ 3,713	\$ 11,848	\$ 7,117,531
Receivables:						
Assessment and user charges	-	3,961	-	-	-	153,355
Intergovernmental	-	-	-	-	-	1,272,828
Other	-	-	-	-	-	16,800
Due from other funds	-	-	-	-	-	3,729
Certificates of deposit	-	-	-	-	48,443	714,357
Prepays	20,000	-	-	-	-	20,000
Inventory	-	-	-	-	-	45,846
<b>Total assets</b>	<b>2,199,283</b>	<b>51,186</b>	<b>40,264</b>	<b>3,713</b>	<b>60,291</b>	<b>9,344,446</b>
<b>Liabilities and deferred inflows of resources</b>						
Liabilities:						
Accounts payable	\$ 54,379	\$ -	\$ -	\$ -	\$ 1,450	\$ 673,799
Accrued payroll	-	-	-	-	-	26,365
Due to other funds	-	-	-	-	-	155,896
Unearned revenue	-	-	-	-	-	517,812
<b>Total liabilities</b>	<b>54,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,450</b>	<b>1,373,872</b>
Deferred inflows of resources:						
Unavailable resources	-	-	-	-	-	215,481
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,481</b>
Fund balances:						
Nonspendable	20,000	-	17,361	1,000	60,000	144,207
Restricted	-	-	22,903	2,713	-	5,386,984
Committed	2,071,979	51,186	-	-	-	2,123,165
Assigned	52,925	-	-	-	-	101,896
Unassigned	-	-	-	-	(1,159)	(1,159)
<b>Total fund balances</b>	<b>2,144,904</b>	<b>51,186</b>	<b>40,264</b>	<b>3,713</b>	<b>58,841</b>	<b>7,755,093</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,199,283</b>	<b>\$ 51,186</b>	<b>\$ 40,264</b>	<b>\$ 3,713</b>	<b>\$ 60,291</b>	<b>\$ 9,344,446</b>



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

	Special Revenue											
	Special Grants Fund	School Cafeteria Fund	Sewer and Water Assessment Fund	Senior Citizens Minibus Fund	Water Pollution Control Fund	Educational Programs Fund	Emergency Fuel Bank Fund	General Town Funds	Annie Peck Fund	Julia Tompkins Fund	Student Activities Fund	CRRA Fund
<b>Revenues:</b>												
Charges for services	\$ -	\$ 438,516	\$ 28,403	\$ 7,934	\$ 4,465,862	\$ 345,902	\$ -	\$ 24,994	\$ -	\$ -	\$ 1,408,686	\$ -
Intergovernmental	783,914	2,309,090	-	-	2,188	2,609,034	-	-	-	-	-	-
Investment income	-	828	183	587	-	-	536	26,158	17,256	1,035	-	5,470
Unrealized gains (losses)	-	-	-	-	-	-	-	-	(9,549)	(1,269)	-	-
Contributions	-	-	-	315	-	-	2,860	476,701	-	-	-	-
Other	-	10,930	-	-	-	-	-	32,187	-	-	-	-
<b>Total revenues</b>	<b>783,914</b>	<b>2,759,364</b>	<b>28,586</b>	<b>8,836</b>	<b>4,468,050</b>	<b>2,954,936</b>	<b>3,396</b>	<b>560,040</b>	<b>7,707</b>	<b>(234)</b>	<b>1,408,686</b>	<b>5,470</b>
<b>Expenditures:</b>												
<b>Current:</b>												
Administration and finance	173,704	-	-	-	-	-	-	21,233	-	-	-	-
Planning and development	541,267	-	-	-	-	-	-	6,700	-	-	-	-
Public safety	20,000	-	-	-	-	-	-	389,539	-	-	-	-
Public works	-	-	-	-	2,733,773	-	-	-	-	-	-	-
Social services	27,905	-	-	609	-	-	7,380	27,772	-	-	-	-
Cultural services	21,038	-	-	-	-	-	-	3,495	-	9,395	-	-
Leisure services	-	-	-	-	-	-	-	2,260	-	-	-	-
Education	-	2,397,864	-	-	-	2,908,630	-	-	19,331	-	1,529,154	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	1,021,600	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>783,914</b>	<b>2,397,864</b>	<b>-</b>	<b>609</b>	<b>3,755,373</b>	<b>2,908,630</b>	<b>7,380</b>	<b>450,999</b>	<b>19,331</b>	<b>9,395</b>	<b>1,529,154</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>361,500</b>	<b>28,586</b>	<b>8,227</b>	<b>712,677</b>	<b>46,306</b>	<b>(3,984)</b>	<b>109,041</b>	<b>(11,624)</b>	<b>(9,629)</b>	<b>(120,468)</b>	<b>5,470</b>
<b>Other financing sources (uses):</b>												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(10,000)	-	(945,000)	-	-	(76,158)	-	-	-	(109,084)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>(945,000)</b>	<b>-</b>	<b>-</b>	<b>(76,158)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(109,084)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>361,500</b>	<b>18,586</b>	<b>8,227</b>	<b>(232,323)</b>	<b>46,306</b>	<b>(3,984)</b>	<b>32,883</b>	<b>(11,624)</b>	<b>(9,629)</b>	<b>(120,468)</b>	<b>(103,614)</b>
Fund balances, beginning of year July 1, 2022	-	1,225,662	2,702	16,706	1,417,137	21,714	21,190	939,826	677,979	83,877	790,130	273,402
Fund balances, end of year June 30, 2023	\$ -	\$ 1,587,162	\$ 21,288	\$ 24,933	\$ 1,184,814	\$ 68,020	\$ 17,206	\$ 972,709	\$ 666,355	\$ 74,248	\$ 669,662	\$ 169,788

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	Capital Projects		Permanent Funds			Totals
	Capital & Nonrecurring Expenditures Fund	Turf Fund	Parks and Recreation Fund	James A. Darcey Memorial Fund	Various Endowment Funds	
<b>Revenues:</b>						
Charges for services	\$ 9,012	\$ 4,061	\$ -	\$ -	\$ -	\$ 6,733,370
Intergovernmental	-	-	-	-	-	5,704,226
Investment income	73,337	1,287	1,110	102	1,815	129,704
Unrealized gains (losses)	-	-	-	-	-	(10,818)
Contributions	-	-	-	-	-	479,876
Other	-	-	-	-	-	43,117
<b>Total revenues</b>	<b>82,349</b>	<b>5,348</b>	<b>1,110</b>	<b>102</b>	<b>1,815</b>	<b>13,079,475</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Administration and finance	-	-	-	-	-	194,937
Planning and development	-	-	-	-	-	547,967
Public safety	-	-	-	-	-	409,539
Public works	-	-	-	-	-	2,733,773
Social services	-	-	-	-	-	63,666
Cultural services	-	-	-	-	791	34,719
Leisure services	-	-	-	-	-	2,260
Education	-	-	-	-	3,082	6,858,061
Capital outlay	1,063,218	-	-	-	-	1,063,218
Debt service	-	-	-	-	-	1,021,600
<b>Total expenditures</b>	<b>1,063,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,873</b>	<b>12,929,740</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(980,869)</b>	<b>5,348</b>	<b>1,110</b>	<b>102</b>	<b>(2,058)</b>	<b>149,735</b>
<b>Other financing sources (uses):</b>						
Transfers in	1,500,000	-	-	-	-	1,500,000
Transfers out	-	-	-	-	-	(1,140,242)
<b>Net other financing sources (uses)</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,758</b>
<b>Net change in fund balances</b>	<b>519,131</b>	<b>5,348</b>	<b>1,110</b>	<b>102</b>	<b>(2,058)</b>	<b>509,493</b>
<b>Fund balances, beginning of year</b>						
July 1, 2022	1,625,773	45,838	39,154	3,611	60,899	7,245,600
<b>Fund balances, end of year</b>						
June 30, 2023	\$ 2,144,904	\$ 51,186	\$ 40,264	\$ 3,713	\$ 58,841	\$ 7,755,093

