

**TOWN OF SOUTHLINGTON,
CONNECTICUT**



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2023

**TOWN OF SOUTHLINGTON, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Prepared by:

Finance Department
James Bowes
Director of Finance

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INTRODUCTORY SECTION

**TOWN OF SOUTHLINGTON, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2023**

Town Council

Victoria Triano, Chairperson
Tom Lombardi, Vice Chairperson
Paul Chaplinsky, Jr
Michael DelSanto
Valerie A. DePaolo

William Dziedzic
Jim Morelli
Christopher J. Palmieri
Jack Perry

Town Manager

Mark J. Sciota

Administration

Corporation Counsel
Director of Assessments & Revenue
Building Inspector
Economic Development Coordinator
Director of Public Works/Town Engineer
Director of Finance
Fire Chief
Library Director
Director of Planning & Community Development
Police Chief
Director of Recreation, Youth Services and Senior Center
Town Clerk
Town Treasurer
Water Pollution Plant Superintendent

Alex Ricciardone
Teresa Babon
Jeffrey Pooler
Louis Perillo
Annette Turnquist
James Bowes
Eric Heath
Matthew Earls
David Lavallee
John Daly
David Lapreay
Kathy Larkin
Ann Marie Anop
Kiari Williams

Board of Finance

John J. Leary, Chairperson
Joseph K. Labieniec, Vice Chairperson
Edward S. Pocock Jr., Secretary

Kevin R. Beaudoin
Tony Morrison
Susan Zoni

Board of Education

Colleen W. Clark, Chairperson
Joseph Baczewski, Vice Chairperson
Dawn Anastasio, Secretary
Terri C. Carmody
Sean M. Carson

James J. Chrzanowski
David J. Derynoski
Zaya G. Oshana, Jr.
Jasper P. Williams

Superintendent of Schools

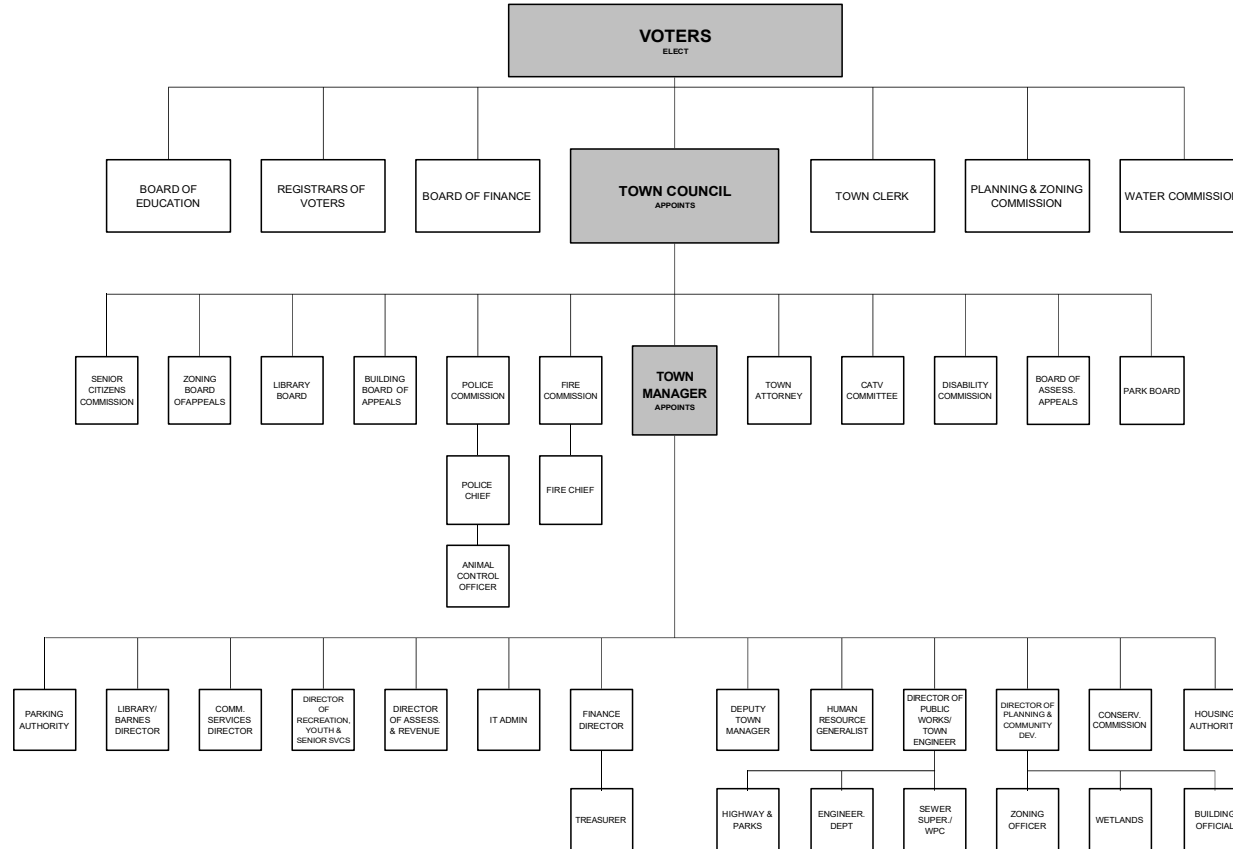
Steven G. Madancy

Business and Finance Director

Jennifer Millett

**TOWN OF SOUTHINGTON, CONNECTICUT
GENERAL GOVERNMENT ORGANIZATIONAL CHART
JUNE 30, 2023**

**TOWN OF SOUTHINGTON
GENERAL GOVERNMENT ORGANIZATIONAL CHART**



NOTE:
In November 2022, voters approved change to the Town Charter, effective December 1, 2022, whereas the Town Manager is now responsible for the management of staffing, finances, building operations and collective bargaining for the Library and Barnes Museum. This includes the Library/Barnes Museum Director reporting directly to the Town Manager, not the Library Board.



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**Town of Southington
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Town of Southington

FINANCE DEPARTMENT

**JAMES BOWES, DIRECTOR
CHRISTINA SIVIGNY-SMITH,
ASS'T DIRECTOR
ANN ANOP, TREASURER**



**75 MAIN STREET
SOUTHTON, CT 06489
(860) 276-6222**

December 27, 2023

To the Honorable Members of the Town Council, Members of the Board of Finance,
Town Manager and Citizens of the Town of Southington:

State law requires that all Connecticut municipalities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, issued herein is the Annual Comprehensive Financial Report of the Town of Southington for the fiscal year ended June 30, 2023.

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

The Town of Southington's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Southington for the fiscal year ended June 30, 2023 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 of Southington's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Town of Southington

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The independent audit of the financial statements of the Town of Southington was part of a broader federal and state mandated "Single Audit" 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 Town's internal controls and compliance with legal requirements for the federal and state grant awards. These reports are available in the Town of Southington's separately issued Federal Single Audit and State Single Audit report.

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 of Southington's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE TOWN

Description of the Municipality

The Town of Southington was originally settled in 1698 and incorporated in 1779. It has a land area of approximately 36.9 square miles and a population of 43,500 located in Hartford County. Found in the geographical center of the State, Southington lies approximately 20 miles west of Hartford, the State capital, and 9 miles east of Waterbury. Other bordering cities include Meriden, New Britain and Bristol. Some of Connecticut's major highways provide access to the Town. Interstate 84 bisects Southington and Route 691 leads directly to Interstate 91. State route 10 is a major thoroughfare running north to south.

Form of Government

The Town of Southington is governed under the provisions of a charter and the Connecticut General Statutes. Southington has had a Council-Manager form of government since 1966. The Town Council, which is comprised of nine members who are elected for two-year terms, appoints the Town Manager. The Town Manager is responsible for the supervision and administration of all commissions, boards, departments, offices and agencies of the Town, except those elected by the people, appointed by the Council, or appointed by a regional, State or Federal authority.

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

Municipal Services

Police: The Southington Police Department has a sworn staff of 72 headed by a Chief, which provides patrol, detective and crime prevention services. Other specialized divisions include: Traffic Division, K-9 officer, Emergency Response Team, Motorcycle Patrol, Support Services Division, Training Division, and the Bicycle Patrol. Emergency dispatch services are centralized in the Police Headquarters and staffed by twelve civilian dispatchers. The Department also oversees the operation of the Animal Control Facility, which has two full-time staff.

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Fire: Fire protection is provided by Southington's 37 career and approximately 35 volunteer firefighters. The department, headed by a career Chief, consists of a central headquarters and three additional companies. Central Headquarters and one of the companies are staffed 24 hours per day. All companies are staffed during the day. The department's responsibilities include firefighting, emergency response, fire marshal inspections, fire code compliance, building plan review and fire prevention education.

Health: Southington is a member of the Plainville-Southington Health District, which serves the Towns of Plainville, Southington and Middlefield and is headed by a full-time Director of Health. The District provides inspection services in order to license food and personal grooming establishments, certify septic tank installation/repair and reviews building plans for new and existing buildings. It offers programs to protect and preserve the health of the communities through health promotion and disease prevention.

Senior Services: Calendar House is the Town of Southington's Senior Center. It is staffed by an Executive Director plus five full time employees and 11 part time and seasonal staff. The Center serves as a resource center, providing a broad range of social services, recreational activities, educational programs and medical appointment transportation to meet the needs of the Town's senior citizens.

Youth Services: The Youth Services Department is staffed by a Director, two counselors, and a Youth Prevention Coordinator. The Department offers a variety of services to youth and families including confidential counseling, education, diversion and positive youth development programs.

Community Services: Led by a Director, this four-employee staff and many volunteers administer social assistance benefit programs to those in the community who are in most need of this assistance, such as coordinating income driven State paid financial assistance for individuals and children, clothing drives, back to school supply donations and food donations.

Building: The Building Department is responsible for ensuring compliance with State and local building codes, through inspection and issuance of permits for all construction activity for residential, commercial and industrial buildings. The Department is headed by a Building Inspector and consists of six employees.

Planning & Zoning: The Planning and Zoning Department is led by a Director of Planning and Community Development and has five employees who provide technical assistance to the Planning and Zoning Commission, Conservation Commission and Zoning Board of Appeals. Planning and Zoning develops the Plan of Community Development, enforces zoning regulations and assists potential new or existing town businesses comply with zoning regulations.

Economic Development: The Economic Development Coordinator works closely with Planning & Zoning, other Town departments and the Chamber of Commerce in promoting the Town and providing a wide array of information and services to prospective businesses as well as existing established businesses.

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Engineering: The Engineering Department designs or reviews all projects requiring engineering services, including road, drainage and sewer construction projects. The Department has eight employees, led by the Director of Public Works/Town Engineer.

Recreation: The Recreation Department provides recreational, educational and entertaining programs and services for residents of all ages. Southington's Park facilities encompass over 500 acres of recreational area: Recreation Park (37.6 acres), Western Park (21.2 acres), Central Park (19 acres), Panthorn Park (139.1 acres), Jaycee Park (4.2 acres), Centennial Park (1.5 acres), Veterans Memorial Park (20.5 acres), Crescent Lake (223 acres), a hiking and biking trail (11.6 acres) and the old Southington Drive-In Theatre (40 acres).

Library & Museum: The Southington Public Library and Barnes Museum provides a wide array of services to both adults and children, including lending educational and leisure materials, hosting lectures, book discussion groups and programs for patrons of all ages, providing computer access to patrons and holding educational/informational sessions led by experts in their field. The Barnes Museum program provides tours of the museum, group visits, and special events such as a Taste of Southington. The residents approved construction of a New Library for \$16.9 million at a referendum in November 2021, which is currently in the planning stages. A Library Director leads a total of 18 full time and 5 part time employees.

Highway and Parks: The Highway and Parks Department is supervised by the Director of Public Works, and is staffed by a total of 36 employees. The department is responsible for the maintenance and repair of over 200 miles of roads and all the Town Recreational Facilities, as previously stated under Recreation above. Other duties include snow plowing, street sweeping, sightline improvements, annual curb-side leaf collection and operation of the Bulky Waste Transfer Station.

Water: The Southington Water Works Department has functioned as a semi-autonomous entity for over 100 years. The current plant was built in 1993 and an additional reservoir was purchased in 1995, ensuring a comfortable water supply for the Town's future demand. In January of 2005 the Water Department completed and moved into their new headquarters. The Town has bonded for many capital projects for the Water Department since 2011, whose principal and interest are repaid by the Water Department. A six-member elected Board of Commissioners governs this function.

Sewer: The Water Pollution Control Department is staffed by twelve employees, including a Superintendent. A major treatment plant upgrade authorized for \$50 million was completed by the end of fiscal 2023. The Town has participated in a Clean Water Fund grant and loan program administered by the State of Connecticut Department of Energy and Environmental Protection to finance most of this project.

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Solid Waste and Recycling: Homeowners hire private contractors, who are licensed by the Town Engineer, to collect residential waste and recycling materials. The Town participates with thirteen other cities and towns in a contract with Covanta Bristol, Inc. which was signed on December 21, 2012 and is for a period of twenty years. The Town paid a fee of \$70.40 per ton for fiscal year 2023 for the acceptable solid waste which is sent to the Covanta trash-to-energy plant in Bristol, Connecticut.

Educational Services

The Southington public school system services grades kindergarten through 12 and is governed by the local Board of Education. The nine members of the Southington Board of Education are elected for two-year terms. The primary functions of the Board are to establish policy in areas such as curriculum and school operations, hiring of a Superintendent and other top leadership positions, adopt budget and financing requests for submission to the Town, ensuring funds for education as appropriated by the Town are properly expended, implementation and compliance with both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has eleven schools for grades kindergarten through 12 comprising of: one senior high school (grades 9 through 12), two middle schools (grades 6 through 8), and eight elementary schools (grades pre-K through 5). Enrollment for pre-Kindergarten through 12th Grade during 2021/2022 was 6,244. The rated capacity of the system facilities is 8,070.

COVID-19

On March 10, 2020 Governor Lamont declared a state of emergency in the State of Connecticut as a result of the COVID-19 outbreak. The Town of Southington followed the State's lead, and closed all Town Departments with only Public Safety and limited staff performing essential services reporting to work. From mid-March through the end of May 2020, only essential meetings were held. These meetings were noticed on the website and newspapers, held remotely and the public was provided with access to listen to or view the meetings remotely and participate during public comment sessions. Most of the Town offices opened to the public on June 1, 2020 with protective measures in place as recommended by qualified and responsible Federal, State and Local Public Health officials. The Library and Senior Center were opened with limited operations, but were opened fully in the fall of 2020.

Education of students was conducted through remote learning efforts from March 2020 through the end of the school year in June 2020. All schools were reopened for live education at the start of the new school year in September 2020 with protective measures in place.

Although COVID-19 variants have continued into fiscal year 2022/2023, Town offices have remained open with revised appropriate safeguards in place. Fortunately, the pandemic has not had a material adverse financial impact on the financial position of the Town.

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ECONOMY AND MAJOR INITIATIVES

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

Local Economy

Southington's economy continues to demonstrate stability and solid post-pandemic growth, as evidenced by an unemployment rate (non-seasonally adjusted) at June 30, 2023 of 3.3%, compared to the State's rate of 4.0% and the U.S. rate of 3.8%. In addition, the Town's October 1, 2021 Net Taxable Grand list of \$4.587 billion, in effect for the fiscal year 2022/2023, is an increase of \$150 million or 3.38% over the previous year. This growth was due to increased values in all three categories of property assessments: Real Estate, Business (Personal) Property and Motor Vehicle. This reveals achievements by the Town's diligent economic development efforts for many years. It also demonstrates the creativity and resilience of the local business community as they persevered through the pandemic.

Some of the major economic highlights during the year:

The clean-up and remediation of the former Beaton & Corbin manufacturing site was completed during this fiscal year. For the past nine years, the Town's Economic Development Office has worked with the State of Connecticut Department of Economic and Community Development and the Connecticut Brownfield Landbank to obtain financing to remediate, develop and sell this parcel. A developer began construction of two new buildings on this site during fiscal year 2022/2023.

Economic activity remained solid for industrial properties:

- A. Duie Pyle, a large regional shipping concern, was approved for a 32 bay addition to their tractor trailer truck terminal and a 212 space parking garage. Construction started in the fall of calendar 2023.
- Two buildings of approximately 10,000 square feet each were approved for the industrial park on Captain Lewis Drive.
- LiveWell Assisted Living Center continued construction on a 69,000 square foot addition to their existing facility, which will be completed in fiscal 2023/2024.
- Construction began on Connecticut Sealcoat and South End Concrete buildings on Mastrianni Place

The downtown Southington area continues to attract new businesses and economic activity, such as:

- The Factory Square building, a renovated former manufacturing facility, is at near full occupancy, adding several new recreational and food establishments to the Town's destination venues.
- Construction continued on a new 64-unit apartment complex on Eden Avenue, which has transformed a previously under-utilized area.

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- The former Ideal Forge property known as Greenway Commons is under contract with a developer who has filed a building permit to redevelop this former factory property into a mixed use area of residential and small commercial units. This project, once completed, is certain to foster increased economic activity within the downtown area.
- Ion Bank began construction of its first Southington branch on Main Street/Route 10.

Economic activity and growth at the Town's three main retail and commercial corridors, Queen Street, West Street and Meriden-Waterbury Road, remained strong during the fiscal year, evidenced by:

- Approval was granted for a \$90 million mixed use apartment development at West and Curtiss Street.
- A 238,000 square foot warehouse is planned for Smoron Drive.
- A new 10,000 square foot day care center was constructed on West Street.
- A new 7-11 store with a 10 pump gas station began construction on Queen Street.
- A new Jersey Mike's sandwich shop and Starbucks coffee were constructed on Queen Street.
- Hemlock Hills RV Sales added 29,340 square feet to their existing facility on Meriden-Waterbury Road.

Due to these and other factors, the Town of Southington was ranked #2 nationwide among the top zip codes for popular home buying destinations according to Realtor.com.

The Town continues to be proactive in attempting to attract new businesses to Town as well as retain and strengthen existing businesses.

Major Initiatives

The Town was awarded approximately \$13 million in Federal funding under the American Rescue Plan Act of 2021 (ARPA). The Town has designated these funds to utilize for long-term capital needs, such as reconstruction/upgrade of five sewer pump stations, purchase of a fire ladder truck, purchase of a street sweeper, lead removal from public water infrastructure projects, major renovations to a town public pool and park facility and field renovations/improvements. These items benefit all Town residents, have estimated useful lives of at least 20 years and will assist the Town in avoiding long-term debt service to pay for these projects if they were bonded. During fiscal year 2022/23 the Town expended approximately \$5.0 million of the ARPA funds for these purposes.

The Town has taken an aggressive approach to widen, resurface and rehab its streets in the last several years. In fiscal year 2022/23 the Town spent \$3.593 million to improve street infrastructure, drainage and sidewalks by utilizing a State grant of \$536 thousand, bonded funds of \$2.3 million and local funds of \$757 thousand.

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The Town entered into design and construction contracts for the new library project. A total of \$16.9 million of bonding funds were approved at referendum by voters in November 2022 to replace the current library. The Town expended approximately \$1 million during this fiscal year, mostly on design costs. Construction began after the fiscal year ended and is expected to be completed by the fall of 2024.

The Town was awarded a State grant of \$4.2 million for the Downtown Plantsville Safety Improvement project. This will be used to construct improved traffic flow, sight lines, pedestrian safety, parking and other measures in this highly traveled and busy commercial, residential and recreational area. The project will be started next fiscal year.

The Town purchased two parcels of open space abutting Panthorn Park for \$353 thousand during this fiscal year to preserve this recreational asset.

FINANCIAL STEWARDSHIP

The Town takes its responsibility of properly managing and spending taxpayer funds very seriously. To achieve desired financial results, the Town has adopted professionally recommended fiscal policies and practices to achieve positive consistent, long-term financial results and maintain a strong financial position, as reflected by the following:

Long-Term Capital Planning

The Town views infrastructure maintenance and improvements as vital to future economic growth and financial planning. By assessing needs and developing a capital improvement plan to spread the improvements over a period of years, the tax mill rate effect can be lessened.

The Town Manager annually prepares a Five-Year Capital Improvement Plan (CIP), which is reviewed by the Planning and Zoning Commission, the Board of Finance and the Town Council in conjunction with the operational budget. The fiscal year 2022-23 Five Year CIP totals \$199.9 million for the five-year period beginning with fiscal year 2022-23 and ending with fiscal year 2026-27. It includes various road, bridge, town building and sewer projects as well as major equipment purchases. The majority of this amount, \$159.1 million, is planned for School reconstruction, roofing and athletic facility projects. Many of these items will need approval by voters at future referendum, per Town Charter.