**Water Pollution Control Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Sewer use	\$ 4,047,987	\$ 4,047,987	\$ 4,269,712	\$ 221,725
Sewer use interest and liens	24,800	24,800	39,080	14,280
Connection fees	55,000	55,000	52,400	(2,600)
Plan reviews application fees	100	100	400	300
Ground dewatering fees	3,000	3,000	-	(3,000)
Nitrogen credits	-	-	2,188	2,188
Septic waste dump permits	85,000	85,000	104,270	19,270
<b>Total revenues</b>	<b>4,215,887</b>	<b>4,215,887</b>	<b>4,468,050</b>	<b>252,163</b>
<b>Expenditures:</b>				
<b>Personnel Services:</b>				
Full-time	748,862	748,862	747,522	1,340
Overtime	45,000	45,000	74,327	(29,327)
Salary Diff/Perf	21,120	21,120	21,365	(245)
Salary adjustment	13,218	13,218	(21,486)	34,704
<b>Total personnel services</b>	<b>828,200</b>	<b>828,200</b>	<b>821,728</b>	<b>6,472</b>
<b>Supplies and services:</b>				
Office supplies	1,600	1,600	1,657	(57)
Building materials	5,000	5,000	8,384	(3,384)
Automotive and equipment supplies	120,000	120,000	122,672	(2,672)
Program supplies	190,000	333,171	333,180	(9)
Postage	100	100	-	100
Advertising	900	900	598	302
Printing	350	350	240	110
Gasoline/diesel	20,000	20,000	15,654	4,346
Personnel expense	11,000	11,000	11,325	(325)
Training	2,500	2,500	12,862	(10,362)
Reference material	125	125	-	125
Other	200	200	229	(29)
<b>Total supplies and services</b>	<b>351,775</b>	<b>494,946</b>	<b>506,801</b>	<b>(11,855)</b>
<b>Utilities:</b>				
Telephone	14,000	14,000	6,467	7,533
Electric	440,000	440,000	324,448	115,552
Gas	6,000	6,000	4,154	1,846
Heating Oil	90,000	90,000	116,204	(26,204)
Water	35,000	35,000	51,019	(16,019)
<b>Total utilities</b>	<b>585,000</b>	<b>585,000</b>	<b>502,292</b>	<b>82,708</b>

(Continued)

**Water Pollution Control Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Contracted services:</b>				
Consultants	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Construction	16,600	16,600	14,606	1,994
Automotive and equipment maintenance	65,000	65,000	102,806	(37,806)
Property maintenance	3,500	3,500	14,909	(11,409)
Rentals and leases	4,000	4,000	5,786	(1,786)
Other contract services	200,000	200,000	237,299	(37,299)
<b>Total contracted services</b>	<b>319,100</b>	<b>319,100</b>	<b>405,406</b>	<b>(86,306)</b>
<b>Professional services:</b>				
Dues	700	700	214	486
Meetings and seminars	1,300	1,300	1,394	(94)
Mileage	6,000	6,000	2,275	3,725
<b>Total professional services</b>	<b>8,000</b>	<b>8,000</b>	<b>3,883</b>	<b>4,117</b>
<b>Equipment:</b>				
Office equipment	-	-	811	(811)
Other equipment	500	500	510	(10)
<b>Total equipment</b>	<b>500</b>	<b>500</b>	<b>1,321</b>	<b>(821)</b>
<b>Debt:</b>				
Clean Water Fund	1,021,600	1,021,600	1,021,600	-
<b>Miscellaneous:</b>				
General insurance	79,681	79,681	76,602	3,079
Medical and life insurance	148,581	148,581	145,713	2,868
Workers' compensation	33,292	33,292	33,269	23
Social security	62,000	62,000	61,183	817
Pension	120,600	120,600	120,600	-
457 Deferred Contributions	17,500	17,500	17,141	359
<b>Total miscellaneous</b>	<b>461,654</b>	<b>461,654</b>	<b>454,508</b>	<b>7,146</b>
<b>Total expenditures</b>	<b>3,575,829</b>	<b>3,719,000</b>	<b>3,717,539</b>	<b>1,461</b>
<b>Excess of revenues over expenditures</b>	<b>640,058</b>	<b>496,887</b>	<b>750,511</b>	<b>253,624</b>

(Continued)

**Water Pollution Control Fund - Schedule of Revenues and Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual (Continued)  
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Utilization of fund balance	\$ 9,942	\$ 448,113	\$ -	\$ (448,113)
Cancellation of prior year encumbrances	-	-	16,623	16,623
Transfers out:				
General Fund	(650,000)	(650,000)	(650,000)	-
Capital Projects Fund	-	(295,000)	(295,000)	-
<b>Net other financing uses</b>	<b>(640,058)</b>	<b>(496,887)</b>	<b>(928,377)</b>	<b>(431,490)</b>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (177,866)</b>	<b>\$ (177,866)</b>

Fund balance, beginning of year

1,336,066

Fund balance, end of year

\$ 1,158,200

Reconciliation to GAAP Basis

	Expenditures	Net Other Financing Sources	Fund Balance
Balance, budgetary basis - June 30, 2023	\$ 3,717,539	\$ (928,377)	\$ 1,158,200
Accrued payroll	(967)	-	(13,527)
Encumbrances outstanding at June 30, 2023, liquidated during the year ended June 30, 2023	78,942	-	-
Encumbrances outstanding at June 30, 2023, cancelled during the year ended June 30, 2023	-	(16,623)	-
Encumbrances outstanding at June 30, 2023, charged to budgetary expenditures	(40,141)	-	40,141
Balance, GAAP basis, June 30, 2023	<u><u>\$ 3,755,373</u></u>	<u><u>\$ (945,000)</u></u>	<u><u>\$ 1,184,814</u></u>

**Internal Service Funds**

## ***Internal Service Funds***

Internal service funds are used to account for the financing of goods and services provided by one department or agency of the Town to other departments or agencies of the Town on a cost reimbursement basis.

### **Health Insurance Fund**

This fund is used to account for self-insured medical benefits provided for the Town's employees.

### **Heart & Hypertension Fund**

This fund is used to account for the self-insured funding for heart and hypertension claims.

**Combining Statement of Net Position (Deficits) - Internal Service Funds  
June 30, 2023**

	Health Insurance	Heart & Hypertension	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,913,356	\$ 222,564	\$ 4,135,920
Accounts receivable	387,246	-	387,246
<b>Total assets</b>	<u>4,300,602</u>	<u>222,564</u>	<u>4,523,166</u>
<b>Liabilities</b>			
Current liabilities:			
Claims payable	1,374,103	157,410	1,531,513
<b>Total current liabilities</b>	<u>1,374,103</u>	<u>157,410</u>	<u>1,531,513</u>
Noncurrent liabilities:			
Claims payable	-	2,883,301	2,883,301
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>2,883,301</u>	<u>2,883,301</u>
<b>Total liabilities</b>	<u>1,374,103</u>	<u>3,040,711</u>	<u>4,414,814</u>
Net position (deficits):			
Unrestricted	<u>\$ 2,926,499</u>	<u>\$ (2,818,147)</u>	<u>\$ 108,352</u>



**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) -  
Internal Service Funds  
For the Year Ended June 30, 2023**

	Health Insurance	Heart & Hypertension	Total
Operating revenues:			
Charges for services	\$ 17,525,758	\$ 155,000	\$ 17,680,758
<b>Total operating revenues</b>	<u>17,525,758</u>	<u>155,000</u>	<u>17,680,758</u>
Operating expenses:			
Claims incurred	15,294,478	288,699	15,583,177
Administration	1,955,103	-	1,955,103
<b>Total operating expenses</b>	<u>17,249,581</u>	<u>288,699</u>	<u>17,538,280</u>
<b>Operating income/(loss)</b>	276,177	(133,699)	142,478
Nonoperating revenue:			
Investment income	62,959	7,219	70,178
<b>Total nonoperating revenue</b>	<u>62,959</u>	<u>7,219</u>	<u>70,178</u>
<b>Change in net position</b>	339,136	(126,480)	212,656
Net position (deficits), beginning	<u>2,587,363</u>	<u>(2,691,667)</u>	<u>(104,304)</u>
Net position (deficits), ending	<u>\$ 2,926,499</u>	<u>\$ (2,818,147)</u>	<u>\$ 108,352</u>