Included in the Five-Year CIP is a recommended Annual Capital Expenditure Budget for the current fiscal year. The 2022-2023 Annual Capital Expenditure Budget approved by the Town Council, and citizen referendum when required, totaled \$34.6 million and included thirty-five projects.

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Relevant Financial Policies and Practices

In order to demonstrate proper financial stewardship and achieve desired financial results, the Town has adopted the following key financial policies:

Budgetary Control - Expenditures may not legally exceed budgeted appropriations at the object level. Management cannot amend the budget. Supplemental appropriations and transfers within the same department must be approved by the Board of Finance and, if \$500 or over, the Town Council. Transfers between departments may be made only in the last three months of the fiscal year. Monthly revenue and expenditure actual vs. budget reports are reviewed with the elected Board of Finance.

Fund Balance Policy - The Town shall strive to maintain during the year, and specifically at fiscal year-end, a level of general fund unassigned fund balance, also known as accumulated surplus of 11% of actual year-end general fund revenues. The 11% shall be known as the Town's "floor." As of June 30, 2023, the Town has a 17.7% Unassigned Fund Balance.

Utilization of Fund Balance Policy - The Town attempts to balance operating budgets without the use of General Fund balance. For several years no reserves were used to offset operational expenses. The Town does, however, utilize reserves to fund Capital Projects. Next year's budget, fiscal 2023/24, the Board of Finance and the Town Council decided to use \$2.9 million dollars of Unassigned Fund Balance to cash fund six Capital Projects in year 1 of the Town's CIP and school security and other school capital improvements. This is considered a one-time use of General Fund reserves and assists in reducing bond interest in future years.

Debt Management Policy - The Town shall utilize the following limits to guide issuance of debt:

- a. Total Direct Indebtedness shall not exceed 3% of full market valuation (equalized grand list). At June 30, 2023, total direct indebtedness of \$125.763 million is 1.53% of the 10/1/ 2021 Equalized Grand List of \$8,222 billion.
- b. Total Direct Service shall be below 9.5% of general fund expenditures. The fiscal year 2022/23 budget was adopted with debt service comprising 6.8% of General Fund expenditures.
- c. All general obligation debt shall be structured to retire at least 25% in five years and 70% within 10 years.

Contingency Planning Policy - The Town requires sufficient contingency fund levels to avoid the use of undesignated fund balance. Contingency shall not exceed 1.125% of previous fiscal year budgeted expenditures. The Town approved the contingency account for fiscal year 2023-2024 Budget at \$600 thousand.

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Investment Policy - The Town invests its idle cash seeking to maintain safety, liquidity, and optimum yields on its investments. Under existing State statutes, allowable investments include certificates of deposit, money market and other short-term liquid accounts, repurchase agreements, U.S. Government securities, and investment pools which possess the aforementioned investment instruments. The Town's funds were primarily invested in municipal money market accounts, certificates of deposit and investment pools containing U.S. Government securities during the fiscal year ended June 30, 2023.

The Board of Finance reviews the Town's fiscal policies periodically and makes recommendations to the Town Council for any changes deemed necessary.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Southington for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 32nd consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence 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.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the daily efforts of the entire staff of the Department of Finance. The preparation of the ACFR requires a major effort, and I would like to express my appreciation to them and to those departments who provided information needed for inclusion in this report. I would also like to thank the Town Council, the Board of Finance, and the Town Manager for their interest and support in planning and conducting the financial operations of the Town in a responsible manner. Finally, the professional assistance and guidance provided by our independent auditors, CliftonLarsonAllen LLP, was most appreciated.

Respectfully submitted,

James Bowes
Director of Finance

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Southington, Connecticut
Southington, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southington, 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 Southington, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Southington, 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 Southington, 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 Southington, 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Southington, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Other Information

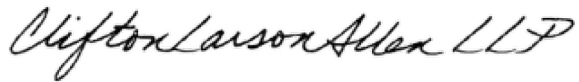
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

Board of Finance
Town of Southington, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the Town of Southington, 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 Southington, 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 Southington, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2023

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

As management of the Town of Southington, Connecticut (the Town) we offer readers of the 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, as well as the Town's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$213 million. Total net position for governmental activities at fiscal year-end were \$117.6 million and total net position for business-type activities were \$95.4 million.
- On a government-wide basis, during the year, the Town's net position decreased by \$2.6 million or 1.2% from \$215.6 million to \$213 million. Net position for the governmental activities decreased by \$2.8 million for governmental activities and increased by \$0.3 million for business-type activities.
- During the year, Governmental activities expenses were \$214.7 million and transfers out were \$2.6 million, while revenues were \$214.3 million.
- At the close of the year, the Town's governmental funds reported on a current financial resource basis, combined ending fund balances of \$70.1 million, an increase of \$29.4 million from the prior fiscal year. (Exhibit IV).
- At the end of the current fiscal year, the total fund balance for the General Fund alone was \$37.1 million, an increase of \$2.5 million from the prior fiscal year. Of the total fund balance, \$32.4 million represents unassigned fund balance. The unassigned General Fund balance at year-end represents 17.7% of total General Fund revenues (\$183.1 million), an increase of 1.6% from last year.
- The tax collection rate was 98.90% of the current levy, down slightly from 99.02% last year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The statement of net position presents information on all of Southington's assets and liabilities, with the difference reported as net position. One can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other nonfinancial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are considered regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, for example uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by property taxes, charges for services and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town encompass the Town's basic services and include governmental and community services, administration, public safety, health and welfare, and education. The business-type activities of the Town include the Sewer Operating Fund.

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of 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 expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the 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.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Town maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, Emergency Management, Debt Service and Federal/State Education Grants Fund, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation as other non-major governmental funds.

Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet and in the combining statement of revenues, expenditures and changes in fund balances on Exhibit B-1 and B-2.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on Exhibits III and IV of this report.

- *Proprietary Funds* – The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Southington uses an enterprise fund to account for its Sewer Fund. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town of Southington's various functions. The Town uses an internal service fund to account for its Employee Health Self-Insurance Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Enterprise Fund and the Health Insurance Internal Service Fund.

The proprietary fund financial statements can be found on Exhibits V-VII of this report.

- *Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town's constituency. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town currently maintains none of these funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42 through 88 of this report.

Certain required supplementary information is reported concerning budgetary results and the Town's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees. This information can be found on pages 89 through 108 of this report

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's total assets exceeded liabilities by \$213 million on June 30, 2023. Governmental activities assets exceeded liabilities by \$117.6 million. Business-type activities assets exceeded liabilities by \$95.4 million.

**TOWN OF SOUTHTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

**TABLE 1
NET POSITION
(IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 103,383	\$ 82,903	\$ 9,690	\$ 10,498	\$ 113,073	\$ 93,401
Capital Assets, Net of Accumulated Depreciation	280,543	286,450	87,801	86,692	368,344	373,142
Total Assets	383,926	369,353	97,491	97,190	481,417	466,543
Deferred Outflows of Resources	38,104	29,816	611	502	38,715	30,318
Liabilities:						
Long-Term Debt Outstanding	258,652	210,004	1,496	878	260,148	210,882
Other Liabilities	21,831	28,034	898	1,004	22,729	29,038
Total Liabilities	280,483	238,038	2,394	1,882	282,877	239,920
Deferred Inflows of Resources	23,992	40,696	257	655	24,249	41,351
Net Position:						
Net Investment in Capital Assets	149,749	174,371	87,801	86,692	237,550	261,063
Restricted	3,871	2,090			3,871	2,090
Unrestricted	(36,065)	(56,026)	7,650	8,463	(28,415)	(47,563)
Total Net Position	\$ 117,555	\$ 120,435	\$ 95,451	\$ 95,155	\$ 213,006	\$ 215,590

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF SOUTHTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

**TABLE 2
CHANGES IN NET POSITION
(IN THOUSANDS)**

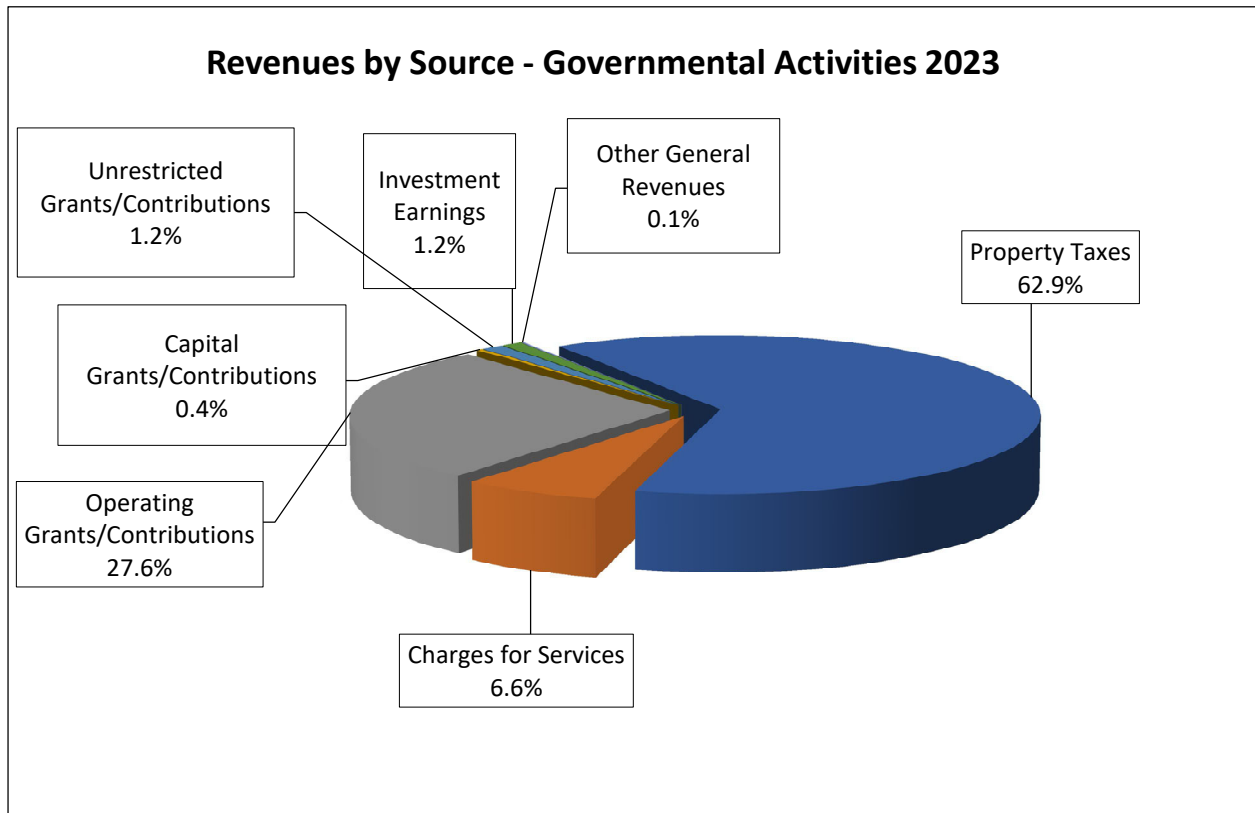
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 14,236	\$ 13,569	\$ 5,949	\$ 5,870	\$ 20,185	\$ 19,439
Operating Grants and Contributions	59,061	47,548	-	-	59,061	47,548
Capital Grants and Contributions	739	2,733	-	-	739	2,733
General Revenues:						
Property Taxes	134,941	128,574	-	-	134,941	128,574
Grants and Contributions Not Restricted to Specific Purposes	2,672	1,803	-	-	2,672	1,803
Unrestricted Investment Earnings	2,489	470	-	-	2,489	470
Other General Revenue	230	371	-	-	230	371
Total Revenues	214,368	195,068	5,949	5,870	220,317	200,938
Program Expenses:						
General Government	9,135	6,170	-	-	9,135	6,170
Public Safety	28,724	26,688	-	-	28,724	26,688
Public Works	16,979	15,231	-	-	16,979	15,231
Health and Welfare	939	877	-	-	939	877
Human Services	1,490	1,353	-	-	1,490	1,353
Parks and Recreation	1,359	1,224	-	-	1,359	1,224
Public Library	2,274	2,169	-	-	2,274	2,169
Planning and Development	1,789	1,664	-	-	1,789	1,664
Education	150,750	135,870	-	-	150,750	135,870
Interest on Long-Term Debt	1,248	2,636	-	-	1,248	2,636
Sewer	-	-	8,214	8,811	8,214	8,811
Total Program Expenses	214,687	193,882	8,214	8,811	222,901	202,693
Excess Before Transfers	(319)	1,186	(2,265)	(2,941)	(2,584)	(1,755)
Transfers	(2,561)	(1,580)	2,561	1,580	-	-
Change in Net Position	(2,880)	(394)	296	(1,361)	(2,584)	(1,755)
Net Position - Beginning of Year	120,435	120,829	95,155	96,516	215,590	217,345
Restatement	-	-	-	-	-	-
Net Position - End of Year	<u>\$ 117,555</u>	<u>\$ 120,435</u>	<u>\$ 95,451</u>	<u>\$ 95,155</u>	<u>\$ 213,006</u>	<u>\$ 215,590</u>

The Town's net position decreased by \$2.6 million during the fiscal year, with net position of governmental activities decreasing \$2.9 million and business-type activities increasing by \$0.3 million. The total cost of all programs and services was \$222.9 million. Our analysis below separately considers the operations of governmental and business-type activities.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Governmental Activities

Approximately 62.9% of the revenues were derived from property taxes, followed by 27.6% from operating grants and contributions, 6.6% from charges for services, 0.3% from capital grants and contributions, 1.3% from unrestricted grants and contributions, 1.2% from investment earnings and 0.1% from other sources.

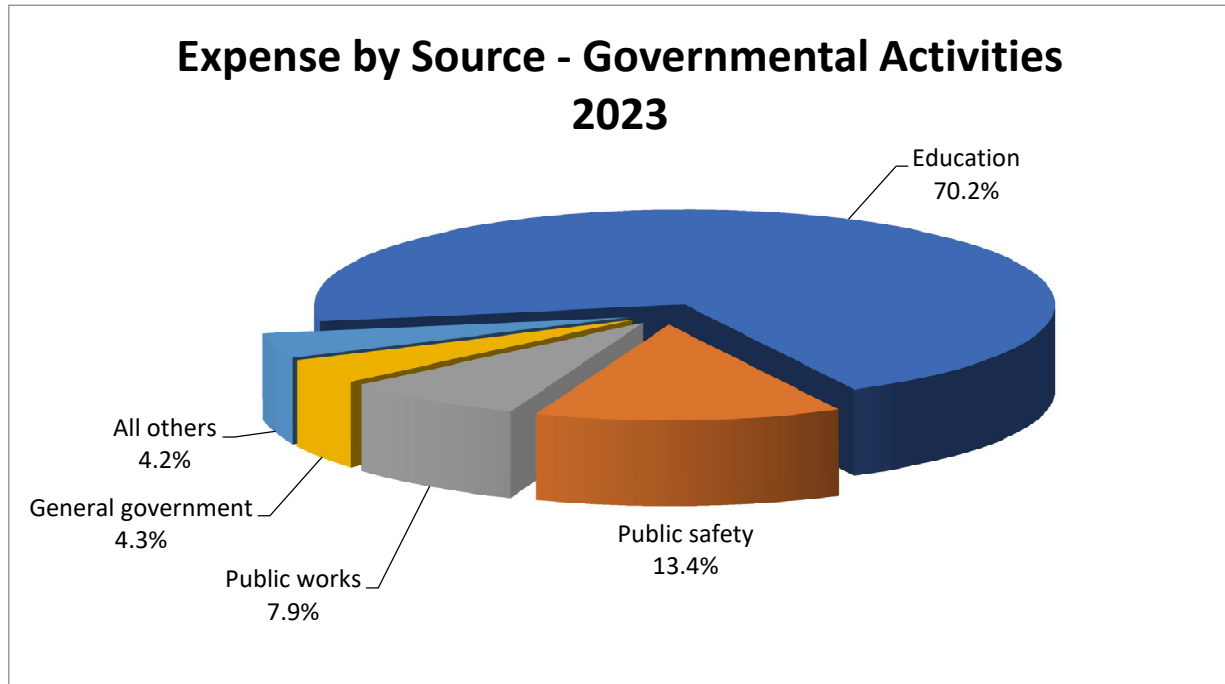


Major revenue factors include:

- Operating Grants and contributions increased by \$11.5 million or 24.2% from \$47.5 million to \$59 million. A major factor in this increase is recognition of more Federal ARPA grants for the Town.
- Overall property tax revenue increased by \$6.3 million or 4.9% over last year. This is due to higher collections from past year taxes and interest from a tax sales held during the year and recognition of higher amount of accrued taxes received this year vs last year within 60 days of year-end.
- Capital Grants and Contributions decreased by \$2 million from \$2.7 million to \$0.7 million Most of the decrease is due to the reduction in the State of Connecticut Clean Water Fund Grant Revenue for the Water Pollution Control Facility, which was almost completely finished last fiscal year, thus the grants recorded last year.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

For governmental activities, 70.2% of the Town's expenses related to education. Public safety accounted for 13.4%, public works accounted for 7.9% and general government accounted for 4.3% of expenses. The remaining 4.2% related to health and welfare, human services, parks and recreation, public library, planning and development and long-term debt payments.

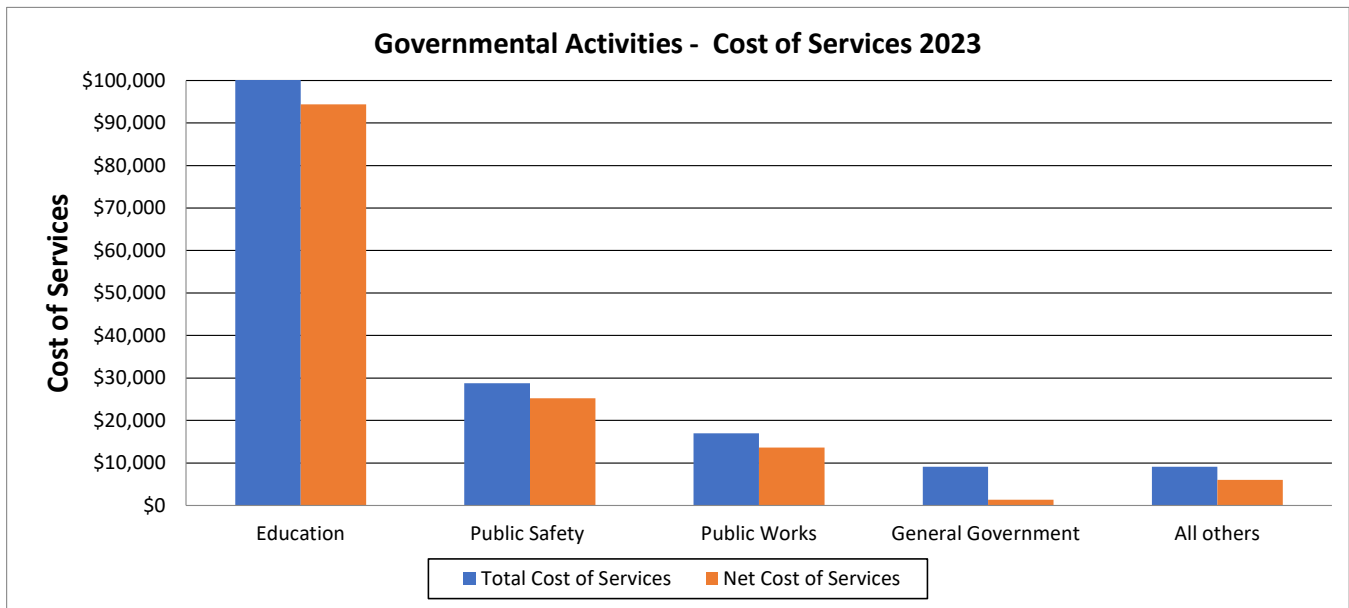


Major expense factors include:

- The cost of education services increased \$14.9 million or 10.9% due to higher costs responding to post-pandemic education issues and a \$2.5 million increase in payments to the State Teachers' Retirement Pension System by the State on behalf of Southington's teachers and certified administrators.
- General Government costs increased by \$2.9 million or 48.1% mostly because of the recognition of increased MERS net pension expenses in 2023.