**Combining Statement of Cash Flows - Internal Service Funds  
For the Year Ended June 30, 2023**

	Health Insurance	Heart & Hypertension	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 17,552,203	\$ 155,000	\$ 17,707,203
Payments for claims	(15,202,979)	(186,462)	(15,389,441)
Payments for administration	(1,955,103)	-	(1,955,103)
<b>Net cash provided by (used in) operating activities</b>	<b>394,121</b>	<b>(31,462)</b>	<b>362,659</b>
Cash flows from investing activities:			
Investment income	62,959	7,219	70,178
<b>Net cash provided by investing activities</b>	<b>62,959</b>	<b>7,219</b>	<b>70,178</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>457,080</b>	<b>(24,243)</b>	<b>432,837</b>
Cash and cash equivalents:			
Beginning	3,456,276	246,807	3,703,083
Ending	<u>\$ 3,913,356</u>	<u>\$ 222,564</u>	<u>\$ 4,135,920</u>
Reconciliation of operating income/(loss) to net cash provided by (used in) operating activities:			
Operating loss income/(loss)	\$ 276,177	\$ (133,699)	\$ 142,478
Adjustments to reconcile operating income/(loss) income to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Decrease in accounts receivable	26,445	-	26,445
Increase in claims payable	91,499	102,237	193,736
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 394,121</b>	<b>\$ (31,462)</b>	<b>\$ 362,659</b>

**Capital Assets Used in the Operation  
of Governmental Funds**

**Capital Assets Used in the Operation of Governmental Funds - Schedule by Category  
June 30, 2023**

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Capital Assets	
Land	\$ 25,310,762
Land Improvements	8,484,345
Buildings and Improvements	185,789,113
Vehicles	15,400,029
Machinery and Equipment	20,648,944
Infrastructure	126,326,526
Right of Use - Leased Asset	197,824
Subscription Asset	315,496
Construction in Progress	4,569,481
<b>Total capital assets</b>	<b><u>\$ 387,042,520</u></b>

**Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity  
June 30, 2023**

	Land	Land Improvements	Buildings and Improvements	Vehicles	Machinery and Equipment	Infrastructure	Right of Use Leased Asset	Subscription Asset	Construction In Progress	Total
<b>Administration and Finance</b>										
Town Clerk	\$ -	\$ -	\$ -	\$ -	\$ 60,454	\$ -	\$ -	\$ -	\$ -	\$ 60,454
Finance Department	-	-	5,550	21,620	135,969	-	-	-	-	163,139
Information Technology	-	-	9,960	-	3,936,621	-	-	-	-	3,946,581
General Services	-	-	-	-	239,065	-	147,331	-	-	386,396
Unclassified (Land, Buildings and Equipment)	17,635,511	253,382	5,649,189	-	6,567	-	-	-	11,375	23,556,024
<b>Total administration and finance</b>	<b>17,635,511</b>	<b>253,382</b>	<b>5,664,699</b>	<b>21,620</b>	<b>4,378,676</b>	<b>-</b>	<b>147,331</b>	<b>-</b>	<b>11,375</b>	<b>28,112,594</b>
<b>Public Safety</b>										
Police Department	25,000	90,592	5,393,262	1,959,844	5,563,740	-	50,493	73,988	-	13,156,919
Animal Control	-	-	253,771	-	-	-	-	-	-	253,771
Fire Department	175,000	117,791	4,102,008	5,983,851	1,449,649	-	-	-	25,570	11,853,869
Building Department	-	-	-	53,579	12,000	-	-	-	-	65,579
<b>Total public safety</b>	<b>200,000</b>	<b>208,383</b>	<b>9,749,041</b>	<b>7,997,274</b>	<b>7,025,389</b>	<b>-</b>	<b>50,493</b>	<b>73,988</b>	<b>25,570</b>	<b>25,330,138</b>
<b>Public Works</b>										
Public Works Department	40,000	1,657,208	1,354,241	5,212,659	2,670,358	100,992,569	-	-	957,169	112,884,204
Water Pollution Control Department	246,113	-	77,466,739	755,187	1,132,360	20,844,968	-	-	334,942	100,780,309
<b>Total public works</b>	<b>286,113</b>	<b>1,657,208</b>	<b>78,820,980</b>	<b>5,967,846</b>	<b>3,802,718</b>	<b>121,837,537</b>	<b>-</b>	<b>-</b>	<b>1,292,111</b>	<b>213,664,513</b>
<b>Social Services</b>										
Human Services Department	-	-	3,436,007	273,337	79,865	-	-	-	-	3,789,209
<b>Cultural Services</b>										
Library	-	276,305	4,749,092	-	273,650	-	-	-	-	5,299,047
Fine Arts	-	38,199	179,636	-	-	-	-	-	-	217,835
<b>Total cultural services</b>	<b>-</b>	<b>314,504</b>	<b>4,928,728</b>	<b>-</b>	<b>273,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,516,882</b>
<b>Leisure Services</b>										
Recreation Department	6,767,569	1,747,773	2,386,019	337,137	1,360,705	4,317,445	-	-	1,464,219	18,380,867
Community Pool	-	-	8,069,422	-	602,635	-	-	-	-	8,672,057
<b>Total leisure services</b>	<b>6,767,569</b>	<b>1,747,773</b>	<b>10,455,441</b>	<b>337,137</b>	<b>1,963,340</b>	<b>4,317,445</b>	<b>-</b>	<b>-</b>	<b>1,464,219</b>	<b>27,052,924</b>
<b>Board of Education</b>										
	421,569	4,303,095	72,734,217	802,815	3,125,306	171,544	-	241,508	1,776,206	83,576,260
<b>Total governmental fund capital assets</b>	<b>\$ 25,310,762</b>	<b>\$ 8,484,345</b>	<b>\$ 185,789,113</b>	<b>\$ 15,400,029</b>	<b>\$ 20,648,944</b>	<b>\$ 126,326,526</b>	<b>\$ 197,824</b>	<b>\$ 315,496</b>	<b>\$ 4,569,481</b>	<b>\$ 387,042,520</b>

**Capital Assets Used in the Operation of Governmental Funds - Schedule of Changes by  
Function and Activity  
For the Year Ended June 30, 2023**

	Balance July 1, 2022	Additions and Transfers	Retirements and Transfers	Balance June 30, 2023
<b>Administration and Finance</b>				
Town Clerk	60,454	-		60,454
Finance Department	163,139	-		163,139
Information Technology	3,862,289	84,292		3,946,581
General Services	372,565	13,831		386,396
Unclassified (Land, Buildings and Equipment)	23,514,574	41,450		23,556,024
<b>Total administration and finance</b>	<b>27,973,021</b>	<b>139,573</b>	<b>-</b>	<b>28,112,594</b>
<b>Public Safety</b>				
Police Department	12,849,861	401,455	94,397	13,156,919
Animal Control	253,771	-	-	253,771
Fire Department	11,691,351	162,518		11,853,869
Building Department	36,436	29,143		65,579
<b>Total public safety</b>	<b>24,831,419</b>	<b>593,116</b>	<b>94,397</b>	<b>25,330,138</b>
<b>Public Works</b>				
Public Works Department	109,045,651	3,887,872	49,319	112,884,204
Water Pollution Control Department	99,172,084	1,608,225	-	100,780,309
<b>Total public works</b>	<b>208,217,735</b>	<b>5,496,097</b>	<b>49,319</b>	<b>213,664,513</b>
<b>Social Services</b>				
Human Services Department	3,775,832	13,377	-	3,789,209
<b>Cultural Services</b>				
Library	4,982,870	316,177	-	5,299,047
Fine Arts	217,835	-	-	217,835
<b>Total cultural services</b>	<b>5,200,705</b>	<b>316,177</b>	<b>-</b>	<b>5,516,882</b>
<b>Leisure Services</b>				
Recreation Department	16,154,129	2,226,738	-	18,380,867
Community Pool	8,639,713	32,344	-	8,672,057
<b>Total leisure services</b>	<b>24,793,842</b>	<b>2,259,082</b>	<b>-</b>	<b>27,052,924</b>
<b>Board of Education</b>				
	81,559,027	2,137,134	119,901	83,576,260
<b>Total capital assets</b>	<b>\$ 376,351,581</b>	<b>\$ 10,954,556</b>	<b>\$ 263,617</b>	<b>\$ 387,042,520</b>

**Statistical Section**

## ***Statistical Section***

This part of the Town of Cheshire, Connecticut's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

#### ***Financial Trends***

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



**Net Position By Component - Governmental Funds**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in capital assets	\$ 113,675,721	\$ 121,424,000	\$ 127,363,312	\$ 131,262,714	\$ 133,703,530	\$ 134,074,656	\$ 135,551,634	\$ 136,291,559	\$ 140,388,311	\$ 143,777,158
Restricted	3,636,333	3,933,825	4,945,248	4,101,651	4,265,750	3,683,661	3,942,340	17,489,718	6,295,262	5,772,738
Unrestricted	7,057,990	(23,149,886)	(24,136,381)	(23,698,130)	(49,344,377)	(49,908,022)	(57,153,933)	73,146,527	(62,936,503)	(65,994,972)
<b>Total governmental activities net position</b>	<b>\$ 124,370,044</b>	<b>\$ 102,207,939</b>	<b>\$ 108,172,179</b>	<b>\$ 111,666,235</b>	<b>\$ 88,624,903</b>	<b>\$ 87,850,295</b>	<b>\$ 82,340,041</b>	<b>\$ 226,927,804</b>	<b>\$ 83,747,070</b>	<b>\$ 83,554,924</b>

\*Restated due to implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.