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Education	\$ 150,750	\$ 135,870	\$ (94,421)	\$ (88,476)
Public Safety	28,724	26,688	(25,206)	(23,342)
Public Works	16,979	15,231	(13,652)	(10,387)
General Government	9,135	6,170	(1,382)	(1,043)
All others	9,099	9,923	(5,990)	(6,784)
Total	\$ 214,687	\$ 193,882	\$ (140,651)	\$ (130,032)

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**



Business-Type Activities

- Business-type activities (see Table 2) increased the Town's net position by \$0.3 million primarily due to lower wage expenses in the Sewer Operating Fund

Financial Analysis of the Town's Funds

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

- *Governmental Funds* – The focus of the Town's governmental funds is to provide information on the near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.
 - As of June 30, 2023, the Town's governmental funds reported combined ending fund balances of \$70.1 million, an increase of \$29.4 million from last year's fund balance of \$40.7 million. Most of this change is due to bond sale (\$17.450 million) and State Clean Water Fund loan closeout proceeds (\$12.1 million) expenditures in the Capital Projects Fund this year.
- *General Fund* – The General Fund is the primary operating fund of the Town. As of June 30, 2023, unassigned fund balance increased by \$4.1 million to \$32.4 million in the General Fund, while total fund balance increased \$2.5 million to \$37.1 million.

Key factors that contributed to the financial outcome were primarily revenue driven as follows:

- Overall revenue from property tax taxes and late-payment interest exceeded budget estimates by approximately \$856 thousand.
- Town Clerk Fees exceeded budget by \$410 thousand due to very high volume of property sales, which generates recording and conveyance fees.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- Building department fees exceeded amended budget amount by \$575 thousand due to continuing high volume of building activity, which generates permit fees.
- Investment income exceeded the amended budget by \$899 thousand as interest rate hikes generated more interest on town cash accounts and investments.

In addition, on the expenditure side:

- Town departments expended \$3.9 million less than budgeted, mostly due to \$300 thousand in less wages and benefits paid due to numerous job openings during the year due to retirements and departures. Also, \$898 thousand was re-appropriated to a BOE non-lapsing account and \$838 thousand was assigned to fiscal year 2024 for purchases on order at June 30, 2023.
 - Accrued payroll owed to employees at June 30, 2023 decreased by \$1 million vs June 30, 2022. Although this is not budgeted, the effect reduces GAAP expenditures in 2023 and increases unassigned Fund Balance.
- *Capital Projects Fund* – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital projects. The major sources of revenues for this fund are capital grants and the proceeds from the issuance of general obligation bonds. As of June 30, 2023, the fund balance in the Capital Projects Fund increased by \$27.2 million to \$16.5 million, due to the bond sale and State Clean Water Loan proceeds received, as previously noted. During the fiscal year \$8.7 million was expended for asset acquisition and improvements, mostly for bridge and road improvements, purchase of heavy duty vehicles and equipment, design of the new library and various other projects. The Town received intergovernmental grants of \$2.0 million and transferred \$4.2 million in from the General Fund to fund these projects.
 - *Emergency Management Fund* – The Town was awarded \$12.9 million in ARPA funds. As of June 30, 2023, the Town has recognized revenue and matching expenditures of \$7.3 million, with the balance of \$5.6 million as deferred revenue at June 30, 2023.
 - *Debt Service Fund* – This Fund is used to record bond premiums and transfers in from completed and closed Capital Projects Funds, to use for future debt service needs.
 - *Proprietary Funds* – The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.
 - *Sewer Fund* – Net position of the Sewer Fund at year-end totaled \$95.4 million. Unrestricted net position decreased to \$7.6 million, as operating expenses exceeded revenues and capital contributions by \$300 thousand. Investment in Capital Assets increased slightly to \$87.8 million, from \$87.0 million last year, as additions contributed by the Capital Projects Fund exceeded depreciation expense for the year.
 - *Health Insurance Fund* – Net position of the Health Insurance Fund was \$7 million at June 30, 2023. This Internal Service Fund's unrestricted net position decreased by \$1.4 million, primarily due to health claims paid exceeding premium and budgetary-derived revenues by \$856 thousand.

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

General Fund Budgetary Highlights

The Town's original adopted General Fund budget for 2022 - 2023 was \$162.7 million. In addition, the Town appropriated \$2.5 million to the expenditure budget with corresponding revenue budget increases and appropriated \$4.5 million of fiscal year 2022 purchases on order, for a total amended budget of \$169.7 million.

The following lists the key changes to the budget during the year:

- \$1.2 million was appropriated to the Board of Education Operations for preschool and special education outside tuitions and rent revenues received.
- Savings from various departments and excess Town Clerk and Building Revenues were combined to cash fund \$1.4 million of future capital costs on the FY 2023-2024 CIP Plan.

Capital Assets and Debt Administration

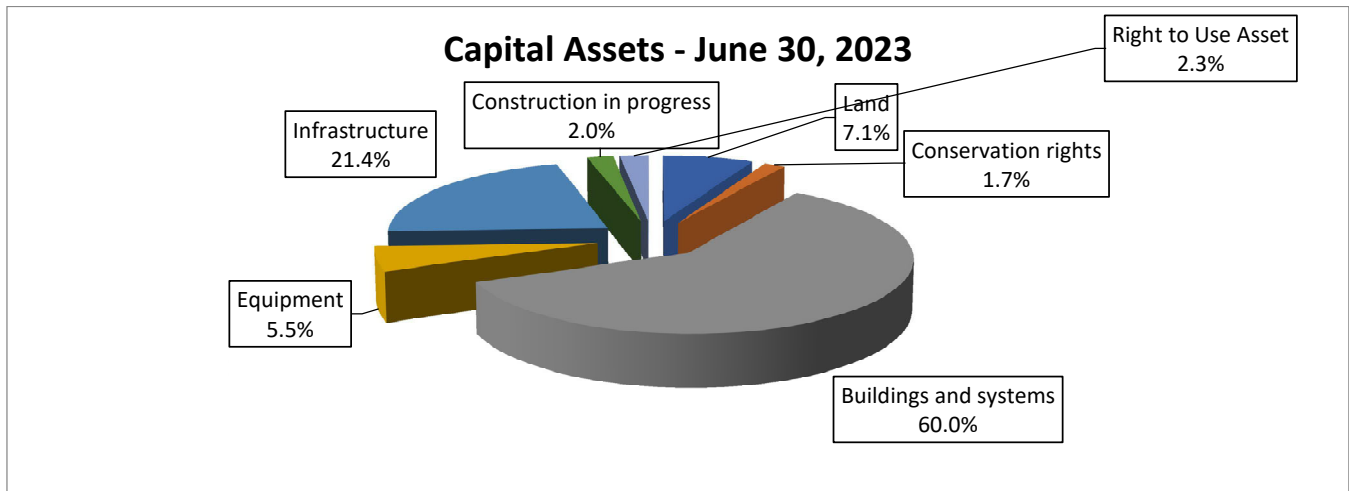
Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2023 totaled \$368.3 million, net of accumulated depreciation. This investment in capital assets includes land, conservation rights, buildings and systems, equipment, infrastructure and Construction in progress. This amount represents a net decrease (including additions and deductions) of \$5 million, a 1.3% decrease from last year. Town's management does not view this as problematic, as this decrease follows a few years of increases.

**TABLE 3
CAPITAL ASSETS AT YEAR END (NET OF DEPRECIATION)
(IN MILLIONS)**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	26.3	26.0	-	-	26.3	26.0
Conservation Rights	6.1	6.1	-	-	6.1	6.1
Buildings and Systems	137.7	141.8	83.2	85.6	220.9	227.4
Equipment	19.5	19.7	0.9	0.5	20.4	20.2
Infrastructure	78.8	76.0	-	-	78.8	76.0
Construction in Progress	3.8	7.1	3.7	0.6	7.5	7.7
Right to Use Asset	8.3	9.9	-	-	8.3	9.9
Total	<u>280.5</u>	<u>286.6</u>	<u>87.8</u>	<u>86.7</u>	<u>368.3</u>	<u>373.3</u>

**TOWN OF SOUTHLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**



Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Infrastructure Improvements of various Bridges and Road Rehabilitation/Reconstruction Projects of \$3.6 million.
- Design costs for the new library project of \$1 million.
- Various Mechanical and Equipment purchases totaling \$1.0 million.

Business-Type Activities

- Completion of the Water Pollution Control Facility Improvements with the closing of the State Grant and Loan Program in January 2023 and recording of remaining construction in progress items of \$1.1 million.

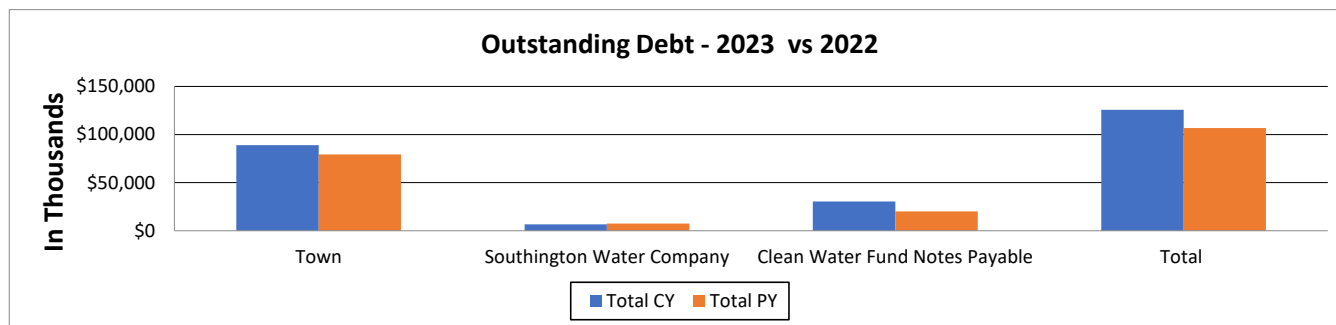
The Town's fiscal year 2023 – 2024 Capital Budget includes \$6.4 million for various capital projects, including High School athletic facility improvements, fire truck purchase, park and town pool improvements and renovations and road/bridge projects.

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

Long-Term Debt

At the end of the current fiscal year, the Town had total outstanding long-term debt of \$125.7 million, of which total Town bonded debt outstanding was \$88.8 million. All the bonded debt is backed by the full faith and credit of the Town government.

**TOWN OF SOUTHTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**



**TABLE 4
OUTSTANDING DEBT AT YEAR-END
(IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds:						
Town	\$ 88,776	\$ 79,301	\$ -	\$ -	\$ 88,776	\$ 79,301
Southington Water Company	6,704	7,349	-	-	6,704	7,349
Clean Water Fund Notes Payable	30,283	20,075	-	-	30,283	20,075
Total	\$ 125,763	\$ 106,725	\$ -	\$ -	\$ 125,763	\$ 106,725

The Town of Southington's total debt outstanding increased by \$19 million or 17.8% during the fiscal year. The Town issued \$17.450 million of General Obligation Bonds which closed on May 2, 2023. Standard and Poor's Rating Agency reaffirmed Southington's rating at AA+/Stable Outlook. Within the report, S&P referenced the Towns "Strong management...with good financial policies and practices", "Strong budgetary flexibility", "Very strong economy" and "Very strong liquidity" among the factors influencing the Town's high credit rating. The "AA+" rating is only one notch away from the highest bond rating (AAA) awarded by S&P.

The overall statutory limit for the Town is equal to 7 times annual receipts from taxation, or \$915.1 million. As of June 30, 2023, the Town recorded long-term debt of \$125.7 million, well below the statutory debt limits.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Other obligations include vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town of Southington has continued to improve. At June 30, 2023 the unemployment rate was 3.3%, down from 3.4% one year ago. This also compares favorably to 4.0% for the State of Connecticut.

In addition, the real estate market for commercial/industrial and residential property has continued to be robust and market values have remained strong. Growth in the last few Grand Lists has been sustained, even through the COVID 19 pandemic.

Results of municipal financial operations show stability and consistency, as demonstrated by solid financial results in the past few years audits.

**TOWN OF SOUTHTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

As previously stated, the General Fund total fund balance was 37.1 million at June 30, 2023. Of this General Fund balance amount, \$48 thousand was non-spendable due to form (prepaid items and inventory), \$1.7 million was assigned for purchases on order, and \$2.9 million was assigned for subsequent year's appropriations, leaving an unassigned fund balance of \$32.4 million at June 30, 2023. The Town feels that this amount of unassigned fund balance places the Town in a strong position to withstand unexpected events. Although all the municipalities in the State, including the Town of Southington, are facing major uncertainties due to inflation in prices and other factors of the post-pandemic economy, the Town's finances and financial plans remain stable.

Elected and appointed officials considered these factors, along with the needs of its citizens and their desire for maintaining or increasing service levels, especially in the areas of public safety and education, when setting the fiscal year 2023-2024 General Fund budget.

The Town adopted a General Fund budget of \$173.0 million for fiscal year 2023-2024, an increase of \$10.2 million, or 6.3% over the 2022-2023 year. The Town used \$2.9 million of excess fund balance to finance capital items of a non-recurring nature for fiscal year 2023-2024 to minimize the effect on the tax rate. That, plus growth in the Grand List of October 1, 2022 of 1.86% helped keep the tax increase to 1.23 mills, from 29.13 to 30.36, a 4.2% increase. After several years of minimal tax increases, the majority of town elected leaders and citizens expressed their understanding of the inflationary pressures and other challenges causing this tax increase and expressed their support to maintain and increase services, especially in public safety and education, during public budget hearings and meetings.

Costs of the Town's business-type activities, accounted for in the Sewer Operating Fund, are expected to increase 1.5% from \$6.6 million to \$6.7 million, primarily due to increases in wages. After the sewer rate changes of July 2014, the fund is generating sufficient revenue to cover the expenditures of the fund, so the sewer fixed rates remained unchanged for fiscal year 2023-2024. The Water Pollution Control Facility Upgrade approved for \$57.1 million at a referendum on November 2016 was completed in 2023, under budget by approximately \$9 million. The Town is monitoring the new Sewer Fund maintenance costs and other costs, to determine the appropriate sewer rate charge.

The effect of inflation, higher borrowing interest rates for individuals, businesses and property developers, and other factors will continue to be closely monitored by town elected and appointed leaders to ensure the quality of life be maintained and services to citizens can continue to be provided in the most efficient and economically responsible manner.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to James Bowes, Finance Director, Town of Southington, 75 Main Street, Southington, Connecticut 06489 or visit Southington's website at www.Southington.org.

BASIC FINANCIAL STATEMENTS

TOWN OF SOUTHTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023
(IN THOUSANDS)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 73,123	\$ 6,302	\$ 79,425
Investments	15,943	-	15,943
Receivables, Net	14,225	3,388	17,613
Inventory	87	-	87
Prepaid Items	5	-	5
Capital Assets:			
Assets Not Being Depreciated	36,260	3,742	40,002
Assets Being Depreciated, Net	244,283	84,059	328,342
Total Assets	383,926	97,491	481,417
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	1,088	-	1,088
Deferred Outflows Related to Pension	27,218	611	27,829
Deferred Outflows Related to OPEB	9,798	-	9,798
Total Deferred Outflows of Resources	38,104	611	38,715
LIABILITIES			
Accounts and Other Payables	12,275	816	13,091
Other Current Liabilities	948	82	1,030
Unearned Revenue - Grants	8,608	-	8,608
Noncurrent Liabilities:			
Due Within One Year	17,024	-	17,024
Due in More than One Year	241,628	1,496	243,124
Total Liabilities	280,483	2,394	282,877
DEFERRED INFLOWS OF RESOURCES			
Advance Tax Collections	10	-	10
Deferred Inflows Related to Pension	4,183	257	4,440
Deferred Inflows Related to OPEB	19,799	-	19,799
Total Deferred Inflows of Resources	23,992	257	24,249
NET POSITION			
Net Investment in Capital Assets	149,749	87,801	237,550
Restricted for:			
Education	3,726	-	3,726
Planning and Development Grants	39	-	39
Trust Purposes:			
Expendable	96	-	96
Nonexpendable	10	-	10
Unrestricted	(36,065)	7,650	(28,415)
Total Net Position	\$ 117,555	\$ 95,451	\$ 213,006

See accompanying Notes to Financial Statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 9,135	\$ 1,987	\$ 5,596	\$ 170	\$ (1,382)	\$ -	\$ (1,382)
Public Safety	28,724	3,378	140	-	(25,206)	-	(25,206)
Public Works	16,979	2,783	-	544	(13,652)	-	(13,652)
Health and Welfare	939	-	571	-	(368)	-	(368)
Human Services	1,490	87	96	-	(1,307)	-	(1,307)
Parks and Recreation	1,359	489	93	-	(777)	-	(777)
Public Library	2,274	13	17	-	(2,244)	-	(2,244)
Planning and Development	1,789	1,561	-	-	(228)	-	(228)
Education	150,750	3,938	52,366	25	(94,421)	-	(94,421)
Interest on Long-Term Debt	1,248	-	182	-	(1,066)	-	(1,066)
Total Governmental Activities	214,687	14,236	59,061	739	(140,651)	-	(140,651)
BUSINESS-TYPE ACTIVITIES							
Sewer	8,214	5,949	-	-	-	(2,265)	(2,265)
Total	<u>\$ 222,901</u>	<u>\$ 20,185</u>	<u>\$ 59,061</u>	<u>\$ 739</u>	(140,651)	(2,265)	(142,916)
GENERAL REVENUES							
Property Taxes					134,941	-	134,941
Grants and Contributions Not Restricted to Specific Programs					2,672	-	2,672
Unrestricted Investment Earnings					2,489	-	2,489
Miscellaneous Revenue					230	-	230
Transfers					(2,561)	2,561	-
Total General Revenues and Transfers					137,771	2,561	140,332
CHANGE IN NET POSITION					(2,880)	296	(2,584)
Net Position - Beginning of Year					120,435	95,155	215,590
NET POSITION - END OF YEAR					<u>\$ 117,555</u>	<u>\$ 95,451</u>	<u>\$ 213,006</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	General	Capital Projects	Emergency Management	Debt Service	Federal and State Education Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 26,603	\$ 19,132	\$ 6,945	\$ 1,416	\$ 3,148	\$ 8,465	\$ 65,709
Investments	15,800	-	-	-	-	143	15,943
Receivables, Net	2,597	2,588	-	6,704	1	2,335	14,225
Due from Other Funds	394	-	-	-	-	-	394
Inventories	43	-	-	-	-	44	87
Prepaid Items	5	-	-	-	-	-	5
Total Assets	<u>\$ 45,442</u>	<u>\$ 21,720</u>	<u>\$ 6,945</u>	<u>\$ 8,120</u>	<u>\$ 3,149</u>	<u>\$ 10,987</u>	<u>\$ 96,363</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payables	\$ 5,015	\$ 1,588	\$ 1,273	\$ -	\$ 2,086	\$ 866	\$ 10,828
Due to Other Funds	1,103	-	-	-	-	394	1,497
Unearned Revenue - Grants	35	1,591	5,672	-	1,086	224	8,608
Total Liabilities	<u>6,153</u>	<u>3,179</u>	<u>6,945</u>	<u>-</u>	<u>3,172</u>	<u>1,484</u>	<u>20,933</u>
DEFERRED INFLOWS OF RESOURCES							
Advance Property Tax Collections	10	-	-	-	-	-	10
Unavailable Revenue - Property Taxes	2,184	-	-	-	-	-	2,184
Unavailable Revenue - Special Assessments	-	-	-	-	-	969	969
Unavailable Revenue - Other Receivables	-	2,084	-	-	-	62	2,146
Total Deferred Inflows of Resources	<u>2,194</u>	<u>2,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>	<u>5,309</u>
FUND BALANCES							
Nonspendable	48	-	-	-	-	54	102
Restricted	-	-	-	6,704	-	3,861	10,565
Committed	-	16,457	-	1,416	-	4,587	22,460
Assigned	4,620	-	-	-	-	-	4,620
Unassigned	32,427	-	-	-	(23)	(30)	32,374
Total Fund Balances	<u>37,095</u>	<u>16,457</u>	<u>-</u>	<u>8,120</u>	<u>(23)</u>	<u>8,472</u>	<u>70,121</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,442</u>	<u>\$ 21,720</u>	<u>\$ 6,945</u>	<u>\$ 8,120</u>	<u>\$ 3,149</u>	<u>\$ 10,987</u>	<u>\$ 96,363</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTHLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$	70,121
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets		469,110
Less Accumulated Depreciation		(188,567)
Net Capital Assets		280,543

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

Property Tax Receivables Greater than 60 Days		1,685
Interest Receivable on Property Taxes		499
Assessments Receivable Greater than 60 Days		925
Interest Receivable on Assessments		44
Deferred Amount in Refunding		1,088
Other Receivables		2,146
Deferred Outflows Related to Pension		27,218
Deferred Outflows Related to OPEB		9,798

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

6,986

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

Deferred Inflows Related to Pension		(4,183)
Deferred Inflows Related to OPEB		(19,799)
Bonds and Notes Payable		(125,763)
Premium on Issuance		(4,187)
Interest Payable on Bonds and Notes		(864)
Compensated Absences		(7,207)
Lease Liability		(8,636)
Total OPEB Liability		(34,383)
Heart and Hypertension		(8,454)
Net Pension Liability		(69,796)
Landfill Closure		(226)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$	117,555
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See accompanying Notes to Financial Statements.