\*\*Restated due to implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

**Changes In Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental activities:										
Administration & finance	\$ 6,353,409	\$ 6,264,237	\$ 6,634,110	\$ 6,693,198	\$ 6,386,014	\$ 6,861,014	\$ 6,869,231	\$ 6,801,826	\$ 6,155,293	\$ 6,801,156
Planning & development	721,735	797,223	930,029	819,757	703,590	788,458	1,521,494	739,382	2,524,873	1,113,160
Public safety	12,046,881	11,990,878	12,438,366	12,961,503	14,745,098	13,914,629	14,894,185	15,404,799	16,922,870	21,045,862
Public works	10,904,070	10,583,909	11,174,627	11,762,514	12,712,326	13,494,772	14,046,943	14,376,364	14,668,818	15,204,110
Public health	428,576	449,181	451,549	391,980	495,603	510,448	508,249	522,637	641,717	722,488
Social services	1,329,712	1,274,402	1,376,240	1,457,591	1,521,821	1,756,722	1,921,176	1,760,825	1,737,914	1,900,330
Cultural services	2,748,966	2,674,653	2,870,852	2,866,872	2,797,294	2,897,237	3,312,161	3,030,855	2,881,839	3,020,210
Leisure services	2,358,065	2,753,641	2,774,837	1,753,481	1,914,792	2,062,647	2,486,269	2,277,124	2,186,080	2,476,128
Education	78,515,780	78,870,598	80,770,281	86,572,729	88,044,705	81,540,816	96,373,430	105,455,175	93,247,357	104,353,277
Interest on long term debt	2,388,430	1,748,819	1,723,391	1,831,662	3,634,291	2,400,824	2,486,680	2,455,497	725,654	2,129,590
<b>Total governmental activities expenses</b>	<b>\$ 117,795,624</b>	<b>\$ 117,407,541</b>	<b>\$ 121,144,282</b>	<b>\$ 127,111,287</b>	<b>\$ 132,955,534</b>	<b>\$ 126,227,567</b>	<b>\$ 144,419,818</b>	<b>\$ 152,824,484</b>	<b>\$ 141,692,415</b>	<b>\$ 158,766,311</b>
<b>Program revenue:</b>										
Governmental activities:										
Charges for services:										
Administration & finance	\$ 596,946	\$ 700,452	\$ 692,390	\$ 887,473	\$ 688,812	\$ 876,982	\$ 767,007	\$ 1,037,068	\$ 878,528	\$ 1,001,240
Planning & development	81,412	30,532	32,588	18,125	18,783	31,003	40,441	60,799	35,785	39,940
Public safety	630,367	480,136	578,757	553,737	619,785	748,169	817,293	961,214	1,169,491	1,655,302
Public works	3,434,092	3,408,514	3,493,957	3,641,691	5,498,936	4,105,379	4,156,844	4,295,163	4,209,536	4,496,059
Social services	33,523	31,600	35,886	37,900	40,127	41,964	28,695	9,011	21,382	31,989
Cultural services	137,422	136,826	146,114	150,524	144,996	141,263	88,076	55,151	133,205	131,100
Leisure services	578,907	482,668	644,318	872,964	842,924	954,381	583,084	538,386	923,823	1,175,785
Education	2,106,708	2,131,968	2,091,695	2,094,650	2,065,199	2,131,924	1,630,759	1,338,576	2,340,935	2,809,337
Operating grants and contributions:										
Administration & finance	150,640	7,534	4,040	5,043	5,039	6,500	30,962	89,304	7,500	185,063
Planning & development	1,151	108,593	189,478	89,105	21,242	35,205	692,071	10,155	1,866,526	541,268
Public safety	390,512	506,706	513,849	451,782	492,673	475,080	558,321	700,803	1,187,682	452,866
Public works	431,140	724,176	965,720	643,301	743,416	811,751	601,377	593,478	2,235,936	1,077,710
Social services	49,585	49,610	56,176	221,257	181,769	336,340	234,636	141,761	140,370	96,028
Cultural services	74,051	28,276	21,390	26,279	17,402	34,653	12,961	13,305	34,600	26,678
Leisure services	59,593	30,913	8,999	20,236	47,265	14,422	12,607	20,220	2,510	1,425
Education	20,288,963	20,962,865	20,725,389	24,471,091	24,474,235	16,677,834	27,961,669	37,452,248	24,868,560	30,496,091
Capital grants and contributions:										
Administration & finance	-	-	-	-	-	-	-	202,500	-	-
Planning & development	142,661	225,531	14,600	485,400	-	-	-	-	-	150,000
Public safety	-	-	-	-	122,962	-	-	-	610,849	22,500
Public works	2,013,780	4,887,408	3,744,121	2,246,267	1,044,502	70,878	1,232	1,943,000	691,888	1,697,635
Social services	-	-	96,168	-	-	-	-	-	-	-
Cultural services	-	-	-	-	-	-	250,000	-	-	-
Leisure services	-	196,140	1,975,468	130,018	-	44,993	-	-	75,000	-
Education	23,942	82,872	60,494	(60,494)	-	-	-	-	-	1,540,219
<b>Total governmental activities program revenue</b>	<b>\$ 31,225,395</b>	<b>\$ 35,213,320</b>	<b>\$ 36,091,597</b>	<b>\$ 36,986,349</b>	<b>\$ 37,070,067</b>	<b>\$ 27,538,721</b>	<b>\$ 38,468,035</b>	<b>\$ 50,072,991</b>	<b>\$ 40,823,257</b>	<b>\$ 47,628,235</b>
<b>Net (expense) revenue:</b>										
Governmental activities	\$ (86,570,229)	\$ (82,194,221)	\$ (85,052,685)	\$ (90,124,938)	\$ (95,885,467)	\$ (98,688,846)	\$ (105,951,783)	\$ (102,751,493)	\$ (100,869,158)	\$ (111,138,076)

(Continued)

Town of Cheshire, Connecticut

Table 2

**Changes In Net Position, Continued**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 79,657,754	\$ 82,009,841	\$ 84,033,687	\$ 86,373,890	\$ 88,806,576	\$ 91,357,476	\$ 93,704,482	\$ 94,778,480	\$ 98,161,958	\$ 102,605,630
Grants and contributions not restricted to specific programs	5,479,023	5,947,447	5,902,772	6,265,739	5,203,968	5,035,395	5,057,965	5,067,972	5,937,484	6,543,374
Unrestricted investment earnings	164,417	196,251	209,938	305,153	661,294	1,076,793	1,333,212	82,368	(751,071)	1,493,581
Loss on sale of capital assets	-	-	(301,042)	(91,316)	-	-	-	-	-	-
Miscellaneous	288,323	355,882	1,171,570	765,528	808,331	444,574	345,870	369,067	633,107	303,345
<b>Total governmental activities       general revenue</b>	<b>\$ 85,589,517</b>	<b>\$ 88,509,421</b>	<b>\$ 91,016,925</b>	<b>\$ 93,618,994</b>	<b>\$ 95,480,169</b>	<b>\$ 97,914,238</b>	<b>\$ 100,441,529</b>	<b>\$ 100,297,887</b>	<b>\$ 103,981,478</b>	<b>\$ 110,945,930</b>
Changes in net position:										
Governmental activities	\$ (980,712)	\$ 6,315,200	\$ 5,964,240	\$ 3,494,056	\$ (405,298)	\$ (774,608)	\$ (5,510,254)	\$ (2,453,606)	\$ 3,112,320	\$ (192,146)