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

	General	Capital Projects	Emergency Management	Debt Service	Federal and State Education Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 134,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,585
Intergovernmental	40,292	2,021	4,997	-	8,000	4,038	59,348
Charges for Services	5,674	-	-	-	-	8,573	14,247
Income on Investments	2,482	-	-	-	-	7	2,489
Other Revenues	115	-	-	183	-	115	413
Total Revenues	183,148	2,021	4,997	183	8,000	12,733	211,082
EXPENDITURES							
Current:							
General Government	4,623	-	-	-	-	176	4,799
Public Safety	14,708	-	-	-	-	3,207	17,915
Public Works	5,989	-	-	-	-	2,897	8,886
Health and Welfare	752	-	-	-	-	11	763
Human Services	770	-	-	-	-	197	967
Parks and Recreation	446	-	-	-	-	515	961
Public Library	1,576	-	-	-	-	20	1,596
Planning and Development	1,231	-	-	-	-	-	1,231
Miscellaneous	133	-	-	-	-	-	133
Employee Fringe Benefits	12,337	-	-	-	-	-	12,337
Education	123,097	-	-	-	8,040	4,477	135,614
Debt and Sundry	11,008	-	-	2,752	-	71	13,831
Capital Outlay	-	8,734	4,997	-	-	-	13,731
Total Expenditures	176,670	8,734	4,997	2,752	8,040	11,571	212,764
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,478	(6,713)	-	(2,569)	(40)	1,162	(1,682)
OTHER FINANCING SOURCES (USES)							
Issuance of General Obligation Bonds	-	17,450	-	-	-	-	17,450
Premium on General Obligation Bonds	-	-	-	1,190	-	-	1,190
Issuance of Notes Payable	-	12,163	-	-	-	-	12,163
Transfers In	307	4,270	-	-	-	274	4,851
Transfers Out	(4,301)	-	-	-	-	(307)	(4,608)
Total Other Financing Sources (Uses)	(3,994)	33,883	-	1,190	-	(33)	31,046
NET CHANGE IN FUND BALANCES	2,484	27,170	-	(1,379)	(40)	1,129	29,364
Fund Balances - Beginning of Year	34,611	(10,713)	-	9,499	17	7,343	40,757
FUND BALANCES - END OF YEAR	<u>\$ 37,095</u>	<u>\$ 16,457</u>	<u>\$ -</u>	<u>\$ 8,120</u>	<u>\$ (23)</u>	<u>\$ 8,472</u>	<u>\$ 70,121</u>

See accompanying Notes to Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 29,364

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

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

Capital Outlay	6,670
Depreciation and Amortization Expense	(12,545)
Donated Assets	-

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely governmental funds do not report any gain or loss on a trade-in of capital assets. (32)

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

Property Tax Receivable - Accrual Basis Change	298
Property Tax Interest and Lien Revenue - Accrual Basis Change	58
Sewer Assessment Receivable - Accrual Basis Change	(12)
Sewer Assessment Interest and Lien Revenue - Accrual Basis Change	1
Other Receivables - Accrual Basis Change	(1,518)
Changes in Deferred Outflows Related to Pension	9,443
Changes in Deferred Outflows Related to OPEB	(1,028)

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

Premium on General Obligation Bonds	(1,190)
Deferred Amount in Refunding	(127)
Issuance of General Obligation Bonds	(17,450)
Issuance of Notes Payable	(12,163)
Bond Principal Payments	8,620
Note Principal Payments	1,955
Amortization of Leases	1,556
Accrued Interest	(150)
Amortization of Prior Service Costs	1
Amortization of Bond Premiums	729

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

Compensated Absences	329
Net Pension Liability	(32,182)
Total OPEB Liability	378
Heart and Hypertension	760
Landfill Post Closure Care and Settlement	9
Changes in Deferred Inflows Related to Pension	16,197
Changes to Deferred Inflows Related to OPEB	517

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. (1,368)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II) \$ (2,880)

See accompanying Notes to Financial Statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities Sewer Enterprise Fund	Governmental Activities Internal Service Fund
ASSETS		
Current:		
Cash and Cash Equivalents	\$ 6,302	\$ 7,414
Accounts and Other Receivables	3,388	-
Due from Other Funds	-	1,103
Total Current Assets	<u>9,690</u>	<u>8,517</u>
Capital Assets, Net	<u>87,801</u>	<u>-</u>
Total Assets	<u>97,491</u>	<u>8,517</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	611	-
LIABILITIES		
Current:		
Accounts and Other Payables	816	1,447
Other Accrued Liabilities	<u>82</u>	<u>84</u>
Total Current Liabilities	<u>898</u>	<u>1,531</u>
Noncurrent Liabilities:		
Net Pension Liability	<u>1,496</u>	<u>-</u>
Total Liabilities	<u>2,394</u>	<u>1,531</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related To Pension	<u>257</u>	<u>-</u>
NET POSITION		
Investment in Capital Assets	87,801	-
Unrestricted	<u>7,650</u>	<u>6,986</u>
Total Net Position	<u>\$ 95,451</u>	<u>\$ 6,986</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities <u>Sewer Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES		
Fund Premiums	\$ -	\$ 23,927
Charges for Services	5,949	-
Total Operating Revenues	<u>5,949</u>	<u>23,927</u>
OPERATING EXPENSES		
Plant	4,892	-
Benefits	534	24,783
Depreciation	2,534	-
Administration and Other	254	512
Total Operating Expenses	<u>8,214</u>	<u>25,295</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(2,265)	(1,368)
Capital Grants and Contributions	<u>2,804</u>	<u>-</u>
INCOME (LOSS) BEFORE TRANSFERS	539	(1,368)
Transfers Out	<u>(243)</u>	<u>-</u>
CHANGE IN NET POSITION	296	(1,368)
Net Position - Beginning of Year	<u>95,155</u>	<u>8,354</u>
NET POSITION - END OF YEAR	<u><u>\$ 95,451</u></u>	<u><u>\$ 6,986</u></u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTHTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Business-Type Activities Sewer Enterprise Fund	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Granting Agencies	\$ 5,726	\$ -
Cash Received for Premiums - Town Departments and Agencies	-	23,927
Cash Payments to Suppliers for Goods and Services	(5,141)	-
Cash Payments to Providers of Benefits	(534)	(25,396)
Cash Payments for Service Fees	-	(512)
Net Cash Provided (Used) by Operating Activities	<u>51</u>	<u>(1,981)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	<u>(243)</u>	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(243)</u>	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of Capital Assets	<u>(839)</u>	-
Net Cash Provided (Used) by Capital Financing Activities	<u>(839)</u>	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,031)	(1,981)
Cash and Cash Equivalents - Beginning of Year	<u>7,333</u>	<u>9,395</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,302</u></u>	<u><u>\$ 7,414</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,265)	\$ (1,368)
Depreciation	2,534	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(223)	-
(Increase) Decrease n Due from Other Funds	-	(92)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(106)	(521)
Change In Net Pension Liability and Related Deferrals	<u>111</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 51</u></u>	<u><u>\$ (1,981)</u></u>
NONCASH CAPITAL FINANCING ACTIVITIES		
Capital Assets Transferred from Governmental Funds	<u><u>\$ 2,804</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable and other organizations that by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded.

Related Organizations

The Town of Southington Water Company (the Water Company) operates the only water system in the Town. The operations of the Water Company benefit primarily Town residents. The Water Company is an agency that is independent from the Town in all administrative, operational and financial matters. The Board of Water Commissioners is elected by the voters of the Town independently from the Town Council and they do not report nor answer to the Town Council. The Water Company may independently issue its own debt. In prior years, the Town included the Water Company in their general obligation debt only for the purposes of obtaining a lower interest rate for the Water Company. In 2001, legal counsel determined that the Water Company is legally capable of issuing its own debt and it is the Town's option to include them in their debt issuance at their discretion.

The Southington Housing Authority, Inc., a body corporate and politic, provides services primarily to Town residents. Although the Town appoints the governing body, the Town does not have the ability to significantly influence the programs, projects, activities or level of services performed or provided by the Housing Authority. The Southington Housing Authority, Inc., is not fiscally dependent on the Town.

The Plainville-Southington Regional Health District (the District) is a quasi-municipal district established in accordance with State statutes to provide various health services to Plainville, Southington and Middlefield, Connecticut including inspections of local businesses and regulating the installation of onsite sewage disposal systems and water supply wells. The Board of Directors are appointed by their municipality at a ratio of one member for every 10,000 people or portion thereof up to a maximum of five. The District is not fiscally dependent on the Town.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Emergency Management Fund

The Emergency Management Fund accounts for financial resources to be utilized under the American Rescue Plan Act as funded by intergovernmental revenue.

Debt Service Fund

The Debt Service Fund accounts for the financial resources to be used to pay the interest and principal of long-term debt.

Federal and State Education Grants

The Federal and State Education Grants Fund accounts for the state and federal educational grants received through the State Department of Education

The Town reports the following as a major proprietary fund:

Sewer Fund

The Sewer Fund accounts for the activities of the government's sewer operations.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund accounts for health benefits program for Town employees.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Adoption of New Accounting Standards

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a 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 concluded there is no material impact on net position.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

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

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

Investments for the Town are reported at fair value.

F. Receivables and Payables

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

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles, and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A revaluation of all real property is required to be completed no less than every 10 years. The Town performed a statistical revaluation as of October 1, 2021. The Town's next revaluation with full inspection will be October 1, 2025. The assessed value for the Grand List of October 1, 2021, upon which the 2023 levy was based, was \$4.6 billion. A 29.13 mill rate was applied to the Grand List.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Current tax collections for the years ended June 30, 2023 and 2022, were 98.90% and 99.02%, respectively of the adjusted tax levy. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts. Unpaid taxes are lien on or before June 30 following the due date. The revenue relating to property taxes not collected during the fiscal year and within 60 days after the close of the fiscal year is deferred.

G. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	50 Years
Building Improvements	25 Years
Public Domain Infrastructure	35 to 70 Years
System Infrastructure	15 Years
Vehicles	7 Years
Office Equipment	7 Years
Computer Equipment	7 Years

I. Deferred Outflows/Inflows of Resources

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

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, in a systematic and rational method over a closed five-year period.

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 for advance property tax collections in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, in a systematic and rational method over a closed five-year period. For governmental funds, the advance property tax collections which represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, special assessments and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

A limited amount of vacation earned may be accumulated by certain employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by Fire Department and AFSCME employees in accordance with union contracts until retirement, termination, or death, at which time they are paid for a percentage of their accumulated sick leave.

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

The Town's accounting and financial reporting policy for compensated absences is based on GASB Statement No. 16. Compensated absences are accrued at current salary rates and paid by the General Fund.

K. Net Pension Liability

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

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

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

M. Long-Term Obligations

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

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

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity and Net Position

In the government-wide financial statements and in proprietary fund types, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category represents the net position of the Town which is restricted by externally imposed constraints placed on net position by grantors, contributors or laws and regulations of other governments.

Unrestricted Net Position – This category represents the net position of the Town which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

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

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

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). A resolution approved by the Board of Finance is required to modify or rescind a fund balance commitment.

Assigned Fund Balance – This represents 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 by the Town Charter. The Finance Director is authorized to assign fund balances through the carry forward of appropriations to a subsequent year pending approval from the Board of Finance.

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

The Town has adopted a written fund balance policy which states that the Town shall strive to maintain during the year and specifically at fiscal year-end a level of general fund unassigned fund balance, also known as accumulated surplus or the rainy-day fund at 11% of actual year-end general fund revenues. The 11% shall be known as the Town's "floor".

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Leases

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

P. 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 and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Chapter VII of the Town Charter governs the financial provisions of the Town. The Town Manager presents the budget to the Board of Finance. After required hearings, the Board of Finance recommends its budget to the Town Council. At the annual budget meeting held in May, the Council may adopt the recommended budget or may reduce or increase the proposed estimated expenditures, by the required number of votes. After completing such action, the Town Council shall adopt the budget by resolution and notify the Board of Finance, the Board of Education and the Town Manager.

The Board of Finance shall, upon adoption of the budget by the Town Council, fix a rate of taxation on the last Grand List, sufficient to produce the required revenue to preserve a balanced relation between estimated receipts and expenditures, net of provision for other estimated revenue and cash surplus or deficit.

Additional Appropriations and Transfers:

- The control level on which expenditures may not legally exceed appropriations is the object level. Each department must seek approval from the Board of Finance and/or the Town Council for any appropriations or transfers. The Town Council, on the recommendation of the Board of Finance, may appropriate at any time, subject to the other provisions of Chapter VII, any unappropriated and unencumbered cash balance in the Town treasury. The Board of Finance may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department, or agency, not to exceed \$500 (amount not rounded). Transfers in excess of \$500 (amount not rounded) within departments, and all transfers between departments must be approved by the Town Council. Through a charter revision question passed on November 5, 2013, the Town Manager has authorization to transfer within a department, not to exceed \$1,000. During the last three months of the fiscal year, the Town Council may, upon the recommendation of the Board of Finance, by resolution transfer any unencumbered appropriation balance, or portion thereof, from one office, department, or agency to another to meet a pressing need for public expenditure. No money shall be expended, or obligation for such expenditure incurred, by any department, office, board, commission, or agency of the Town, except in accordance with an appropriation by the Town Council.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- The budget is prepared on a modified accrual basis of accounting except for the accrual of payroll, issuance of debt, and on-behalf payments from the state of Connecticut. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered. Encumbrances outstanding at the end of the year are reappropriated as continued appropriations. Encumbrances are established by adoption of the Town Council (continuing appropriations). Authorized continuing appropriations are presented as assignments of fund balance since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities for accounting principles generally accepted in the United States of America or budgetary purposes. Only the General Fund has a legally adopted annual budget.
- Budgeted amounts are as originally adopted or as amended by the Town Council. During the year, \$6,988 of supplemental budgetary appropriations from the General Fund were made, \$2,497 from revised revenue estimates, and \$4,033 from continued appropriations from the prior year.

B. Deficit Fund Equity

The Federal and State Education Grants fund and Brownfield fund had deficit fund balance of \$23 and \$30, respectively at June 30, 2023. The deficits will be funded with grants, transfers, and grant reimbursements.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

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

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

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$65,437 of the Town's bank balance of \$67,004 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 58,743
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>6,694</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 65,437</u></u>

Cash Equivalents

At June 30, 2023, the Town's cash equivalents amounted to \$27,398. The following table provides a summary of the Town's cash equivalents excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	<u>AAAm</u>

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

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

B. Investments

As of June 30, 2023, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificates of Deposit*	\$ 10,695	\$ 3,035	\$ 7,660	\$ -
U.S. Government-Backed Securities	5,240	490	4,750	-
Total	15,935	<u>\$ 3,525</u>	<u>\$ 12,410</u>	<u>\$ -</u>
Other Investments:				
Common Stock	8			
Total Investments	<u>\$ 15,943</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

Average Rating	U.S. Government Agencies	Certificates of Deposit
Aaa	\$ 5,240	\$ -
Unrated	-	10,695
Total	<u>\$ 5,240</u>	<u>\$ 10,695</u>

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

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

B. Investments (Continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Common Stock	\$ 8	\$ 8	\$ -	\$ -
U.S. Government Agencies	5,240	5,240	-	-
Total Investments by Fair Value Level	5,248	<u>\$ 5,248</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	10,695			
Total Investments	<u>\$ 15,943</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 RECEIVABLES

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

	General	Capital Projects	Debt Service	Sewer Enterprise	Federal and State Education Grants	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 2,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,234
Accounts	34	-	6,704	-	1	1,335	8,074
Special Assessments	-	-	-	3,388	-	970	4,358
Intergovernmental	-	2,588	-	-	-	30	2,618
Interest	484	-	-	-	-	-	484
Gross Receivables	2,752	2,588	6,704	3,388	1	2,335	17,768
Less: Allowance for Uncollectibles	155	-	-	-	-	-	155
Net Total Receivables	<u>\$ 2,597</u>	<u>\$ 2,588</u>	<u>\$ 6,704</u>	<u>\$ 3,388</u>	<u>\$ 1</u>	<u>\$ 2,335</u>	<u>\$ 17,613</u>

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 25,967	\$ 350	\$ -	\$ 26,317
Conservation Restrictions and Development Rights	6,099	-	-	6,099
Construction in Progress	7,069	1,997	5,222	3,844
Total Capital Assets Not Being Depreciated	39,135	2,347	5,222	36,260
Capital Assets Being Depreciated:				
Buildings and Improvements	242,276	1,943	-	244,219
Machinery and Equipment	43,069	2,787	203	45,653
Infrastructure	126,478	4,815	-	131,293
Right of Use - Leased Equipment	11,685	-	-	11,685
Total Capital Assets Being Depreciated	423,508	9,545	203	432,850
Less: Accumulated Depreciation for:				
Buildings and Improvements	100,512	5,982	-	106,494
Machinery and Equipment	23,500	2,815	171	26,144
Infrastructure	50,369	2,150	-	52,519
Right of Use - Leased Equipment	1,812	1,598	-	3,410
Total Accumulated Depreciation	176,193	12,545	171	188,567
Total Capital Assets Being Depreciated, Net	247,315	(3,000)	32	244,283
Governmental Activities Capital Assets, Net	\$ 286,450	\$ (653)	\$ 5,254	\$ 280,543

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being				
Depreciated:				
Land	\$ 39	\$ -	\$ -	\$ 39
Construction in Progress	570	3,133	-	3,703
Total Capital Assets				
Not Being Depreciated	609	3,133	-	3,742
Capital Assets Being				
Depreciated:				
Buildings and System	122,904	40	-	122,944
Machinery and Equipment	1,280	470	22	1,728
Total Capital Assets				
Being Depreciated	124,184	510	22	124,672
Less: Accumulated				
Depreciation for:				
Buildings and System	37,352	2,427	-	39,779
Machinery and Equipment	749	107	22	834
Total Accumulated				
Depreciation	38,101	2,534	22	40,613
Total Capital Assets Being				
Depreciated, Net	86,083	(2,024)	-	84,059
Business-Type Activities				
Capital Assets, Net	\$ 86,692	\$ 1,109	\$ -	\$ 87,801

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 1,537
Public Safety	1,066
Public Works	2,526
Health and Welfare Expenses	17
Human Services	231
Planning and Development	16
Parks and Recreation	224
Library	19
Education	6,909
Total Depreciation Expense - Governmental	
Activities	<u>\$ 12,545</u>
Business-Type Activities:	
Sewer Enterprise Fund	<u>\$ 2,534</u>

TOWN OF SOUTHTON, CONNECTICUT
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(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

Construction Commitments

The Town has active construction projects as of June 30, 2023. The projects include roads, bridges, water and sewer lines, and school building improvements. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Commitment
Spring Street Improvements	\$ 232	\$ 3
Plantsville Muni Parking Lot	190	18
Library Construction Project	806	287
West Street and Jude Intersections	418	153
Farmington Heritage Canal Trail	375	277
JW Muni Center Boiler Room	-	42
Police Community Room	-	76
Fire Station Renovation	-	85
SHS Roof Replacement	17	7
Marion Ave Bridge	162	1,180
Pump Station	3,268	1,481
Recreation Park Pool House	399	1,328
Water Projects - Lead Removal	403	224
Spring Street Bridge	2,215	143
Total	\$ 8,485	\$ 5,304

The commitments are being financed by a combination of Town general obligation bonds and state and federal grants..

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

As of June 30, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Fund	\$ 394
Internal Service Fund	General Fund	1,103
Total		\$ 1,497

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The transfers that occurred during the year are as follows:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental	
Transfers Out:				
General Fund	\$ -	\$ 4,027	\$ 274	\$ 4,301
Sewer	-	243	-	243
Nonmajor Governmental	307	-	-	307
Total Transfers In	<u>\$ 307</u>	<u>\$ 4,270</u>	<u>\$ 274</u>	<u>\$ 4,851</u>

The interfund transfers were used to fund various capital improvement projects and debt service payments.

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds:					
Town	\$ 79,301	\$ 17,450	\$ 7,975	\$ 88,776	\$ 8,968
Southington Water Company	7,349	-	645	6,704	652
Premium on Bonds	3,726	1,190	729	4,187	727
Direct Borrowings:					
State of Connecticut - Notes Payable	20,075	12,163	1,955	30,283	1,693
Total Bonds and Notes Payable	110,451	30,803	11,304	129,950	12,040
Compensated Absences	7,536	1,846	2,175	7,207	2,161
Total OPEB Liability	34,761	-	378	34,383	842
Net Pension Liability	37,614	32,182	-	69,796	-
Prior Service Costs	1	-	1	-	-
Heart and Hypertension	9,214	-	760	8,454	610
Lease Liability	10,192	-	1,556	8,636	1,362
Landfill Closure and Postclosure	235	-	9	226	9
Total Governmental Activities Long-Term Liabilities	<u>\$ 210,004</u>	<u>\$ 64,831</u>	<u>\$ 16,183</u>	<u>\$ 258,652</u>	<u>\$ 17,024</u>
Business-Type Activities:					
Net Pension Liability	<u>\$ 878</u>	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 1,496</u>	<u>\$ -</u>

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

Changes in Long-Term Liabilities (Continued)

In prior years, the General Fund has typically been used to liquidate the net pension liability and the total OPEB liability.

Bonds payable at June 30, 2023, are comprised of the following issues:

	Date of Issue	Original Issue	Interest Rate (%)	Date of Maturity	Principal Outstanding June 30, 2023
General Purpose Bonds:					
General Purpose	2015	\$ 6,720	2.00-4.00	01/15/35	\$ 3,300
Refunding (General Purpose)	2015	2,408	1.00-5.00	09/01/28	883
General Purpose	2016	5,200	2.00-4.00	01/15/36	3,055
General Purpose	2018	8,515	2.25-5.00	04/15/38	6,295
Refunding A (General Purpose)	2020	2,775	4.00	11/01/25	1,071
Refunding B (General Purpose)	2020	3,555	0.37-2.41	01/15/34	3,056
General Purpose	2021	8,130	2.00-4.00	01/15/41	6,925
General Purpose	2023	15,410	4.00-5.00	05/01/43	15,410
Subtotal					<u>39,995</u>
School Bonds:					
Schools	2015	15,000	2.00-4.00	01/15/35	9,470
Refunding (Schools)	2015	8,036	1.00-5.00	09/01/28	3,872
Schools	2016	12,000	2.00-4.00	01/15/36	8,220
Schools	2018	300	2.25-5.00	04/15/24	60
Refunding (Schools)	2019	4,414	2.25-5.00	08/01/30	2,294
Refunding A (Schools)	2020	973	4.00	11/01/25	517
Refunding B (Schools)	2020	10,054	0.37-2.41	01/15/34	9,205
Schools	2021	4,875	2.00-4.00	01/15/41	4,295
Schools	2023	2,040	4.00-5.00	05/01/43	2,040
Subtotal					<u>39,973</u>
Sewer Bonds:					
Sewers	2015	5,200	2.00-4.00	01/15/35	3,260
Refunding (Sewers)	2015	1,841	1.00-5.00	09/01/28	670
Refunding (Sewers)	2019	1,458	2.25-5.00	08/01/30	1,001
Refunding A (Sewers)	2020	1,212	4.00	11/01/25	537
Refunding C (Sewers)	2020	4,495	4.00-5.00	06/01/30	3,340
State of Connecticut Serial Notes Payable:					
Clean Water Fund Loan 651-DC	2020	22,000	2.00	09/30/40	18,975
Clean Water Fund Loan 651-DC1	2023	12,163	2.00	07/31/42	11,308
Subtotal					<u>39,091</u>
Water Bonds:					
Refunding B (Water)	2020	3,726	0.37-2.41	01/15/34	3,409
Refunding C (Water)	2020	1,695	4.00-5.00	06/01/30	1,045
Water	2021	2,500	2.00-4.00	01/15/41	2,250
Subtotal					<u>6,704</u>
Total					<u>\$ 125,763</u>

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

Changes in Long-Term Liabilities (Continued)

The annual requirements to amortize bond and notes principal and interest are as follows:

Due During Fiscal Year Ending June 30,	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 9,620	\$ 2,827	\$ 1,693	\$ 590
2025	9,215	2,537	1,693	556
2026	9,040	2,274	1,693	522
2027	8,075	2,016	1,693	489
2028	7,885	1,768	1,693	455
2029-2033	30,505	5,746	8,462	1,766
2034-2038	15,110	2,166	8,462	920
2039-2043	6,030	577	4,894	158
Total	<u>\$ 95,480</u>	<u>\$ 19,911</u>	<u>\$ 30,283</u>	<u>\$ 5,456</u>

All bonds are general obligation bonds secured by the general revenue raising powers of the Town. Payment will be provided by General Fund revenues for general purpose bonds and user fees charged by the Southington Water Company, an independent entity, for water bonds. The Town issued debt on behalf of the Southington Water Company. At June 30, 2023, \$6,704 is recorded as amounts to be provided by other entities in the debt service fund and governmental activities. The Town does not have any overlapping debt.

The Town is subject to the General Statutes of the state of Connecticut, which limit the amount of debt outstanding at June 30, 2023. In no case shall total indebtedness exceed seven times annual receipts from taxation. The maximum debt amount permitted under this formula would be approximately \$943.6 million. Bonds authorized but unissued as of June 30, 2023, are \$24,720, which are net of all expected grant revenue.

Direct Borrowings - Clean Water Fund Loans

On January 31, 2023, the Town converted \$12,163 in interim loan obligations under the State of Connecticut's Clean Water program to permanent loan obligations for project 651-DC1. These Clean Water Fund loans have principal and interest payable monthly starting in February 2023 through maturity on July 31, 2042, with an interest rate of 2.00%.

Heart and Hypertension Obligations

The Town makes payments to former police officers and firefighters who retired under State of Connecticut Heart and Hypertension Workers Compensation Statutes, under individual agreements based on provisions required by these State Statutes. The Town does not maintain a separate cash reserve to cover the benefits to be paid in future years. Expenditures related to this program are funded annually by General Fund appropriations. The estimated liability at June 30, 2023 is \$8,454.

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

Compensated Absences

Employees can accumulate additional amounts of unused vacation and sick leave time (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provides for payments to vested employees.

The following is a summary of management's estimate of the vested liability for lump-sum payments to employees as of June 30, 2023:

Town	\$ 1,121
Board of Education	<u>6,086</u>
Total	<u><u>\$ 7,207</u></u>

Direct Borrowings - Clean Water Fund Loans

The Town is participating in the State of Connecticut's Clean Water program, which provides low-interest loans bearing a 2% interest for eligible wastewater projects. Projects are financed by interim loan obligations until completion, at which time internal loan obligations are replaced by permanent loan obligations. As of June 30, 2023, the Town has received \$12,163 of clean water loans to fund the water pollution control facility project which have been converted to long-term loans. The loan was considered short term until the project is completed and a permanent loan is put in place.

Outstanding July 1, 2022	\$ 11,009
New Short-Term Borrowings	1,154
Converted to Long-Term	<u>(12,163)</u>
Outstanding June 30, 2023	<u><u>\$ -</u></u>

Lease Liability

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2032. During the year ended June 30, 2023, the Town made payments as required by lease agreements totaling \$1,556.

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

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

Due During Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,362	\$ 242	\$ 1,604
2025	1,212	199	1,411
2026	1,235	161	1,396
2027	1,066	128	1,194
2028	1,141	94	1,235
2029-2032	2,620	81	2,701
Total	<u>\$ 8,636</u>	<u>\$ 905</u>	<u>\$ 9,541</u>

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

Equipment	\$ 11,180
Accumulated Depreciation	<u>(2,905)</u>
Net Book Value	<u>\$ 8,275</u>

NOTE 8 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the year ended June 30, 2023. Town insurance can be described as follows:

Employee Health Insurance

The Medical Claims Fund (the Fund), which has been recorded as an Internal Service Fund, was established to account for the medical claims activity of the Town's employees as well as the related funding. Anthem Blue Cross/Blue Shield of Connecticut administers the plan for which the Fund pays a fee.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2023, of \$1,445.

Premium payments are reported as interfund services provided and used for Town entities, and accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the participating funds.

TOWN OF SOUTHTON, CONNECTICUT
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NOTE 8 RISK MANAGEMENT (CONTINUED)

A schedule of changes in the claims liability for the years ended June 30, 2023 and 2022, is presented below:

Fiscal Year	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2022-23	\$ 2,016	\$ 24,214	\$ 24,783	\$ 1,447
2021-22	989	26,603	25,576	2,016

Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes.

The Town participates in CIRMA's Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 220 members in the Workers' Compensation Pool. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period 2022-23 will be evaluated at 18, 30, and 42 months after the effective date of coverage. The deposit contribution (premium) paid during fiscal year ended June 30, 2023, for the Town and Board of Education was \$1,432. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$1 million per occurrence. Claims over \$1 million are reinsured.

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 9 FUND BALANCE

The components of fund balance at June 30, 2023 are as follows:

	General Fund	Capital Projects	Debt Service	Federal and State Education Grants	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Prepays and Inventory	\$ 48	\$ -	\$ -		\$ 44	\$ 92
Trust	-	-	-		10	10
Restricted for:						
Debt Service	-	-	6,704		-	6,704
Grants	-	-	-		2,418	2,418
Trust	-	-	-		96	96
Scholarships	-	-	-		502	502
Education	-	-	-		845	845
Committed to:						
Debt Service	-	-	1,416		-	1,416
Cafeteria Operations	-	-	-		-	-
Animal Control	-	-	-		39	39
Police Services	-	-	-		2,060	2,060
Town Services	-	-	-		1,091	1,091
Apple Harvest Festival	-	-	-		219	219
Community Services	-	-	-		208	208
Drive In Theater	-	-	-		42	42
CDBG	-	-	-		-	-
Turf Field	-	-	-		305	305
Museum Restoration	-	-	-		7	7
Recreation	-	-	-		214	214
Farm Heritage Initiative:						-
Education	-	-	-		-	-
Capital Projects	-	16,457	-		-	16,457
Sewer Assessments	-	-	-		386	386
Barnes Museum	-	-	-		16	16
Assigned to:						
Purchases on Order:						
General Government	258	-	-		-	258
Public Safety	13	-	-		-	13
Public Works	169	-	-		-	169
Human Services	-	-	-		-	-
Library	49	-	-		-	49
Planning and						
Development	50	-	-		-	50
Education	898	-	-		-	898
Miscellaneous	299	-	-		-	299
Subsequent Year's						
Appropriations	2,884	-	-		-	2,884
Unassigned	32,427	-		(23)	(30)	32,374
Total Fund Balances	<u>\$ 37,095</u>	<u>\$ 16,457</u>	<u>\$ 8,120</u>	<u>\$ (23)</u>	<u>\$ 8,472</u>	<u>\$ 70,121</u>

Subsequent year's appropriations are being reported as assigned fund balance in the general fund at \$2,884 and encumbrances for general government, public safety, public

TOWN OF SOUTHLINGTON, CONNECTICUT
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works, library, planning and development, education, and miscellaneous are being reported as assigned fund balance in the general fund at \$1,736.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

Municipal Employees' Retirement System

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement (Not in Thousands)

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

Early Retirement

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

TOWN OF SOUTHTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

B. Benefit Provisions (Continued)

Disability Retirement - Service Connected

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

Disability Retirement - Nonservice Connected

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

Pre-Retirement Death Benefit

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

C. Contributions

Member

Contributions for members not covered by social security are 7% of compensation; for members covered by social security, 4.5% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability, and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2023, was 19.72 percent of annual payroll. Contributions to the pension plan from the Town were of \$8,340 for the year ended June 30, 2023.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

At June 30, 2023, the Town reports a liability of \$71,292 (\$69,796 for governmental activities in Exhibit I and \$1,496 for the Sewer Fund in Exhibit V) for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 5.18%. The decrease in proportion from the prior year was 0.24%.

For the year ended June 30, 2023, the Town recognized pension expense of \$14,723 in Exhibit II and \$302 in Exhibit VI. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Contributions After the Measurement Date	\$ 8,149	\$ -
Net Difference Between Projected and Actual Earning on Pension Plan Investments	9,698	-
Differences Between Expected and Actual Experience	8,217	2,323
Change in Proportionate Share	1,154	1,860
Total	<u>\$ 27,218</u>	<u>\$ 4,183</u>

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Contributions After the Measurement Date	\$ 191	\$ -
Net Difference Between Projected and Actual Earning on Pension Plan Investments	220	-
Differences Between Expected and Actual Experience	112	63
Change in Proportionate Share	88	194
Total	<u>\$ 611</u>	<u>\$ 257</u>

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Contributions After the Measurement Date	\$ 8,340	\$ -
Net Difference Between Projected and Actual Earning on Pension Plan Investments	9,918	-
Differences Between Expected and Actual Experience	8,329	2,386
Change in Proportionate Share	1,242	2,054
Total	<u>\$ 27,829</u>	<u>\$ 4,440</u>

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

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

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

<u>Governmental Activities</u>	
2024	\$ 3,022
2025	3,268
2026	2,208
2027	6,388
Total	<u>\$ 14,886</u>
<u>Business-Type Activities</u>	
2024	\$ 22
2025	32
2026	(13)
2027	122
Total	<u>\$ 163</u>
<u>Primary Government</u>	
2024	\$ 3,045
2025	3,300
2026	2,195
2027	6,509
Total	<u>\$ 15,049</u>

E. Actuarial Assumptions

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

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

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

E. Actuarial Assumptions (Continued)

Mortality rates were based on:

- RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.
- RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.
- For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Cost-of-Living

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

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0 %	6.9 %
Public Credit	2.0	2.9
Core Fixed Income	13.0	0.4
Liquidity Fund	1.0	(0.4)
Risk Mitigation	5.0	0.1
Private Equity	15.0	11.2
Private Credit	10.0	6.2
Real Estate	10.0	6.3
Infra. & Natural Resources	7.0	7.7
Total	100.0 %	

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System (Continued)

F. Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Governmental Activities:			
Town's Proportionate Share of the Net Pension Liability	\$ 96,511	\$ 69,796	\$ 47,390
Sewer Fund:			
Town's Proportionate Share of the Net Pension Liability	\$ 2,069	\$ 1,496	\$ 1,016

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$16,011 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employees

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

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

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

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

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>203,078</u>
Total	<u><u>\$ 203,078</u></u>

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

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$19,628 in Exhibit II.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

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

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

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

The actuarial assumptions used in the June 30, 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.

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 SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

Asset Class	Target Allocation	Expected Rate of Return
Domestic Equity	20.0 %	5.4 %
Developed Market Intl. Stock Fund	11.0	6.4
Emerging Market Intl. Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Private Credit	5.0	6.5
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	(0.4)
Total	100.0 %	

F. Discount Rate

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

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

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

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS

Town Plan

A. Overview

The Town and Board of Education do not offer retirees any post-employment benefits. They do, however, allow retirees to remain on the Health Self-Insurance plan as long as they pay the full COBRA rates, as a single employer defined benefit plan. The only exception to the no post-employment benefits would be for those employees who have retired under Heart and Hypertension and have negotiated these benefits. There are no stand-alone financial statements available for the plan. There are no assets accumulated in a trust for the OPEB plan.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at July 1, 2021, the date of the last actuarial valuation.

Inactive Employees Currently Receiving	
Benefit Payments	98
Active Employees	1,210
Total	<u>1,308</u>

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

Town Plan (Continued)

B. Total OPEB Liability

The Town's total OPEB liability of \$34,383 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.40%
Rate of Compensation Increase (Including Inflation)	2.40%
Interest	3.65% (Prior: 3.54%)
Healthcare Cost Trend Rates	6.50% in 2021, Decreasing 0.20% Each Year to an Ultimate Rate of 4.40% for 2032 and Later Years Prior: 6.50% for 2019, Decreasing 0.25% Per Year to an Ultimate Rate of 4.40% for 2028 and Later Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on the published Bond Buyer GO 20-Bond Municipal Index.

Mortality rates were based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2021.

TOWN OF SOUTHTON, CONNECTICUT
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Plan (Continued)

B. Total OPEB Liability (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances - July 1, 2022	\$ 34,761
Changes for the Year:	
Service Cost	423
Interest on Total OPEB Liability	1,232
Difference Between Expected and Actual Experience	(894)
Changes in Assumptions or Other Inputs	(390)
Benefit Payments	(749)
Net Changes	(378)
Balances - June 30, 2023	\$ 34,383

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

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 38,201	\$ 34,383	\$ 31,125

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

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

	1% Decrease (5.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Total OPEB Liability	\$ 30,440	\$ 34,383	\$ 39,025

TOWN OF SOUTHTON, CONNECTICUT
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Town Plan (Continued)

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$767. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 14,564
Changes of Assumptions or Other Inputs	9,798	5,235
Total	<u>\$ 9,798</u>	<u>\$ 19,799</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (773)
2025	(773)
2026	(773)
2027	(773)
2028	(774)
Thereafter	(6,135)
Total	<u>\$ (10,001)</u>

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

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

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

B. Benefit Provisions (Not in Thousands)

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.

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

Any member who is currently participating in Medicare Parts A & B is eligible to either continue 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 healthcare coverage or elect to not enroll in a CTRB sponsored healthcare 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 Supplement or Medicare Advantage Plan options, as long as they do not remarry.

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of credited service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

TOWN OF SOUTHLINGTON, CONNECTICUT
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

D. Contributions (Continued)

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 \$226 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 teacher's pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teacher's pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 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	17,785
Total	<u>\$ 17,785</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 \$1,072 in Exhibit II.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions

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

Inflation	2.50%
Healthcare Costs Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increase	3.00% - 6.50%, Including Inflation
Investment Rate of Return	3.53%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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

The actuarial assumptions used in the June 30, 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 since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%
- 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.

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.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions (Continued)

Long-Term Rate of Return

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%).

G. 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.

TOWN OF SOUTHTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

NOTE 12 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

The Town's Old Turnpike Road (Old Southington) Landfill, which was closed in 1967, was placed on the United States Environmental Protection Agency (EPA) Superfund List for cleanup in the early 1990s. Three hundred and twenty-five parties, including the Town, were identified by the EPA as potentially responsible parties (PRPs) for the cleanup costs. The Town, per agreement with the EPA, is responsible for \$4.4 million of the costs for constructing a cap at the site. However, the EPA granted the Town credit of \$3.2 million for landfill costs paid by the Town since 1989, leaving the Town with a net liability of approximately \$1.2 million. This amount was authorized for bonding at referendum in May 1998. Construction of the cap was completed during fiscal year 2000-01. The Town paid approximately \$840 thousand of its \$1.2 million net share for the cap during 2000-01, which was bonded on May 15, 2001.

In December 2006, EPA issued a final Record of Decision. As a result of that, a passive groundwater remedy has been selected rather than an active remedy. The remedy will consist of institutional controls and fairly extensive groundwater monitoring. The effect of these items on future budgets will be very small. In 2019, the Town hired an engineer to estimate the post-closure groundwater monitoring, which amounted to \$262. A long-term liability of \$226 for landfill closure and post-closure costs is reflected in Exhibit I and in Note 7, Long-Term Debt. The costs are to be paid out at \$9 annually over the next 26 years. The funds will pay for the monitoring, inspection, and reporting costs for the DePaolo Drive Landfill Site.

TOWN OF SOUTHLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(IN THOUSANDS)

NOTE 12 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (CONTINUED)

The Town and its employees are defendants in numerous claims and legal actions. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually, or in the aggregate, in a final judgment against the Town that would materially adversely affect its financial position.