**Program Revenues by Function/Program  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Function / Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Administration & finance	\$ 747,586	\$ 707,986	\$ 696,430	\$ 892,516	\$ 892,516	\$ 883,482	\$ 797,969	\$ 1,328,872	\$ 886,028	\$ 1,186,303
Planning & development	225,224	364,656	236,666	592,630	592,630	66,208	732,512	70,954	1,902,311	731,208
Public safety	1,020,879	986,842	1,092,606	1,005,519	1,005,519	1,223,249	1,375,614	2,272,866	2,357,173	2,130,668
Public works	5,879,012	9,020,098	8,203,798	6,531,259	6,531,259	4,988,008	4,759,453	6,831,641	7,137,360	7,271,404
Social services	83,108	81,210	188,230	259,157	259,157	378,304	263,331	150,772	161,752	128,017
Cultural services	211,473	165,102	167,504	176,803	176,803	175,916	351,037	68,456	167,805	157,778
Leisure services	638,500	709,721	2,628,785	1,023,218	1,023,218	1,013,796	595,691	558,606	1,001,333	2,717,429
Education	22,419,613	23,177,705	22,877,578	26,505,247	26,505,247	18,809,758	29,592,428	38,790,824	27,209,495	33,305,428
<b>Total governmental activities</b>	<b>\$ 31,225,395</b>	<b>\$ 35,213,320</b>	<b>\$ 36,091,597</b>	<b>\$ 36,986,349</b>	<b>\$ 36,986,349</b>	<b>\$ 27,538,721</b>	<b>\$ 38,468,035</b>	<b>\$ 50,072,991</b>	<b>\$ 40,823,257</b>	<b>\$ 47,628,235</b>

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis Of Accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 81,848	\$ 82,760	\$ 76,554	\$ 1,310,489	\$ 90,257	\$ 87,295	\$ 108,367	\$ 86,667	\$ 95,116	\$ 96,786
Committed	500,000	250,000	100,000	25,000	25,000	-	-	-	-	-
Assigned	2,577,811	2,503,625	2,231,241	2,574,820	2,354,385	3,286,150	4,346,372	4,361,022	4,312,324	4,817,218
Unassigned	9,009,206	9,113,228	9,397,574	8,358,973	10,580,697	11,061,533	12,143,891	12,121,654	13,097,878	14,316,271
	<u>\$ 12,168,865</u>	<u>\$ 11,949,613</u>	<u>\$ 11,805,369</u>	<u>\$ 12,269,282</u>	<u>\$ 13,050,339</u>	<u>\$ 14,434,978</u>	<u>\$ 16,598,630</u>	<u>\$ 16,569,343</u>	<u>\$ 17,505,318</u>	<u>\$ 19,230,275</u>
All Other Governmental Funds:										
Nonspendable	\$ 119,392	\$ 104,760	\$ 113,569	\$ 111,327	\$ 112,363	\$ 102,749	\$ 118,045	\$ 110,871	\$ 152,181	\$ 390,207
Restricted	12,704,829	13,349,172	5,400,071	13,955,636	9,103,234	13,789,449	8,620,181	16,465,239	9,660,101	22,725,172
Committed	6,904,352	7,762,268	7,633,376	8,467,512	6,085,115	5,677,382	4,552,351	5,202,481	4,721,563	5,543,266
Assigned	472,711	356,056	443,040	190,163	666,102	628,178	57,970	152,199	298,681	101,896
Unassigned	(8,428,825)	(24,530,237)	(26,184,451)	(1,458,536)	-	-	(1,593,955)	(607,506)	(1,571,992)	(2,136,724)
<b>Total all other government funds</b>	<u>\$ 11,772,459</u>	<u>\$ (2,957,981)</u>	<u>\$ (12,594,395)</u>	<u>\$ 21,266,102</u>	<u>\$ 15,966,814</u>	<u>\$ 20,197,758</u>	<u>\$ 11,754,592</u>	<u>\$ 21,323,284</u>	<u>\$ 13,260,534</u>	<u>\$ 26,623,817</u>

**Changes In Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Property taxes, interest and liens, net	\$ 79,722,309	\$ 81,989,985	\$ 83,973,691	\$ 86,340,125	\$ 88,764,655	\$ 91,342,679	\$ 93,517,483	\$ 94,843,375	\$ 98,172,328	\$ 102,457,866
Charges for services	7,692,556	7,484,123	7,801,556	8,282,456	9,959,779	9,043,036	8,110,703	8,297,441	9,733,403	11,379,141
Intergovernmental	28,835,268	33,341,741	33,375,694	34,556,645	23,552,763	17,923,579	30,052,696	30,772,026	38,802,681	38,139,988
Income from investments	143,260	183,563	196,702	281,590	607,931	980,273	849,707	240,586	290,822	1,625,506
Net increase (decrease) in fair value of instruments	-	-	-	-	-	-	422,061	(166,058)	(1,052,536)	(275,974)
Contributions	602,884	447,916	432,199	444,388	446,825	464,784	486,068	486,393	563,560	564,876
Other	288,323	355,882	1,171,570	765,528	840,937	484,943	368,940	413,387	650,107	305,445
<b>Total revenues</b>	<b>117,284,600</b>	<b>123,803,210</b>	<b>126,951,412</b>	<b>130,670,732</b>	<b>124,172,890</b>	<b>120,239,294</b>	<b>133,807,658</b>	<b>134,887,150</b>	<b>147,160,365</b>	<b>154,196,848</b>
<b>Expenditures:</b>										
Administration & Finance	10,938,010	11,263,618	12,252,207	12,511,880	12,386,826	12,812,407	13,373,522	13,444,753	13,989,670	14,993,934
Planning & Development	512,302	619,306	724,210	624,727	552,637	577,150	1,222,202	573,571	2,386,554	967,490
Public Safety	6,600,886	6,795,886	7,153,668	7,136,290	7,357,623	7,606,223	7,837,593	7,956,844	8,266,099	8,973,202
Public Works	7,607,527	7,418,014	7,509,862	7,789,634	8,312,363	8,458,170	8,606,219	8,805,747	9,308,618	9,670,956
Public Health	428,576	449,181	451,549	458,744	495,603	510,448	508,249	522,637	641,717	722,488
Social Services	802,099	823,138	846,942	1,065,471	1,016,014	1,243,368	1,187,339	1,045,793	1,087,698	1,138,774
Cultural Services	1,785,275	1,888,415	1,953,257	1,996,769	1,925,763	1,907,510	1,975,087	1,884,684	1,906,661	1,914,103
Leisure Services	1,886,701	1,792,322	2,107,498	2,246,506	1,496,337	1,570,120	1,519,901	1,377,688	1,497,089	1,798,622
Education	75,042,375	78,051,682	79,452,307	84,570,966	78,384,529	74,935,924	85,881,432	88,364,666	96,483,019	99,504,369
Capital outlay	14,792,095	37,235,836	17,993,886	13,121,430	5,935,806	10,463,574	8,497,247	7,891,133	9,267,312	8,918,347
Debt Service:										
Principal	6,570,069	6,436,326	5,587,712	5,579,227	7,046,243	7,414,090	6,866,006	7,159,627	6,925,260	7,187,603
Interest	2,097,184	1,657,503	1,898,972	1,733,165	3,781,377	2,472,021	2,712,375	2,440,054	2,527,443	2,451,280
Other charges	143,606	86,401	116,571	152,908	-	96,703	-	139,701	-	145,708
<b>Total expenditures</b>	<b>129,206,705</b>	<b>154,517,628</b>	<b>138,048,641</b>	<b>138,987,717</b>	<b>128,691,121</b>	<b>130,067,708</b>	<b>140,187,172</b>	<b>141,606,898</b>	<b>154,287,140</b>	<b>158,386,876</b>
<b>Excess of revenues (under expenditures)</b>	<b>(11,922,105)</b>	<b>(30,714,418)</b>	<b>(11,097,229)</b>	<b>(8,316,985)</b>	<b>(4,518,231)</b>	<b>(9,828,414)</b>	<b>(6,379,514)</b>	<b>(6,719,748)</b>	<b>(7,126,775)</b>	<b>(4,190,028)</b>
<b>Other financing sources (uses):</b>										
Issuance of bonds	-	15,000,000	-	17,500,000	-	14,500,000	-	14,000,000	-	17,500,000
Issuance of notes	-	-	-	24,428,785	-	-	100,000	286,209	-	-
Issuance of refunding bonds	9,560,000	4,965,000	5,940,000	-	-	-	-	9,725,000	-	-
Issuance of debt - leases	9,765,000	-	1,200,000	-	-	-	-	-	-	-
Issuance of debt - subscriptions	-	-	-	-	-	-	-	-	-	315,496
Transfers in	1,790,960	2,543,696	2,091,976	2,316,343	1,980,475	2,922,463	1,893,474	3,709,989	2,689,712	3,957,306
Transfers out	(1,790,960)	(2,543,696)	(2,091,976)	(2,316,343)	(1,980,475)	(2,922,463)	(1,893,474)	(3,709,989)	(2,689,712)	(3,957,306)
Payments made to escrow	(10,079,384)	(5,272,199)	(6,318,509)	-	-	-	-	(10,659,736)	-	-
Premium on bonds issued	662,990	1,071,925	495,080	712,610	-	943,997	-	2,159,365	-	1,462,772
<b>Total other financing sources (uses)</b>	<b>9,908,606</b>	<b>15,764,726</b>	<b>1,316,571</b>	<b>42,641,395</b>	<b>-</b>	<b>15,443,997</b>	<b>100,000</b>	<b>15,510,838</b>	<b>-</b>	<b>19,278,268</b>
<b>Net changes in fund balance</b>	<b>\$ (2,013,499)</b>	<b>\$ (14,949,692)</b>	<b>\$ (9,780,658)</b>	<b>\$ 34,324,410</b>	<b>\$ (4,518,231)</b>	<b>\$ 5,615,583</b>	<b>\$ (6,279,514)</b>	<b>\$ 8,791,090</b>	<b>\$ (7,126,775)</b>	<b>\$ 15,088,240</b>
Debt service as a percentage of noncapital expenditures	7.1%	7.7%	7.0%	6.1%	9.4%	8.3%	8.0%	7.3%	6.6%	6.5%

**Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2023	\$ 84,909,770	\$ 6,138,056	\$ 11,253,102	\$ 102,300,928
2022	80,349,072	5,879,200	11,758,401	97,986,673
2021	79,466,716	5,676,194	9,460,323	94,603,233
2020	79,328,988	5,599,693	8,399,540	93,328,221
2019	78,418,702	4,559,227	8,206,608	91,184,537
2018	76,180,438	4,429,095	7,972,372	88,581,905
2017	73,244,306	5,170,186	7,755,279	86,169,771
2016	71,238,881	4,190,522	8,381,045	83,810,448
2015	70,327,500	4,088,808	7,359,855	81,776,163
2014	70,053,732	3,184,261	6,368,521	79,606,514
	<u>\$ 763,518,105</u>	<u>\$ 48,915,242</u>	<u>\$ 86,915,046</u>	<u>\$ 899,348,393</u>

Source: Town records.

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Residential Property	Commercial and Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle	Exemptions	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2014	\$ 2,132,578,630	\$ 408,072,560	\$ 20,617,160	\$ 150,703,701	\$ 224,043,662	\$ 54,430,814	\$ 2,881,584,899	0.63%	27.60	\$ 2,936,015,713	98.15%
2015	1,968,704,640	370,725,070	21,079,660	179,192,892	230,627,897	71,960,493	2,698,369,666	(6.40)%	30.25	2,770,330,159	97.40%
2016	1,979,857,060	374,765,890	19,409,880	193,351,512	239,420,065	80,054,500	2,726,749,907	1.05%	30.69	2,806,804,407	97.15%
2017	1,994,662,630	375,557,580	19,446,630	203,511,259	242,018,735	84,664,593	2,750,532,241	0.87%	31.19	2,835,196,834	97.01%
2018	2,014,009,300	368,364,870	18,196,100	201,916,737	248,244,450	83,005,291	2,767,726,166	0.63%	31.94	2,850,731,457	97.09%
2019	2,017,685,260	375,147,640	21,639,750	208,613,938	254,326,312	75,927,369	2,801,485,531	1.22%	32.62	2,877,412,900	97.36%
2020	2,017,244,800	375,854,480	21,639,750	208,613,938	254,375,451	75,927,369	2,801,801,050	0.01%	33.22	2,877,728,419	97.36%
2021	2,033,251,900	383,847,180	20,422,040	217,265,259	263,874,059	74,431,711	2,844,228,727	1.51%	33.22	2,918,660,438	97.45%
2022	2,441,509,669	392,875,790	20,558,200	171,668,788	265,326,370	72,255,237	3,219,683,580	13.20%	33.72	3,291,938,817	97.81%
2023	2,458,109,169	395,880,160	20,947,560	178,122,006	329,382,850	82,777,430	3,299,664,315	2.48%	34.32/32.46*	3,382,441,745	97.55%

Source: Town Records

\* Real Estate mill rate = 34.32, Motor Vehicle mill rate = 32.46



Town of Cheshire, Connecticut

Table 8

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

2023			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power Co	\$ 51,107,150	1	1.55%
Bozzuto's Inc	48,608,160	2	1.47%
Industrial Ave LLC	39,620,260	3	1.20%
Yankee Gas Service	17,457,660	4	0.53%
Macy Corp Services Inc	16,936,028	5	0.51%
G&I IX Cheshire LLC	14,829,890	6	0.45%
WFM Properties Cheshire	14,592,630	7	0.44%
Cheshire Surgery Center	7,974,650	8	0.24%
Cheshire ILMR LLC	7,770,000	9	0.24%
EDAC Technologies Corp	7,578,150	10	0.23%
<b>Total</b>	<b>\$ 226,474,578</b>		<b>6.86%</b>

2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Industrial Avenue LLC	\$ 38,587,680	1	1.34%
Connecticut Light & Power Co.	35,963,390	2	1.25%
CT INDY CH LLC	18,725,000	3	0.65%
WE 350 Knotter Cheshire LLC	18,417,697	4	0.64%
Macy's Corp Services Inc.	15,758,950	5	0.55%
Bozzutos Inc.	15,359,040	6	0.53%
Yankee Gas Service	12,464,460	7	0.43%
EDAC Technologies Corporation	9,500,010	8	0.33%
Marshall Enterprises Limited	8,585,930	9	0.30%
Cheshire ILMR LLC	8,148,340	10	0.28%
	<b>\$ 181,510,497</b>		<b>6.30%</b>

Source: Town Records

**Property Tax Levies And Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30	Grand List Year (1)	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2012	79,373,263	79,201,676	99.784%	165,646	79,367,322	99.993%
2015	2013	81,616,162	81,446,709	99.792%	156,114	81,598,237	99.978%
2016	2014	83,710,090	83,523,479	99.777%	173,066	83,690,433	99.977%
2017	2015	86,093,075	85,900,838	99.777%	174,610	86,059,866	99.961%
2018	2016	88,471,517	88,279,271	99.783%	178,692	88,439,891	99.964%
2019	2017	91,015,949	90,813,622	99.778%	187,418	90,983,978	99.965%
2020	2018	93,368,389	93,037,928	99.646%	315,173	93,037,928	99.646%
2021	2019	94,572,044	94,291,519	99.703%	263,000	94,554,519	99.981%
2022	2020	97,693,803	97,411,946	99.711%	173,591	97,585,537	99.889%
2023	2021	101,868,911	101,480,655	99.619%	-	101,480,655	99.619%

**Source:** Town Tax Records

(1) Taxes are collectible in the year after they are levied.