The Town participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2023, have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property Taxes, Interest, and Lien Fees:				
Taxes	\$ 133,173	\$ 133,173	\$ 133,729	\$ 556
Suspense Taxes	50	50	43	(7)
Interest and Lien Fees	506	506	813	307
Total Property Taxes, Interest, and Lien Fees	133,729	133,729	134,585	856
Licenses, Fees, and Permits:				
Building	900	900	1,475	575
Police	38	38	40	2
Library	8	8	13	5
Parking	1	1	1	-
Miscellaneous	13	13	30	17
Total Licenses, Fees, and Permits	960	960	1,559	599
Intergovernmental Revenues:				
Educational Cost -Sharing	20,466	20,466	20,399	(67)
Nonpublic School Transportation	-	-	-	-
Public School Transportation	-	-	-	-
School Building Construction Grants	-	-	-	-
Vocational Agriculture	373	373	373	-
Children and Youth Services	24	24	24	-
Youth Service and Drug Free	-	26	33	7
Town Aid Road Transportation Grant	-	-	-	-
Nonpublic Health Services	24	24	24	-
Calendar Bus	-	-	-	-
Telephone Access Lines	75	75	60	(15)
Pequot/Mohegan Grant	7	7	7	-
Telecommunications Fund Grant	75	75	118	43
Municipal Video Grant	-	-	-	-
Historical Society	-	-	-	-
Local Capital Improvement Grant	-	-	-	-
FEMA Reimbursement	367	367	320	(47)
Safe Polls Grant	-	-	-	-
Absentee Ballot Grant	-	-	-	-
In Lieu of Taxes:				
Hospital	167	167	167	-
Tax Relief for Elderly	-	-	-	-
Veterans' Exemption	50	50	46	(4)
State Properties	-	-	-	-
Disability Exemption	5	5	5	-
DUI Enforcement Grants	-	10	10	-
Calendar House Grant	-	-	-	-
Distressed Municipalities	-	-	57	57
Miscellaneous	40	40	81	41
MRSA Sales Tax Sharing	-	-	866	866
Municipal Revenue Sharing	1,427	1,427	1,427	-
Municipal Stabilization Grant	-	-	-	-
Total Intergovernmental Revenues	23,100	23,136	24,017	881

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

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES (CONTINUED)				
Investment Income	\$ 373	\$ 1,582	\$ 2,481	\$ 899
Charges for Services:				
Town Clerk	1,400	1,400	1,810	410
Police Services	50	50	-	(50)
Recreation	30	30	30	-
Planning and Zoning	50	50	54	4
Fire Department Services	29	53	210	157
Engineering Services	2	2	2	-
Assessors Returns	1	1	-	(1)
School Tuition and Fees	696	696	770	74
School Building Rentals	14	1,186	1,186	-
Miscellaneous	10	52	52	-
Total Charges for Services	2,282	3,520	4,114	594
OTHER FINANCING SOURCES				
Sale and Lease of Town Property	10	10	-	(10)
Prior Year Appropriated Funds Returned	5	5	3	(2)
Recycling Rebates	50	50	35	(15)
Miscellaneous	50	59	50	(9)
STEPS Reimbursement	38	38	38	-
Leases and Easements	28	28	28	-
Fund Balance Utilized	1,796	1,801	-	(1,801)
Total Other Financing Sources	1,977	1,991	154	(1,837)
Transfers In	307	307	307	-
Total Revenues and Other Financing Sources	\$ 162,728	\$ 165,225	167,217	\$ 1,992

Budgetary Revenues are Different than GAAP Revenues Because:

State of Connecticut On-Behalf Contributions to the Connecticut State Teachers'
Pension Retirement System for Town Teachers are Not Budgeted

16,012

State of Connecticut On-Behalf Contributions to the Connecticut State Teachers'
OPEB Retirement System for Town Teachers are Not Budgeted

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

\$ 183,455

TOWN OF SOUTHLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES				
General Government:				
Town Council:				
Personnel Service	\$ 9	\$ 11	\$ 11	\$ -
Contractual Services	20	18	10	8
Program Supplies	6	6	6	-
Professional Charges	27	27	27	-
Total	62	62	54	8
Town Manager:				
Personnel Service	263	261	261	-
Contractual Services	22	12	10	2
Materials and Supplies	9	7	2	5
Fixed Charges	5	5	3	2
Total	299	285	276	9
Board of Finance:				
Personnel Service	5	4	4	-
Contractual Services	2	2	2	-
Fixed Charges	1	1	1	-
Total	8	7	7	-
Finance Department:				
Personnel Service	566	595	595	-
Materials and Supplies	12	13	13	-
Fixed Charges	2	1	1	-
Total	580	609	609	-
Town Clerk:				
Personnel Service	350	353	353	-
Contractual Services	20	19	16	3
Materials and Supplies	11	9	7	2
Fixed Charges	3	3	3	-
Total	384	384	379	5
Human Resources Department:				
Personnel Service	98	98	98	-
Contractual Services	35	71	64	7
Materials and Supplies	-	1	-	1
Fixed Charges	3	1	-	1
Total	136	171	162	9

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
General Government (Continued):				
Tax Department:				
Personnel Service	\$ 178	\$ 171	\$ 171	\$ -
Contractual Services	8	3	2	1
Materials and Supplies	48	49	49	-
Fixed Charges	2	2	2	-
Total	236	225	224	1
Assessor:				
Personnel Service	381	379	379	-
Contractual Services	136	276	16	260
Materials and Supplies	15	15	13	2
Fixed Charges	3	3	2	1
Total	535	673	410	263
Board of Assessment Appeals:				
Personnel Service	2	2	2	-
Contractual Services	1	1	-	1
Total	3	3	2	1
Information Technology:				
Personnel Service	198	198	198	-
Contractual Services	848	834	779	55
Fixed Charges	43	43	42	1
Capital Outlay	68	68	68	-
Total	1,157	1,143	1,087	56
Probate Court:				
Fixed Charges	13	13	13	-
Town Attorney and Legal:				
Personnel Service	160	114	114	-
Contractual Services	30	66	42	24
Fixed Charges	-	20	20	-
Total	190	200	176	24

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
General Government (Continued):				
Elections Department:				
Personnel Service	\$ 138	\$ 130	\$ 130	\$ -
Contractual Services	18	20	13	7
Materials and Supplies	32	38	36	2
Fixed Charges	3	3	2	1
Total	191	191	181	10
Insurance:				
Fixed Charges	1,172	1,142	1,070	72
Annual Audit:				
Fixed Charges	37	37	37	-
Total General Government	5,003	5,145	4,687	458
Public Safety:				
Police Department:				
Personnel Service	7,900	7,898	7,889	9
Contractual Services	187	199	182	17
Materials and Supplies	192	226	222	4
Fixed Charges	318	292	285	7
Equipment	241	301	301	-
Total	8,838	8,916	8,879	37
Emergency Management:				
Contractual Services	1	1	1	-
Materials And Supplies	8	3	-	3
Capital Outlay	6	-	-	-
Total	15	4	1	3
Central Dispatch:				
Personnel Service	979	1,020	1,020	-
Contractual Services	7	-	-	-
Total	986	1,020	1,020	-
Fire Department:				
Personnel Service	4,361	4,181	4,003	178
Contractual Services	409	510	457	53
Materials and Supplies	260	261	239	22
Fixed Charges	169	182	170	12
Equipment	61	63	59	4
Total	5,260	5,197	4,928	269

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
Public Safety:				
Fire Hydrant Rentals:				
Fixed Charges	\$ 251	\$ 253	\$ 252	\$ 1
Safety Program:				
Contractual Services	14	8	-	8
Materials and Supplies	46	46	46	-
Fixed Charges	13	13	10	3
Total	73	67	56	11
Parking Authority:				
Contractual Services	1	2	1	1
Materials and Supplies	1	2	-	2
Fixed Charges	1	1	1	-
Total	3	5	2	3
Total Public Safety	15,426	15,462	15,138	324
Public Works:				
Town Hall:				
Personnel Services	14	14	12	2
Contractual Services	47	56	48	8
Materials and Supplies	21	21	13	8
Fixed Charges	47	47	37	10
Total	129	138	110	28
Town Owned Property:				
Contractual Services	15	8	-	8
Fixed Charges	10	10	6	4
Total	25	18	6	12
Sylvia Bradley Historical Society:				
Contractual Services	7	6	4	2
Fixed Charges	13	14	14	-
Total	20	20	18	2

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
Public Works (Continued):				
Engineering Department:				
Personnel Service	\$ 691	\$ 689	\$ 688	\$ 1
Contractual Services	40	41	40	1
Materials and Supplies	12	9	8	1
Fixed Charges	2	1	1	-
Total	745	740	737	3
Highway Department:				
Personnel Service	2,695	2,687	2,685	2
Contractual Services	566	603	583	20
Materials and Supplies	161	162	160	2
Fixed Charges	298	299	287	12
Capital Outlay	27	24	22	2
Total	3,747	3,775	3,737	38
Snow and Ice Removal:				
Personnel Service	204	115	115	-
Contractual Services	162	41	41	-
Materials and Supplies	444	443	441	2
Total	810	599	597	2
Street Lighting:				
Contractual Services	70	97	93	4
Fixed Charges	379	379	356	23
Total	449	476	449	27
Tree Maintenance:				
Contractual Services	38	38	34	4
Bulky Waste Transfer Station:				
Personnel Service	86	95	92	3
Contractual Services	201	189	162	27
Materials and Supplies	5	4	4	-
Total	292	288	258	30
Environmental Problems:				
Contractual Services	228	228	90	138
Continued Appropriations	-	56	23	33
Total	228	284	113	171

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
Public Works (Continued):				
John Weichsel Municipal Center:				
Personnel Services	\$ 8	\$ 8	\$ 8	\$ -
Contractual Services	8	8	7	1
Materials and Supplies	6	6	6	-
Fixed Charges	25	25	24	1
Total	47	47	45	2
Total Public Works	6,530	6,423	6,104	319
Health and Welfare:				
Community Services:				
Personnel Service	311	308	307	1
Contractual Services	33	33	33	-
Materials and Supplies	5	6	6	-
Fixed Charges	19	18	14	4
Total	368	365	360	5
Health Department:				
Fixed Charges	333	333	333	-
Mental Health:				
Fixed Charges	3	3	3	-
Nonpublic School Nurses:				
Contractual Services	67	67	66	1
Total Health and Welfare	771	768	762	6
Human Services:				
Youth Counseling:				
Personnel Service	266	292	292	-
Contractual Services	5	5	1	4
Materials and Supplies	3	4	2	2
Fixed Charges	3	2	1	1
Total	277	303	296	7

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (CONTINUED)				
Human Services (Continued):				
Commission on the Handicapped:				
Contractual Services	\$ 8	\$ 8	\$ 5	\$ 3
Materials and Supplies	1	1	-	1
Total	9	9	5	4
Community Assistance:				
Contractual Services	61	61	61	-
Calendar House-Senior Citizens:				
Personnel Service	356	334	312	22
Contractual Services	61	54	43	11
Materials and Supplies	18	8	8	-
Fixed Charges	53	52	52	-
Continued Appropriations	-	12	12	-
Total	488	460	427	33
Southington Housing Authority:				
Fixed Charges	-	-	-	-
Total Human Services	835	833	789	44
Recreation Department:				
Personnel Service	301	314	314	-
Contractual Services	55	53	51	2
Materials and Supplies	14	9	7	2
Fixed Charges	3	3	3	-
Total	373	379	375	4
Community Celebrations:				
Fixed Charges	4	4	1	3
Organized Recreation:				
Fixed Charges	86	84	84	-
Total Parks and Recreation	463	467	460	7

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
Library:				
Public Library:				
Personnel Service	\$ 1,187	\$ 1,159	\$ 1,158	\$ 1
Contractual Services	95	103	64	39
Materials and Supplies	153	169	157	12
Fixed Charges	70	75	73	2
Capital Outlay	50	50	48	2
Continued Appropriations	-	2	2	-
Total	1,555	1,558	1,502	56
Barnes Museum:				
Personnel Service	97	92	90	2
Contractual Services	14	19	14	5
Materials and Supplies	4	4	2	2
Fixed Charges	12	13	13	-
Total	127	128	119	9
Total Library	1,682	1,686	1,621	65
Planning and Development:				
Economic Development Commission:				
Personnel Service	172	172	172	-
Contractual Services	75	35	30	5
Materials and Supplies	2	2	1	1
Fixed Charges	5	1	1	-
Fixed Charges	-	150	50	100
Total	254	360	254	106
Building Department:				
Personnel Service	513	519	516	3
Contractual Services	5	3	2	1
Materials and Supplies	10	9	6	3
Fixed Charges	11	9	8	1
Total	539	540	532	8
Planning and Zoning:				
Personnel Service	424	401	397	4
Contractual Services	11	22	21	1
Materials and Supplies	6	4	3	1
Fixed Charges	36	36	34	2
Total	477	463	455	8

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (CONTINUED)				
Planning and Development (Continued):				
Zoning Board of Appeals:				
Personnel Service	\$ 5	\$ 5	\$ 5	\$ -
Contractual Services	8	12	12	-
Materials and Supplies	1	1	1	-
Total	14	18	18	-
Conservation Commission:				
Personnel Service	4	4	3	1
Contractual Services	5	4	3	1
Materials and Supplies	2	-	-	-
Total	11	8	6	2
Total Planning and Development	1,295	1,389	1,265	124
Miscellaneous:				
Land Lease:				
Fixed Charges	1	1	-	1
Nonlegal Professional Services:				
Nonlegal Professional Services	45	49	47	2
Continued Appropriations	-	15	15	-
Total Miscellaneous	46	65	62	3
Employee Benefits:				
Medical and Group Insurance:				
Fixed Charges	3,733	3,729	3,682	47
Heart and Hypertension:				
Personnel Service	1,025	1,052	1,052	-
Contractual Services	345	317	297	20
Total	1,370	1,369	1,349	20
Employee Retirement:				
Municipal:				
Fixed Charges	5,961	6,071	6,029	42
Police:				
Fixed Charges	297	282	282	-
Unemployment Compensation:				
Fixed Charges	15	15	14	1
Total	6,273	6,368	6,325	43

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (CONTINUED)				
Employee Benefits (Continued):				
Accumulated Payout:				
Fixed Charges	\$ 150	\$ 185	\$ 152	\$ 33
CFW Accumulated Payout	-	919	829	90
Total	150	1,104	981	123
Tuition Reimbursement:				
Fixed Charges	18	5	-	5
Total Employee Benefits	11,544	12,575	12,337	238
Debt Service				
Debt Service - Principal:				
Town and Sewer	5,073	5,073	5,073	-
Schools	3,357	3,357	3,357	-
Total	8,430	8,430	8,430	-
Debt Service - Interest:				
Town and Sewer	1,509	1,509	1,509	-
Schools	1,069	1,069	1,069	-
Total	2,578	2,578	2,578	-
Total Debt Service	11,008	11,008	11,008	-
Board of Education:				
School Operations	104,418	105,591	105,487	104
Capital Outlay	351	351	254	97
Continued Appropriations	-	2,858	1,390	1,468
Total Board of Education	104,769	108,800	107,131	1,669
Contingency	836	794	70	724
Total Expenditures	160,208	165,415	161,434	3,981

TOWN OF SOUTHTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance
	Original	Final		
OTHER FINANCING USES				
Transfers Out	\$ 2,520	\$ 4,301	\$ 4,301	\$ -
Total Expenditures and Other Financing Uses	<u>\$ 162,728</u>	<u>\$ 169,716</u>	165,735	<u>\$ 3,981</u>
Budgetary Expenditures are Different than GAAP Expenditures Because:				
State of Connecticut On-Behalf Payments to the Connecticut State Teachers' Pension Retirement System for Town Teachers are Not Budgeted			16,012	
State of Connecticut On-Behalf Payments to the Connecticut State Teachers' OPEB Retirement System for Town Teachers are Not Budgeted			226	
Accrued Payroll is Reported as Expenditure for GAAP Purposes			<u>(1,002)</u>	
Farm Heritage Expenditures Included In General Fund For Gap Purposes, But Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 180,971</u>	

TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS*
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	5.97%	5.62%	5.30%	5.67%	5.54%	5.36%	5.46%	5.42%	5.18%
Town's Proportionate Share of the Net Pension Liability	\$ 5,892	\$ 10,825	\$ 18,318	\$ 14,070	\$ 52,946	\$ 55,389	\$ 60,730	\$ 38,492	\$ 71,292
Town's Covered Payroll	\$ 31,051	\$ 31,789	\$ 34,340	\$ 34,952	\$ 37,853	\$ 35,501	\$ 36,365	\$ 38,253	\$ 38,253
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	18.98%	34.05%	53.34%	40.26%	139.87%	156.02%	167.00%	100.62%	186.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.48%	92.72%	88.29%	91.68%	73.60%	72.69%	71.18%	82.59%	68.71%

***Notes:**

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

TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM – GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 4,400	\$ 4,592	\$ 4,680	\$ 4,262	\$ 4,576	\$ 4,527	\$ 4,783	\$ 6,417	\$ 7,194	\$ 8,149
Contributions in Relation to the Actuarially Determined Contribution	<u>4,400</u>	<u>4,592</u>	<u>4,680</u>	<u>4,262</u>	<u>4,576</u>	<u>4,527</u>	<u>4,783</u>	<u>6,417</u>	<u>7,194</u>	<u>8,149</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 30,111	\$ 30,944	\$ 33,454	\$ 34,017	\$ 36,917	\$ 34,640	\$ 35,269	\$ 37,283	\$ 39,519	\$ 41,210
Contributions as a Percentage of Covered Payroll	14.61%	14.84%	13.99%	12.53%	12.40%	13.07%	13.56%	17.21%	18.20%	19.77%

Notes to Schedule:

Valuation Date June 30, 2022

Measurement Date June 30, 2022

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

Methods and Assumptions Used to Determine

Contribution Rates:

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

These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM – BUSINESS-TYPE ACTIVITIES
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 108	\$ 113	\$ 96	\$ 103	\$ 110	\$ 100	\$ 105	\$ 145	\$ 167	\$ 191
Contributions in Relation to the Actuarially Determined Contribution	108	113	96	103	110	100	105	145	167	191
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 940	\$ 845	\$ 886	\$ 935	\$ 936	\$ 861	\$ 1,096	\$ 970	\$ 1,015	\$ 1,087
Contributions as a Percentage of Covered Payroll	11.49%	13.37%	10.84%	11.02%	11.75%	11.61%	9.58%	14.95%	16.45%	17.57%

Notes to Schedule:

Valuation Date June 30, 2022

Measurement Date June 30, 2022

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method

Entry Age

Amortization Method

Level Dollar, Closed

Single Equivalent Amortization Period

20 Years

Asset Valuation Method

5 -Year Smoothed Fair Value

Inflation

2.50%

Salary Increases

3.50% - 10.00%, Including Inflation

Investment Rate of Return

7%, Net of Investment Related Expense

Changes in Assumptions

In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement, and salary increase were adjusted to more closely reflect actual and anticipated experience.