(2) Adjusted for lawful corrections and transfers to suspense.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	General Obligation Bonds <sup>(1)</sup>	Notes Payable	Leases Payable	Subscriptions Payable	Total	Percentage of Personal Income <sup>(2)</sup>	Debt Per Capita <sup>(2)</sup>
2014	\$ 52,153,739	\$ 14,312,792	\$ -	\$ -	\$ 66,466,531	4.35%	\$ 1,827
2015	61,840,929	13,996,466	-	-	75,837,395	4.85%	2,113
2016	56,739,246	14,785,078	-	-	71,524,324	5.54%	2,415
2017	69,314,732	38,402,070	-	-	107,716,802	8.15%	3,682
2018	63,930,680	35,815,612	-	-	99,746,292	7.55%	3,410
2019	73,120,624	33,695,576	-	-	106,816,200	7.76%	3,649
2020	67,393,595	31,616,581	-	-	99,010,176	6.94%	3,397
2021	76,977,021	29,613,718	-	-	106,590,739	7.75%	3,641
2022	69,594,270	27,244,768	145,902	-	96,984,940	5.91%	3,372
2023	82,401,265	24,845,379	92,459	193,077	107,532,180	5.84%	3,743

**Note:** Details regarding the Town's outstanding debt, including general obligation bonds and notes payable, may be found in the notes to the basic financial statements.

<sup>(1)</sup> Presented net of original issuance discounts and premiums.

<sup>(2)</sup> Personal income and population data can be found on the Schedule of Demographic and Economic Statistics

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	General Obligation Bonds <sup>(1)</sup>	Less: Amount Available in Debt Service Reserve <sup>(2)</sup>	Total	Percentage of Actual Taxable Value of Property <sup>(3)</sup>	Per Capita <sup>(4)</sup>
2014	52,153,739	143,576	52,010,163	1.77%	1,760
2015	61,840,929	137,875	61,703,054	2.23%	2,083
2016	56,739,246	169,825	56,569,421	2.02%	1,905
2017	69,314,732	204,218	69,110,514	2.44%	2,362
2018	63,930,680	643,248	63,287,432	2.22%	2,163
2019	73,120,624	597,509	72,523,115	2.52%	2,477
2020	67,393,592	659,648	66,733,944	2.32%	2,290
2021	76,977,021	555,160	76,421,861	2.62%	2,622
2022	69,594,270	420,706	69,173,564	2.10%	2,405
2023	82,401,265	308,991	82,092,274	2.43%	2,857

**Note:** Details regarding the Town's outstanding debt, including general obligation bonds and notes, may be found in the notes to the basic financial statements.

<sup>(1)</sup> This is the general bonded debt of governmental activities, net of original issuance discounts and premiums.

<sup>(2)</sup> This is the amount committed for debt service principal payments.

<sup>(3)</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>(4)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

**Direct Governmental Activities Debt  
For the Year Ended June 30, 2023  
(Unaudited)**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 107,246,644
Lease Payable	92,459
Subscriptions Payable	<u>193,077</u>
<b>Total direct debt</b>	<b><u><u>\$ 107,532,180</u></u></b>

**Sources:** Town Records

**Note:** The Town is not subject to the debt of overlapping governments.

**Note:** School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from Office of Policy and Management, State of Connecticut.

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(dollars in thousands)*  
**(Unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 557,393,872	\$ 572,489,561	\$ 586,826,772	\$ 603,236,522	\$ 620,008,333	\$ 617,954,897	\$ 653,022,650	\$ 653,020,578	\$ 662,830,000	\$ 685,326,481
Total net debt applicable to limit	94,557,160	74,731,513	71,649,008	101,614,411	100,054,482	98,337,888	102,057,225	99,799,473	114,529,996	277,565,022
Legal debt margin	\$ 462,836,712	\$ 497,758,048	\$ 515,177,764	\$ 501,622,111	\$ 519,953,851	\$ 519,617,009	\$ 550,965,425	\$ 553,221,105	\$ 548,300,004	\$ 407,761,459
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	16.96%	13.05%	12.21%	16.84%	16.14%	15.91%	15.63%	15.28%	17.28%	40.50%

**Schedule of Debt Limitation  
June 30, 2023  
(Unaudited)**

Total tax collections (including interest and lien fees) for year ended June 30, 2022	\$ 97,903,783
Reimbursement for revenue loss on: Tax relief for the elderly freeze	<u>-</u>
Base for debt limitation computation	<u>\$ 97,903,783</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation: <sup>(1)</sup>					
2-1/4 times base	\$ 220,283,512	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	440,567,024	-	-	-
3-3/4 times base	-	-	367,139,186	-	-
3-1/4 times base	-	-	-	318,187,295	-
3 times base	-	-	-	-	293,711,349
<b>Total debt limitation</b>	<u>220,283,512</u>	<u>440,567,024</u>	<u>367,139,186</u>	<u>318,187,295</u>	<u>293,711,349</u>
Indebtedness: <sup>(2)</sup>					
Bonds and notes	55,292,946	24,829,618	22,847,815	-	-
Leases payable	92,459	-	-	-	-
Subscriptions payable	193,077	-	-	-	-
Bonds authorized but unissued	6,059,294	167,554,813	695,000	-	-
<b>Total net indebtedness</b>	<u>61,637,776</u>	<u>192,384,431</u>	<u>23,542,815</u>	<u>-</u>	<u>-</u>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<u>\$ 158,645,736</u>	<u>\$ 248,182,593</u>	<u>\$ 343,596,371</u>	<u>\$ 318,187,295</u>	<u>\$ 293,711,349</u>

The total net indebtedness above amounts to: \$ 277,565,022

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 685,326,481

<sup>(1)</sup> Per Connecticut General Statutes, Section 7-347(b).

<sup>(2)</sup> There is no overlapping debt.

Source: Schedule was taken from footnote 5 in the financial statements.

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30	Population <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Median Household Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2014	29,546	\$ 42,043	\$ 1,242,202,478	\$ 106,322	43.1	4,594	5.0%
2015	29,620	43,583	1,290,928,460	107,716	42.9	4,523	3.3%
2016	29,694	44,280	1,314,850,320	106,489	43.7	4,393	4.6%
2017	29,254	45,164	1,321,227,656	108,559	45.1	4,342	2.8%
2018	29,254	45,164	1,321,227,656	108,559	45.0	4,284	2.9%
2019	29,274	47,012	1,376,229,288	107,579	45.8	4,270	2.4%
2020	29,147	48,968	1,427,270,296	112,945	46.0	4,188	4.7%
2021	29,147	52,013	1,516,022,911	120,546	46.2	4,122	5.0%
2022	28,766	57,006	1,639,834,596	132,682	45.4	4,160	2.2%
2023 (5)	28,732	64,033	1,839,796,156	143,418	46.2	4,202	2.5%

(1) U.S. Census Bureau

(2) Connecticut Economic Resource Center Data Finder - Applied Geographic Solutions

(3) Cheshire Public Schools

(4) Connecticut Department of Labor

(5) FY 2023 estimates received from Advance CT



**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2023			2014		
	Employees <sup>(1)</sup>	Rank	Percentage of Total Town Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total Town Employment <sup>(3)</sup>
Bozzuto's Inc.	1,254	1	7.27%	1,277	1	8.78%
State of CT Dept. of Correction	1,041	2	6.04%	706	3	4.85%
Town of Cheshire (4)	966	3	5.60%	823	2	5.66%
Macy's Logistics	622	4	3.61%	500	5	3.44%
Collins Aerospace	330	5	1.91%	-	-	0.00%
Whole Foods	320	6	1.86%	220	10	1.51%
Hanwha Aerospace	265	7	1.54%	-	-	0.00%
Omnicare	220	8	1.28%	220	9	1.51%
Elim Park Baptist Home	207	9	1.20%	327	7	2.25%
Eversource	176	10	1.02%	-	-	0.00%
UTC Aerospace	-	-	0.00%	350	6	2.41%
Alexion Pharmaceuticals	-	-	0.00%	526	4	3.62%
Webster Bank	-	-	0.00%	260	8	1.79%

<sup>(1)</sup> Full-time

<sup>(2)</sup> Percentage of Connecticut Department of Labor Quarterly Census of Employment and Wages, by Town 2022 Q1 (17,248 jobs)

<sup>(3)</sup> Percentage of Connecticut Department of Labor Quarterly Census of Employment and Wages, by Town 2012 (14,544 jobs)

<sup>(4)</sup> Full-time equivalents

**Sources:** Town Records

**Full-Time Equivalent Town Government Employees By Functions/Programs  
Last Ten Fiscal Years  
(Unaudited)**

Functions/Program	Fiscal Year									
	2014 (*)	2015 (*)	2016 (*)	2017 (*)	2018 (*)	2019 (*)	2020 (*)	2021 (*)	2022 (*)	2023 (*)
Administration & Finance:										
Town Manager	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Human Resources									1.0	1.0
Town Clerk	4.4	4.4	4.4	4.4	4.4	4.0	3.0	3.0	3.0	3.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	16.0	16.0	16.0	16.0	15.1	15.1	13.1	13.7	13.7	14.1
General Services	0.1	0.1	0.1	0.1	0.1	0.1	0.9	0.1	0.1	1.1
Public Property	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Planning and Development:	6.4	6.4	6.4	5.4	5.4	5.4	5.7	4.7	4.7	3.0
Economic Development:										1.0
Public Safety:										
Police Department	60.0	60.0	60.0	59.0	60.0	61.0	62.0	63.0	62.0	62.0
Animal Control	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Fire Department	5.1	6.1	6.1	6.1	5.1	5.1	5.3	5.3	5.3	5.8
Building Department	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works:										
Public Works	26.5	26.7	26.8	26.8	30.7	31.1	31.0	32.0	32.0	33.0
Water Pollution Control	9.3	9.3	9.3	9.3	9.3	9.3	8.3	8.3	7.8	8.8
Social Services:										
Youth & Social Services **	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Senior/Transportation Services **	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Human Services **	14.3	14.9	15.0	15.0	15.2	15.8	16.0	16.0	16.0	16.1
Cultural Services:										
Performing & Fine Arts	2.4	2.3	2.4	2.5	2.7	2.7	3.0	3.0	3.0	3.0
Library	24.9	26.2	25.9	25.3	24.7	24.7	21.1	21.1	20.3	21.0
Leisure Services:										
Parks & Recreation	10.0	10.0	10.0	10.0	4.5	4.5	4.0	4.4	4.5	5.1
Community Pool	13.5	14.0	14.0	13.9	13.9	13.9	14.2	14.2	14.2	14.2
Education	615.1	629.4	626.6	626.1	629.7	642.5	755.5	754.4	771.1	785.7
<b>Total</b>	<b>822.6</b>	<b>839.9</b>	<b>837.1</b>	<b>834.0</b>	<b>834.9</b>	<b>849.3</b>	<b>957.2</b>	<b>956.3</b>	<b>971.8</b>	<b>991.0</b>

(\*) Full-time equivalents by functions/programs are the applicable FY Council's Approved numbers.

\*\* The Youth and Social Services and the Senior and Transportation Services Depts. were consolidated into the Human Services Dept. during FY 11-12.

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police:</b>										
Violent Crimes	8	9	7	6	9	12	11	4	5	2
Property Crimes	224	206	235	224	227	204	232	205	214	212
Criminal Arrests	558	567	414	343	336	479	385	324	198	235
Motor Vehicle Arrests	1,678	1,879	1,711	1,112	785	1,019	821	597	532	381
Accidents	663	572	677	646	679	497	538	503	633	541
Total Incidents	30,336	26,689	29,898	31,969	30,263	32,239	32,770	33,551	37,322	43,532
<b>Fire:</b>										
Total fire runs	757	739	772	758	997	935	884	902	902	942
Total rescue runs	25	25	20	33	51	15	45	46	36	23
Property loss	\$ 575,002	\$ 153,173	\$ 1,795,500	\$ 510,000	\$ 554,221	\$ 89,065	\$ 640,700	\$ 625,712	\$ 398,252	\$ 665,500
<b>* Building safety:</b>										
Total permits	1,943	1,878	1,266	1,861	1,795	2,131	2,003	2,489	2,504	2,808
Total fees collected	\$ 502,877	\$ 407,076	\$ 452,216	\$ 379,477	\$ 422,752	\$ 529,319	\$ 562,778	\$ 683,779	\$ 879,514	\$ 1,103,290
<b>Library:</b>										
Loans	419,438	407,843	390,677	366,471	339,161	359,025	253,538	220,951	266,463	359,025
eLoans	-	-	-	-	-	29,504	38,392	42,617	39,060	29,504
<b>Waste Disposal:</b>										
Garbage generated (ton)	14,701	13,190	13,748	6,819	6,871	6,899	7,641	8,055	7,817	7,629
<b>Parks and Recreation:</b>										
Recreation Programs	605	602	447	408	387	432	336	223	376	490
Recreation Participants	6,026	5,852	6,539	3,096	3,104	3,548	2,795	1,542	2,977	4,519
Aquatic Programs	120	60	176	600	205	208	210	200	275	871
Aquatic Participants	1,100	600	1,083	1,387	1,343	1,338	1,697	1,125	1,721	2,167
Pool Annual Pass Use	31,000	5,200	417	33,611	35,863	38,628	26,270	34,000	42,735	48,297
Pool Pass Users	6,400	4,150	2,835	7,713	8,639	12,303	8,597	7,800	1,680	1,700
Park Fields - Fall	22	22	22	22	22	22	22	22	22	22
Park Fields - Spring	25	25	25	25	25	25	25	25	25	25

Source: Town Records

Note: \*Totals for permits & fees do not include zoning permits & fees collected by the Building Department and fees collected for copies are not included in totals.

**Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Police Personnel and Officers	60	60	60	60	60	62	62	62	1	58
Fire, Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works:										
Miles of Streets	152	152	152	152	152	152	152	152	152	152
Private	2	2	2	2	2	2	2	2	2	2
State Highways	26	26	26	26	26	26	26	26	26	26
Miles of Sidewalks	106	106	106	106	106	106	106	115	115	115
Parks & Recreation:										
Acreage - Parks	330	330	330	340	340	340	340	330	330	330
Acreage - Open Space	1,508	1,508	1,508	1,508	1,508	1,508	1,553	1,508	1,508	1,508
Parks and Recreation Areas	11	11	11	11	11	11	11	11	11	11
Athletic Diamonds	24	24	24	24	24	24	24	24	24	24
Rollerblading Rinks	1	1	1	1	1	1	1	1	1	1
Soccer Fields	9	9	9	9	9	9	9	9	9	9
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Tennis Courts	14	14	14	14	14	14	11	12	12	9
Pickle Ball Courts	-	-	-	-	-	-	6	6	6	6
Swimming Areas	2	2	2	2	2	2	2	2	2	2
Outdoor Volleyball Courts	4	4	4	4	4	4	4	4	4	4
Picnic Pavilions	7	7	7	7	7	7	7	7	7	7
Community Centers	1	1	1	1	1	1	1	1	1	1
Playgrounds	5	5	5	5	5	5	5	5	5	5
Library:										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes	131,809	135,615	134,053	123,333	177,294	148,971	107,222	99,599	98,235	92,738
Water:										
Miles of Water Mains	150	150	151	151	151	151	151	152	153	155
Number of Service Connections	6,793	6,814	6,861	6,889	6,907	6,929	6,935	6,992	7,008	7,046
Daily Average Consumption	2,880,000 g	3,260,000 g	2,900,000 g	3,100,000 g	3,100,000 g	2,900,000 g	2,390,000 g	3,350,000 g	3,120,000 g	3,200,000g
Maximum Daily Consumption	4,980,000 g	5,240,000 g	5,180,000 g	5,233,000 g	5,000,000 g	5,360,000 g	5,650,000 g	5,930,000 g	4,900,000 g	5,290,000g
Wastewater:										
Miles of Sanitary Sewers	122	122	122	122	122	122	122	122	122	122
Miles of Storm Sewers	76	76	77	77	77	77	77	77	77	77
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Pump Stations	9	9	9	9	9	9	9	9	9	10
Daily Average Treatment	2,660,000 g	2,660,000 g	2,660,000 g	2,200,000 g	2,490,000 g	2,850,000 g	2,400,000 g	2,400,000g	2,400,000g	2,500,000g
Maximum Daily Capacity	4,000,000 g	4,000,000 g	4,000,000 g	4,000,000 g	4,000,000 g	4,000,000 g	4,000,000 g	4,000,000g	4,000,000g	4,000,000g

Source: Town Records