These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
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 Associated with the Town	107,078	115,998	151,537	143,636	141,779	183,876	203,602	161,255	203,078
Total	<u>\$ 107,078</u>	<u>\$ 115,998</u>	<u>\$ 151,537</u>	<u>\$ 143,636</u>	<u>\$ 141,779</u>	<u>\$ 183,876</u>	<u>\$ 203,602</u>	<u>\$ 161,255</u>	<u>\$ 203,078</u>
Town's Covered Payroll	\$ 33,621	\$ 34,262	\$ 34,721	\$ 37,408	\$ 46,544	\$ 46,154	\$ 47,566	\$ 50,030	\$ 51,094
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	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%	54.06%

Notes to Schedule:

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

*Notes:

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

TOWN OF SOUTHLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS*
(IN THOUSANDS)

	2018	2019	2020	2021	2022	2023
Total OPEB Liability:						
Service Cost	\$ 549	\$ 538	\$ 608	\$ 861	\$ 910	\$ 423
Interest	1,416	1,486	1,442	1,090	1,087	1,233
Changes of Benefit Terms						
Differences Between Expected and Actual Experience	(250)	(210)	(4,535)	(520)	(11,533)	(894)
Changes of Assumptions and Other Inputs	(1,669)	2,072	11,567	397	(4,628)	(391)
Benefit Payments	(1,113)	(1,211)	(1,359)	(824)	(952)	(749)
Net Change in Total OPEB Liability	(1,067)	2,675	7,723	1,004	(15,116)	(378)
Total OPEB Liability - Beginning	39,542	38,475	41,150	48,873	49,877	34,761
Total OPEB Liability - Ending	<u>\$ 38,475</u>	<u>\$ 41,150</u>	<u>\$ 48,873</u>	<u>\$ 49,877</u>	<u>\$ 34,761</u>	<u>\$ 34,383</u>
Covered Employee Payroll	\$ 73,422	\$ 75,441	\$ 77,942	\$ 79,813	\$ 79,446	\$ 81,352
Total OPEB Liability as a Percentage of Covered Payroll	52.40%	54.55%	62.70%	62.49%	43.75%	42.26%

***Note:**

- There are no assets accumulated in a trust to pay related benefits for the OPEB plan.
- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	36,970	28,343	28,676	30,367	17,568	17,785
Total	\$ 36,970	\$ 28,343	\$ 28,676	\$ 30,367	\$ 17,568	\$ 17,785
Town's Covered Payroll	\$ 37,408	\$ 46,544	\$ 46,154	\$ 47,566	\$ 50,030	\$ 51,094
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	1.79%	1.49%	2.08%	2.50%	6.11%	9.46%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

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

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

Entry Age
Level Percent of Payroll Over an Open Period
30 Years
Fair Value of Assets
3.00%, Net of Investment Related Expense Including 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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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 and welfare, human services, parks and recreation, library, education, etc.). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

**TOWN OF SOUTHLINGTON, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)**

Grand List	Uncollected Taxes	Lawful Corrections		Transfers To	Adjusted Taxes	Collections			Amount Paid to	Credit	Uncollected
	July 1, 2022	Additions	Deductions	Suspense	Collectible	Taxes	Interest	Warrants Liens/Fees	Treasurer	Balances	Taxes June 30, 2023
2021	\$ 135,236	\$ 88	\$ 904	\$ 17	\$ 134,403	\$ 133,294	\$ 369	\$ 13	\$ 133,676	\$ 375	\$ 1,484
2020	1,277	22	160	-	1,139	727	148	5	880	108	520
2019	465	3	5	122	341	236	83	2	321	1	106
2018	137	-	-	12	125	99	51	1	151	-	26
2017	90	1	-	-	91	68	47	-	115	-	23
2016	62	-	-	-	62	49	42	-	91	-	13
2015	37	-	-	-	37	24	26	-	50	-	13
2014	13	1	-	-	14	4	4	-	8	-	10
2013	7	-	-	-	7	-	-	-	-	-	7
2012	6	-	-	-	6	-	-	-	-	-	6
2011	6	-	-	-	6	-	-	-	-	-	6
2010	7	-	-	-	7	-	-	-	-	-	7
2009	5	-	-	-	5	-	-	-	-	-	5
2008	5	-	-	-	5	-	-	-	-	-	5
2007	3	-	-	-	3	-	-	-	-	-	3
Total	<u>\$ 137,356</u>	<u>\$ 115</u>	<u>\$ 1,069</u>	<u>\$ 151</u>	<u>\$ 136,251</u>	<u>\$ 134,501</u>	<u>\$ 770</u>	<u>\$ 21</u>	<u>\$ 135,292</u>	<u>\$ 484</u>	<u>\$ 2,234</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.

Cafeteria

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.

Animal Control Fund

To account for the operation of animal control. Financing is provided by license fees, fines, and a subsidy from the General Fund.

Police Auction

To account for payment of health insurance premiums for retired officers funded by sale of goods.

Refuse

To account for refuse removal funded by charges for services.

Police Special Duty

To account for public safety services to Town and outside entities funded by charges for the services.

Apple Harvest Festival

To account for the Apple Harvest Festival funded by charges for services and donations.

Police Forfeiture

To account for the proceeds of property confiscated by the Town's Police Department

Town Special Revenue

To account for gifts, small grants, and insurance proceeds designated for specific purposes.

Child Development Center

To account for grant received through the Town to maintain the Margaret C. Griffin Child Development Center of Southington, CT.

Library Trust

To account for monies received from private donors for the acquisition of books, materials, and other related library services.

Excavation Permit

To account for fees received for excavation permits for trench restoration.

Community Services

To account for contributions to Community Services for needy families.

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

Drive In Theatre

To account for operations of the Drive-in Theatre through charges for services.

Barnes Museum Restoration

To account for the restoration of the Barnes Museum funded through contributions and sale of goods.

Recreation Programs

To account for recreation programs which are self-sustaining through user fees.

Turf Field

To account for the collection of fees and donations to fund the replacement of the Turf Field.

CDBG SC1513101- Housing Rehabilitation Fund

To account for the Southington Rehabilitation Projects benefiting low- and moderate-income residents with home improvements funded by the CDBG Grant.

Brownfield Fund

To account for the demolition and remediation of the former Beaton and Corbin site at 318 North Main Street for redevelopment as commercial office space. This project is funded through a DECD grant, a Town subsidy and a contribution from the private developer.

Board of Education Scholarships

To account for income and scholarship expenditures.

Sewer Assessment Fund

To account for proceeds of sewer line assessments used to fund debt service costs related to sewer line extension projects within the Town. The major source of revenue is sewer assessments. The Town issues general obligation debt to fund capital improvements to sewer lines.

Barnes Museum

To account for donations and monies collected through the sale of goods for the benefit of the Barnes Museum.

Student Activities

To account for the monies generated by student activities in the Southington school system.

PERMANENT FUNDS

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

Edna Woodruff

To account for income and education expenditures.

Addin Lewis

To account for income and education expenditures.

Julia Bradley Library

To account for proceeds of trust fund established for the benefit of the Town's library.

TOWN OF SOUTHLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023
(IN THOUSANDS)

	Special Revenue						
	Cafeteria	Animal Control	Police Auction	Refuse	Police Special Duty	Apple Harvest Festival	Police Forfeiture
ASSETS							
Cash and Cash Equivalents	\$ 2,316	\$ 61	\$ 7	\$ -	\$ 1,763	\$ 220	\$ 10
Investments	-	-	-	-	-	-	-
Accounts Receivable	574	-	-	337	424	-	-
Due from Other Funds	-	-	-	-	-	-	-
Inventories	44	-	-	-	-	-	-
Total Assets	<u>\$ 2,934</u>	<u>\$ 61</u>	<u>\$ 7</u>	<u>\$ 337</u>	<u>\$ 2,187</u>	<u>\$ 220</u>	<u>\$ 10</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 100	\$ 22	\$ -	\$ 272	\$ 112	\$ 1	\$ -
Due to Other Funds	300	-	-	64	-	-	-
Unearned Revenue	111	-	-	-	-	-	-
Total Liabilities	<u>511</u>	<u>22</u>	<u>-</u>	<u>336</u>	<u>112</u>	<u>1</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-
Unavailable Revenue - Receivables	-	-	-	-	32	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	44	-	-	-	-	-	-
Restricted	2,379	-	-	-	-	-	-
Committed	-	39	7	1	2,043	219	10
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>2,423</u>	<u>39</u>	<u>7</u>	<u>1</u>	<u>2,043</u>	<u>219</u>	<u>10</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,934</u>	<u>\$ 61</u>	<u>\$ 7</u>	<u>\$ 337</u>	<u>\$ 2,187</u>	<u>\$ 220</u>	<u>\$ 10</u>

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

Special Revenue								
	Town Special Revenue	Child Development Center	Library Trust	Excavation Permit	Community Services	Drive-In Theatre	Barnes Museum Restoration	Recreation Programs
ASSETS								
Cash and Cash Equivalents	\$ 985	\$ -	\$ 96	\$ 555	\$ 210	\$ 46	\$ 7	\$ 217
Investments	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 985</u>	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 555</u>	<u>\$ 210</u>	<u>\$ 46</u>	<u>\$ 7</u>	<u>\$ 217</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 7	\$ -	\$ -	\$ 330	\$ 2	\$ 4	\$ -	\$ 3
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	113	-	-	-	-
Total Liabilities	<u>7</u>	<u>-</u>	<u>-</u>	<u>443</u>	<u>2</u>	<u>4</u>	<u>-</u>	<u>3</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-
Unavailable Revenue - Receivables	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	96	-	-	-	-	-
Committed	978	-	-	112	208	42	7	214
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>978</u>	<u>-</u>	<u>96</u>	<u>112</u>	<u>208</u>	<u>42</u>	<u>7</u>	<u>214</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 985</u>	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 555</u>	<u>\$ 210</u>	<u>\$ 46</u>	<u>\$ 7</u>	<u>\$ 217</u>

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

	Special Revenue						
	Turf Field	CDBG	Brownfield	Board of Education Scholarship	Sewer Assessments	Barnes Museum	Student Activity Fund
ASSETS							
Cash and Cash Equivalents	\$ 305	\$ 39	\$ -	\$ 502	\$ 398	\$ 16	\$ 711
Investments	-	-	-	-	-	-	134
Accounts Receivable	-	-	30	-	970	-	-
Due from Other Funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total Assets	<u>\$ 305</u>	<u>\$ 39</u>	<u>\$ 30</u>	<u>\$ 502</u>	<u>\$ 1,368</u>	<u>\$ 16</u>	<u>\$ 845</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ -
Due to Other Funds	-	-	30	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	-	-	30	-	13	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	-	-	-	-	969	-	-
Unavailable Revenue - Receivables	-	-	30	-	-	-	-
Total Deferred Inflows of Resources	-	-	30	-	969	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	39	-	502	-	-	845
Committed	305	-	-	-	386	16	-
Unassigned	-	-	(30)	-	-	-	-
Total Fund Balances	<u>305</u>	<u>39</u>	<u>(30)</u>	<u>502</u>	<u>386</u>	<u>16</u>	<u>845</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 305</u>	<u>\$ 39</u>	<u>\$ 30</u>	<u>\$ 502</u>	<u>\$ 1,368</u>	<u>\$ 16</u>	<u>\$ 845</u>

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

	Permanent Fund						Total Nonmajor Governmental Funds
	Special Revenue Subtotal	Edna Woodruff	Addin Lewis	Julia Bradley Library	Total	Interfund Elimination	
ASSETS							
Cash and Cash Equivalents	\$ 8,464	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ 8,465
Investments	134	2	7	-	9	-	143
Accounts Receivable	2,335	-	-	-	-	-	2,335
Due from Other Funds	-	-	-	-	-	-	-
Inventories	44	-	-	-	-	-	44
Total Assets	<u>\$ 10,977</u>	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10,987</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 866
Due to Other Funds	394	-	-	-	-	-	394
Unearned Revenue	224	-	-	-	-	-	224
Total Liabilities	<u>1,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	969	-	-	-	-	-	969
Unavailable Revenue - Receivables	62	-	-	-	-	-	62
Total Deferred Inflows of Resources	<u>1,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>
FUND BALANCES							
Nonspendable	44	2	7	1	10	-	54
Restricted	3,861	-	-	-	-	-	3,861
Committed	4,587	-	-	-	-	-	4,587
Unassigned	(30)	-	-	-	-	-	(30)
Total Fund Balances	<u>8,462</u>	<u>2</u>	<u>7</u>	<u>1</u>	<u>10</u>	<u>-</u>	<u>8,472</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,977</u>	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10,987</u>

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

	Special Revenue						
	Cafeteria	Animal Control	Police Auction	Refuse	Police Special Duty	Apple Harvest Festival	Police Forfeiture
REVENUES							
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,860	-	-	-	-	39	-
Charges for Services	757	11	-	2,690	3,117	246	-
Income on Investments	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-
Total Revenues	3,617	11	-	2,690	3,117	285	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	273	-	-	2,816	-	(3)
Public Works	-	-	-	2,690	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	259	-
Public Library	-	-	-	-	-	-	-
Education	2,928	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	2,928	273	-	2,690	2,816	259	(3)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	689	(262)	-	-	301	26	3
OTHER FINANCING SOURCES							
Transfers In	-	274	-	-	-	-	-
Transfers Out	-	-	-	-	(307)	-	-
Premium on General Obligation Bonds	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	274	-	-	(307)	-	-
NET CHANGE IN FUND BALANCES	689	12	-	-	(6)	26	3
Fund Balances - Beginning of Year	1,734	27	7	1	2,049	193	7
FUND BALANCES - END OF YEAR	\$ 2,423	\$ 39	\$ 7	\$ 1	\$ 2,043	\$ 219	\$ 10

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

	Special Revenue							
	Town Special Revenue	Child Development Center	Library Trust	Excavation Permit	Community Services	Drive-In Theatre	Barnes Museum Restoration	Recreation Programs
REVENUES								
Contributions	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	399	416	3	-	72	-	-	-
Charges for Services	141	-	10	91	-	93	-	157
Income on Investments	-	-	-	-	-	-	-	-
Other Revenue	115	-	-	-	-	-	-	-
Total Revenues	660	416	13	91	72	93	-	157
EXPENDITURES								
Current:								
General Government	176	-	-	-	-	-	-	-
Public Safety	121	-	-	-	-	-	-	-
Public Works	21	-	-	83	-	-	-	-
Health and Welfare	11	-	-	-	-	-	-	-
Human Services	92	-	-	-	105	-	-	-
Parks and Recreation	18	-	-	-	-	101	-	133
Public Library	-	-	10	-	-	-	-	-
Education	-	416	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	439	416	10	83	105	101	-	133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	221	-	3	8	(33)	(8)	-	24
OTHER FINANCING SOURCES								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Premium on General Obligation Bonds	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	221	-	3	8	(33)	(8)	-	24
Fund Balances - Beginning of Year	757	-	93	104	241	50	7	190
FUND BALANCES - END OF YEAR	\$ 978	\$ -	\$ 96	\$ 112	\$ 208	\$ 42	\$ 7	\$ 214

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

	Special Revenue						
	Turf Field	CDBG	Brownfield	Board of Education Scholarship	Sewer Assessment	Barnes Museum	Student Activity Fund
REVENUES							
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25	-	170	35	-	14	-
Charges for Services	5	18	-	-	13	-	1,224
Income on Investments	-	-	-	1	7	-	-
Other Revenue	-	-	-	-	-	-	-
Total Revenues	30	18	170	36	20	14	1,224
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	103	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Parks and Recreation	4	-	-	-	-	-	-
Public Library	-	-	-	-	-	10	-
Education	-	-	-	45	-	-	1,088
Debt Service	-	-	-	-	71	-	-
Total Expenditures	4	-	103	45	71	10	1,088
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26	18	67	(9)	(51)	4	136
OTHER FINANCING SOURCES							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Premium on General Obligation Bonds	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	26	18	67	(9)	(51)	4	136
Fund Balances - Beginning of Year	279	21	(97)	511	437	12	709
FUND BALANCES - END OF YEAR	<u>\$ 305</u>	<u>\$ 39</u>	<u>\$ (30)</u>	<u>\$ 502</u>	<u>\$ 386</u>	<u>\$ 16</u>	<u>\$ 845</u>

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

	Permanent Funds						Total Nonmajor Governmental Funds
	Special Revenue Subtotal	Edna Woodruff	Addin Lewis	Julia Bradley Library	Total	Interfund Eliminations	
REVENUES							
Contributions	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
Intergovernmental	4,033	-	-	-	-	-	4,033
Charges for Services	8,573	-	-	-	-	-	8,573
Income (Loss) on Investments	8	-	(1)	-	(1)	-	7
Other Revenue	115	-	-	-	-	-	115
Total Revenues	12,734	-	(1)	-	(1)	-	12,733
EXPENDITURES							
Current:							
General Government	176	-	-	-	-	-	176
Public Safety	3,207	-	-	-	-	-	3,207
Public Works	2,897	-	-	-	-	-	2,897
Health and Welfare	11	-	-	-	-	-	11
Human Services	197	-	-	-	-	-	197
Parks and Recreation	515	-	-	-	-	-	515
Public Library	20	-	-	-	-	-	20
Education	4,477	-	-	-	-	-	4,477
Debt Service	71	-	-	-	-	-	71
Total Expenditures	11,571	-	-	-	-	-	11,571
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,163	-	(1)	-	(1)	-	1,162
OTHER FINANCING SOURCES							
Transfers In	274	-	-	-	-	-	274
Transfers Out	(307)	-	-	-	-	-	(307)
Premium on General Obligation Bonds	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(33)	-	-	-	-	-	(33)
NET CHANGE IN FUND BALANCES	1,130	-	(1)	-	(1)	-	1,129
Fund Balances - Beginning of Year	7,332	2	8	1	11	-	7,343
FUND BALANCES - END OF YEAR	<u>\$ 8,462</u>	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 8,472</u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

This part of the Town of Southington, Connecticut's comprehensive annual 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.

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

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

TABLE 1

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

	Fiscal Year									
	2023	2022	2021 (4)	2020	2019	2018	2017 (3)	2016	2015	2014 (2)
Governmental Activities:										
Net Investment in Capital Assets	\$ 149,749	\$ 174,371	\$ 153,512	\$ 159,281	\$ 168,142	\$ 172,521	\$ 161,862	\$ 155,774	\$ 143,966	\$ 145,586
Restricted	3,871	20,920	1,597	662	625	726	758	758	705	712
Unrestricted	(36,065)	(56,026)	(34,280)	(35,662)	(25,058)	(19,188)	(11,226)	17,095	11,035	(7,624)
Total Governmental Activities Net Position	117,555	139,265	120,829	124,281	143,709	154,059	151,394	173,627	155,706	138,674
Business-Type Activities:										
Net Investment in Capital Assets	87,801	86,692	86,977	78,374	52,711	48,315	48,572	48,515	45,324	44,622
Unrestricted	7,650	863	9,539	9,457	9,010	7,260	5,835	4,333	2,193	1,242
Total Business-Type Activities Net Position	95,451	87,555	96,516	87,831	61,721	55,575	54,407	52,848	47,517	45,864
Primary Government:										
Net Investment in Capital Assets	237,550	261,063	240,489	237,655	220,853	220,836	210,434	204,289	189,290	190,208
Restricted	3,871	2,090	1,597	662	625	726	758	758	705	712
Unrestricted	(28,415)	(47,563)	(24,741)	(26,205)	(16,048)	(11,928)	(5,391)	21,428	13,228	(6,382)
Total Primary Government Net Position	<u>\$ 213,006</u>	<u>\$ 215,590</u>	<u>\$ 217,345</u>	<u>\$ 212,112</u>	<u>\$ 205,430</u>	<u>\$ 209,634</u>	<u>\$ 205,801</u>	<u>\$ 226,475</u>	<u>\$ 203,223</u>	<u>\$ 184,538</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
(2) Restated for GASB 68
(3) Restated for GASB 75
(4) Restated for GASB 84

TABLE 2

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 9,135	\$ 6,170	\$ 6,782	\$ 8,608	\$ 5,324	\$ 6,054	\$ 6,157	\$ 3,236	\$ 4,911	\$ 4,166
Public Safety	28,724	26,688	29,368	29,175	35,113	23,502	20,877	20,184	20,590	19,229
Public Works	16,979	15,231	14,837	14,265	10,912	11,659	10,155	15,777	12,828	13,553
Health and Welfare	939	877	823	807	782	790	775	749	804	812
Human Services	1,490	1,353	1,704	2,411	1,738	1,592	1,575	1,388	1,699	1,688
Parks and Recreation	1,359	1,224	837	1,134	1,110	3,506	2,540	2,073	2,468	2,230
Public Library	2,274	2,169	2,062	2,080	495	2,007	2,033	2,105	2,012	1,983
Planning and Development	1,789	1,664	1,589	1,492	2,949	1,460	1,425	1,454	1,399	1,252
Education	150,750	135,870	145,748	133,098	116,831	125,783	123,630	108,892	109,074	106,788
Interest on Long-Term Debt	1,248	2,636	2,503	2,361	3,144	2,887	3,026	2,830	2,954	2,474
Total Governmental Activities Expenses	214,687	193,882	206,253	195,431	178,398	179,240	172,193	158,688	158,739	154,175
Business-Type Activities:										
Sewer	8,214	8,811	8,451	7,794	6,187	5,804	6,091	5,162	5,500	5,441
Total Primary Government Expenses	222,901	202,693	214,704	203,225	184,585	185,044	178,284	163,850	164,239	159,616
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	1,987	2,367	2,256	1,552	1,579	1,707	1,712	2,269	2,394	1,926
Public Safety	3,378	3,180	3,273	2,747	2,316	2,004	1,721	1,887	1,234	1,463
Public Works	2,783	2,632	2,829	2,556	2,527	2,228	2,085	2,197	2,046	2,099
Education	3,938	3,253	2,259	2,424	2,474	2,358	2,304	2,281	2,139	2,358
Other	2,150	2,137	1,697	1,328	1,376	1,390	1,241	1,362	1,140	1,298
Operating Grants and Contributions	59,061	47,548	62,121	48,489	33,663	42,675	43,732	38,290	37,636	38,052
Capital Grants and Contributions	739	2,733	6,150	15,725	3,210	6,270	3,733	5,439	18,417	25,292
Total Governmental Activities Program Revenues	74,036	63,850	80,585	74,821	47,145	58,632	56,528	53,725	65,006	72,488
Business-Type Activities:										
Charges for Services	5,949	5,870	6,545	5,950	5,706	5,501	5,913	5,708	5,710	4,359
Capital Grants and Contributions	-	-	-	-	-	1,471	1,737	4,761	-	-
Total Business Activities Program Revenues	5,949	5,870	6,545	5,950	5,706	6,972	7,650	10,469	5,710	4,359
Total Primary Government Program Revenues	79,985	69,720	87,130	80,771	52,851	65,604	64,178	64,194	70,716	76,847

**TABLE 2
(CONTINUED)**

**TOWN OF SOUTHLINGTON, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NET EXPENSE										
Governmental Activities	\$ (140,651)	\$ (130,032)	\$ (125,668)	\$ (120,610)	\$ (131,253)	\$ (120,608)	\$ (115,665)	\$ (104,963)	\$ (93,733)	\$ (81,687)
Business-Type Activities	(2,265)	(2,941)	(1,906)	(1,844)	(481)	1,168	1,559	5,307	210	(1,082)
Total Primary Government Net Expense	(142,916)	(132,973)	(127,574)	(122,454)	(131,734)	(119,440)	(114,106)	(99,656)	(93,523)	(82,769)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	134,941	128,574	130,132	125,542	123,664	121,341	116,889	112,320	107,729	103,575
Grants and Contributions Not Restricted to Specific Purposes	2,672	1,803	1,384	1,388	1,074	1,318	2,353	1,509	1,626	1,621
Unrestricted Investment Earnings	2,489	470	48	1,890	1,903	1,049	592	521	351	337
Miscellaneous	230	371	552	316	-	-	236	1,525	-	-
Transfers	(2,561)	(1,580)	(10,591)	(27,954)	(5,738)	-	-	-	(1,250)	(301)
Total Governmental Activities	137,771	129,638	121,525	101,182	120,903	123,708	120,070	115,875	108,456	105,232
Business-Type Activities:										
Grants and Contributions	-	-	-	-	-	-	-	-	193	-
Transfers	2,561	1,580	10,591	27,954	5,738	-	-	-	1,250	301
Total Business-Type Activities	2,561	1,580	10,591	27,954	5,738	-	-	-	1,443	301
Total Primary Government	140,332	131,218	132,116	129,136	126,641	123,708	120,070	115,875	109,899	105,533
CHANGES IN NET POSITION										
Governmental Activities	(2,880)	(394)	(4,143)	(19,428)	(10,350)	3,100	4,405	10,912	14,723	23,545
Business-Type Activities	296	(1,361)	8,685	26,110	5,257	1,168	1,559	5,307	1,653	(781)
Total Primary Government	<u>\$ (2,584)</u>	<u>\$ (1,755)</u>	<u>\$ 4,542</u>	<u>\$ 6,682</u>	<u>\$ (5,093)</u>	<u>\$ 4,268</u>	<u>\$ 5,964</u>	<u>\$ 16,219</u>	<u>\$ 16,376</u>	<u>\$ 22,764</u>

Note:
(1) Schedule prepared on the accrual basis of accounting.

TABLE 3

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 48	\$ 41	\$ 49	\$ 34	\$ 27	\$ 25	\$ 36	\$ 33	\$ 56	\$ 64
Committed	-	-	-	-	-	-	67	146	-	-
Assigned	4,620	6,288	5,441	8,279	3,113	2,222	2,764	598	1,250	5,252
Unassigned	32,427	28,282	25,388	23,856	25,318	22,706	20,140	19,738	17,801	16,215
Total General Fund	<u>\$ 37,095</u>	<u>\$ 34,611</u>	<u>\$ 30,878</u>	<u>\$ 32,169</u>	<u>\$ 28,458</u>	<u>\$ 24,953</u>	<u>\$ 23,007</u>	<u>\$ 20,515</u>	<u>\$ 19,107</u>	<u>\$ 21,531</u>
All Other Governmental Funds:										
Nonspendable	\$ 54	\$ 52	\$ 51	\$ 52	\$ 46	\$ 33	\$ 57	\$ 84	\$ 662	\$ 661
Restricted	10,565	8,700	9,892	726	659	732	779	783	150	193
Committed	22,460	8,204	7,004	6,293	6,566	10,307	7,595	14,339	9,313	2,985
Unassigned	(30)	(10,810)	(2,753)	(23,973)	(995)	-	(904)	-	-	(8,864)
Total All Other Governmental Funds	<u>\$ 33,049</u>	<u>\$ 6,146</u>	<u>\$ 14,194</u>	<u>\$ (16,902)</u>	<u>\$ 6,276</u>	<u>\$ 11,072</u>	<u>\$ 7,527</u>	<u>\$ 15,206</u>	<u>\$ 10,125</u>	<u>\$ (5,025)</u>

Note:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 4

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes	\$ 134,585	\$ 131,124	\$ 127,996	\$ 125,730	\$ 123,664	\$ 121,792	\$ 117,575	\$ 111,979	\$ 108,052	\$ 103,597
Intergovernmental	59,348	55,435	49,710	55,198	45,291	42,408	49,460	44,087	55,298	62,599
Charges for Services	14,247	13,619	12,395	10,670	10,195	9,836	9,078	9,322	8,306	8,900
Income on Investments	2,489	470	48	1,891	1,837	1,047	593	520	350	336
Other Revenues	413	594	733	316	341	249	430	3,147	2,104	730
Total Revenues	211,082	201,242	190,882	193,805	181,328	175,332	177,136	169,055	174,110	176,162
EXPENDITURES										
General Government	4,799	5,413	4,545	4,268	4,146	4,208	4,350	4,553	4,125	3,838
Public Safety	17,915	24,550	17,485	16,538	15,461	15,187	14,741	14,210	13,799	13,385
Public Works	8,886	10,636	8,911	8,455	8,423	7,260	7,335	7,144	8,880	7,585
Health and Welfare	763	861	705	695	694	688	681	652	706	729
Human Resources	967	1,116	1,175	1,897	1,255	1,224	1,235	1,026	1,371	1,357
Parks and Recreation	961	999	471	782	873	1,919	1,945	2,289	1,900	1,554
Public Library	1,596	2,135	1,543	1,580	1,500	1,507	1,550	1,556	1,502	1,488
Planning and Development	1,231	1,632	1,128	1,070	1,077	1,036	1,032	1,037	1,009	916
Miscellaneous	133	-	47	65	-	-	47	-	-	1
Employee Fringe Benefits	12,337	-	10,173	9,922	9,042	9,007	9,645	9,519	9,345	8,829
Education	135,614	129,439	124,609	118,599	117,390	110,618	116,927	106,503	102,858	102,618
Debt Service:										
Principal	13,831	13,218	14,043	12,228	12,282	12,375	11,668	6,188	5,618	4,110
Interest	-	-	-	-	-	-	-	3,240	2,740	2,740
Capital Outlay	13,731	16,073	20,992	37,173	11,239	13,876	11,319	23,050	50,291	55,092
Total Expenditures	212,764	206,072	205,827	213,272	183,382	178,905	182,475	180,967	204,144	204,242
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,682)	(4,830)	(14,945)	(19,467)	(2,054)	(3,573)	(5,339)	(11,912)	(30,034)	(28,080)

TABLE 4
(CONTINUED)

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OTHER FINANCING SOURCES (USES)										
Refunding Bonds Issued	\$ -	\$ -	\$ 28,485	\$ -	\$ 6,825	\$ -	\$ -	\$ -	\$ 12,285	\$ 22,705
Premium on Refunding Bonds	-	-	1,683	-	473	-	-	-	977	-
Payment to Refunded Bond Escrow Agent	-	-	(27,967)	-	(7,203)	-	-	-	(13,125)	-
Premium on General Obligation Bonds	1,190	-	1,244	-	-	249	-	708	1,514	-
Premium on BANS	-	-	-	-	-	-	-	-	1,459	-
Issuance of Notes Payable	12,163	-	22,000	-	-	-	-	-	-	-
Issuance of Capital Leases	-	515	819	-	668	-	106	493	12,730	720
Issuance of Debt to the Southington Water Company	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	17,450	-	15,505	-	-	8,815	-	17,200	26,920	-
Transfers In	4,851	4,721	6,417	4,868	3,634	5,974	3,029	3,934	6,520	3,579
Transfers Out	(4,608)	(4,721)	(6,417)	(4,868)	(3,634)	(5,974)	(3,030)	(3,934)	(6,520)	(3,579)
Total Other Financing Sources	<u>31,046</u>	<u>515</u>	<u>41,769</u>	<u>-</u>	<u>763</u>	<u>9,064</u>	<u>105</u>	<u>18,401</u>	<u>42,760</u>	<u>23,425</u>
NET CHANGE IN FUND BALANCES	<u>\$ 29,364</u>	<u>\$ (4,315)</u>	<u>\$ 26,824</u>	<u>\$ (19,467)</u>	<u>\$ (1,291)</u>	<u>\$ 5,491</u>	<u>\$ (5,234)</u>	<u>\$ 6,489</u>	<u>\$ 12,726</u>	<u>\$ (4,655)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.71%</u>	<u>6.82%</u>	<u>7.23%</u>	<u>6.08%</u>	<u>7.23%</u>	<u>7.07%</u>	<u>6.82%</u>	<u>6.09%</u>	<u>5.21%</u>	<u>4.51%</u>

Note:

(1) Schedule prepared on the modified accrual basis of accounting.

TABLE 5

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

Fiscal Year	Grand List October 1,	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial	Industrial							
2023	2021	\$ 3,124,998	\$ 580,725	\$ 83,954	\$ 401,643	\$ 523,328	\$ 127,728	\$ 4,586,920	29.13	\$ 6,552,743	70 %
2022	2020	3,085,740	586,111	83,654	385,760	418,556	122,891	4,436,930	29.03	6,338,471	70
2021	2019	2,931,863	500,635	77,344	371,604	388,833	112,937	4,157,342	30.63	5,939,060	70
2020	2018	2,906,352	491,236	76,328	336,395	374,861	116,658	4,068,514	30.64	5,812,163	70
2019	2017	2,881,765	481,520	77,872	322,621	368,701	123,538	4,008,941	30.48	5,727,059	70
2018	2016	2,858,882	471,482	75,008	274,374	382,027	115,956	3,945,817	30.48	5,636,881	70
2017	2015	2,831,638	471,552	74,021	261,499	378,093	114,693	3,902,110	29.64	5,574,443	70
2016	2014	2,796,733	435,085	75,121	251,893	371,506	101,621	3,828,717	29.14	5,469,596	70
2015	2013	2,759,577	442,336	75,308	232,433	362,332	98,209	3,773,777	28.36	5,391,110	70
2014	2012	2,734,920	431,662	75,335	225,953	349,378	85,603	3,731,645	27.46	5,330,921	70

Source: Town of Southington Office of Tax Assessor

Notes:

- (1) There is no overlapping taxable property.
(2) Does not include supplemental motor vehicle taxes.

TABLE 6

**TOWN OF SOUTHLINGTON, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
2023 AND 2014
(IN THOUSANDS)**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Eversource (Connecticut Light & Power Co.)	\$ 147,042	1	3.21 %	\$ 62,255	1	1.67 %
Yankee Gas	29,828	2	0.65	15,155	2	0.41
45 Newell Street (Yarde Metals)	20,313	3	0.44	14,420	3	0.39
RK Southington LLC (Galileo Queens Plaza LLC)	12,206	4	0.27	10,846	6	0.29
Target Corporation	11,794	5	0.26	11,570	4	0.31
Southington Route 10 Associates	11,485	6	0.25	9,361	9	0.25
Execsouth KKF LLC (Lowes)	11,007	7	0.24	10,681	7	0.29
Olson Murial et al (Wal-Mart Plaza)	9,562	8	0.21	-	-	-
Briad Lodging Group	8,989	9	0.20	-	-	-
Executive Two Hundred LLC	8,547	10	0.19	-	-	-
Twinco Corp (BJS)	-		-	10,010	8	0.27
200 Executive Park (formerly Lexington Southington LP)	-		-	10,942	5	0.29
Hartconn Corporation	-		-	9,082	10	0.24
Total	<u>\$ 270,773</u>		<u>5.90 %</u>	<u>\$ 164,322</u>		<u>4.40 %</u>

Net Taxable Grand List 10/01/2021 of \$4,586,920
Net Taxable Grand List 10/01/2011 of \$3,731,645
(in thousands)

Source: Town of Southington, Office of Tax Assessor

TABLE 7

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

Fiscal Year Ended June 30,	Grand List October 1,	Tax Rate In Mills	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected Within the Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2023	2021	29.13	\$ 134,402	\$ -	\$ 134,402	\$ 132,918	98.90 %	\$ -	\$ 132,918	98.90 %
2022	2020	29.03	129,959	138	129,821	128,682	99.02	619	129,301	99.60
2021	2019	30.63	127,912	142	127,770	126,660	99.02	768	127,428	99.73
2020	2018	30.64	125,629	247	125,382	124,330	98.97	929	125,259	99.90
2019	2017	30.48	123,101	211	122,890	121,881	99.01	919	122,800	99.93
2018	2016	30.48	120,887	152	120,735	119,709	99.03	964	120,673	99.95
2017	2015	29.64	116,198	130	116,068	114,908	98.89	1,124	116,032	99.97
2016	2014	29.14	111,851	131	111,720	110,580	98.86	1,125	111,705	99.99
2015	2013	28.36	107,104	152	106,952	105,860	98.84	1,084	106,944	99.99
2014	2012	27.46	102,717	153	102,564	101,433	98.75	1,125	102,558	99.99

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

TABLE 8

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

Fiscal Year	Governmental Activities						Bonded Debt Percentage of Actual Taxable Value	Total Debt Percentage of Actual Taxable Value	Total Debt Percentage of Personal Income	Bonded Debt Per Capita	Total Debt Per Capita
	General Obligation Bonds	Unamortized Bond Premium	Southington Water Co. Bonds	Clean Water Fund Loan	Leases	Total Primary Government					
2023	\$ 88,776	\$ 4,186	\$ 6,704	\$ 30,283	\$ 8,636	\$ 138,585	1.52 %	2.11 %	6.14 %	\$ 2,278	\$ 3,167
2022	79,301	3,726	7,349	20,075	10,192	120,643	1.43	1.90	5.76	2,078	2,773
2021	87,377	4,573	8,308	21,175	9,878	131,311	1.69	2.21	6.66	2,308	3,022
2020	77,770	3,401	4,705	5,684	10,287	101,847	1.48	1.75	5.12	1,959	2,323
2019	86,565	3,754	5,335	6,252	11,375	113,281	1.67	1.98	5.87	2,184	2,586
2018	95,040	3,819	6,030	6,822	11,525	123,236	1.86	2.19	6.68	2,391	2,810
2017	94,775	3,935	6,670	7,390	12,338	125,108	1.89	2.24	6.97	2,412	2,864
2016	102,355	4,300	7,310	7,957	13,258	135,180	2.08	2.47	7.82	2,601	3,085
2015	90,860	4,404	7,950	8,526	13,597	125,337	1.91	2.32	7.27	2,356	2,861
2014	69,295	1,594	8,725	9,094	1,120	89,828	1.49	1.69	5.43	1,823	2,057

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

* Town has implemented GASB 87 *Leases* in FY2022.

TOWN OF SOUTHTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2023
(IN THOUSANDS)

Total Tax Collections (Including Interest and Lien Fees) Received by Treasurer for Prior Fiscal Year					\$ 130,725
Reimbursement for Loss of Revenue:					
Tax Relief for Elderly - Freeze					-
Base					<u>\$ 130,725</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 294,131	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	588,263	-	-	-
3-3/4 Times Base	-	-	490,219	-	-
3-1/4 Times Base	-	-	-	424,856	-
3 Times Base	-	-	-	-	392,175
Total Debt Limitation	<u>294,131</u>	<u>588,263</u>	<u>490,219</u>	<u>424,856</u>	<u>392,175</u>
Indebtedness:					
Bonds Payable	39,995	39,973	8,808	-	-
Bonds Authorized - Unissued	14,160	10,310	250	-	-
Clean Water Fund Loan	-	-	30,283	-	-
Total Indebtedness	<u>54,155</u>	<u>50,283</u>	<u>39,341</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 239,976</u>	<u>\$ 537,980</u>	<u>\$ 450,878</u>	<u>\$ 424,856</u>	<u>\$ 392,175</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation of \$915.07 million.

Note 2: In accordance with Connecticut General Statutes, the above indebtedness does not include water bonds.

Note 3: Bonds authorized - unissued includes bond authorizations that have bond anticipation notes outstanding or have previously issued partial permanent financing.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limitation	\$ 915,075	\$ 895,489	\$ 884,562	\$ 865,921	\$ 851,704	\$ 821,905	\$ 821,905	\$ 784,448	\$ 756,147	\$ 724,535
Total Net Debt Applicable to Limit	143,779	158,252	140,818	149,386	146,317	151,247	158,990	141,415	137,996	140,068
Legal Debt Margin	<u>\$ 771,296</u>	<u>\$ 737,237</u>	<u>\$ 743,744</u>	<u>\$ 716,535</u>	<u>\$ 705,387</u>	<u>\$ 670,658</u>	<u>\$ 662,915</u>	<u>\$ 643,033</u>	<u>\$ 618,151</u>	<u>\$ 584,467</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>15.71%</u>	<u>17.67%</u>	<u>15.92%</u>	<u>17.25%</u>	<u>17.18%</u>	<u>18.40%</u>	<u>19.34%</u>	<u>18.03%</u>	<u>18.25%</u>	<u>19.33%</u>

Note: See Table 9 for calculation of current year debt limitation

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

TABLE 11

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

Calendar Year	Population (1)	Per Capita Income (2)	Personal Income (3)	Median Age (4)	Public School Enrollment (5)	Unemployment Rate (6)
2023	43,753	\$ 51,581	\$ 2,256,823,493	45.0	6,244	3.30 %
2022	43,500	48,146	2,094,351,000	45.3	6,236	3.60
2021	43,447	45,539	1,970,712,473	45.3	6,228	4.90
2020	43,834	45,359	1,988,266,406	45.0	6,298	6.50
2019	43,807	44,026	1,928,646,982	45.0	6,352	3.10
2018	43,863	42,029	1,843,518,027	45.0	6,461	3.50
2017	43,685	41,087	1,794,885,595	45.0	6,540	4.00
2016	43,817	39,430	1,727,704,310	45.0	6,544	4.20
2015	43,815	39,373	1,725,127,995	44.0	6,589	4.60
2014	43,661	37,876	1,653,704,036	44.0	6,666	5.50

Source:

(1) State of Connecticut Department of Public Health as of July 1st of Prior Year.

(2) U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates.

(3) Personal Income = Population times Per Capita Personal Income.

(4) Connecticut Economic Resource Center (CERC), Town Profiles

(5) Town of Southington, Board of Education.

(6) State of Connecticut Department of Labor website Annual Averages. For 2022, June 2022 is utilized as an estimate. Next year it will be replaced with the Annual Average.

TABLE 12

**TOWN OF SOUTHLINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
2023 AND 2014**

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Southington	Municipality	1,392	1	5.59 %	1,246	1	5.06 %
Hartford Health Care	Health Care	1,012	2	4.07	-	-	-
Webster Bank	Banking	770	3	3.09	-	-	-
Southington YMCA	Health Care	539	4	2.17	-	-	-
ICU Medical (formerly Smith's Medical)	Manufacturing	380	5	1.53	-	-	-
Connecticut On-Line Computer Company	IT	353	6	1.42	315	3	1.28
Yarde Metals	Manufacturing	306	7	1.23	375	2	1.52
Mr Southington	Entertaining	250	8	1.00	-	-	-
The Home Depot	Retail Chain	240	9	0.96	267	5	1.08
Target	Retail Chain	210	10	0.84	-	-	-
Southington Care Center	Health Care Practice	-	-	-	310	4	1.26
Smith's Medical (Medex)	Manufacturing	-	-	-	245	6	0.99
Shop Rite	Retail Chain	-	-	-	190	8	0.77
Stop & Shop	Retail Chain	-	-	-	182	9	0.74
Hospital of Central CT - Bradley Hospital	Hospital	-	-	-	215	4	0.87
Wal-Mart	Retail Chain	-	-	-	180	10	0.73
Total		<u>5,452</u>		<u>21.90 %</u>	<u>3,525</u>		<u>14.31 %</u>
Paragon Medical	Manufacturing						
	FY 2014 Labor Force	24,639					
	FY 2023 Labor Force	24,890					

Source: Town of Southington, Economic Development Office
Connecticut Department of Labor

TABLE 13

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	61	60	61	62	62	65	65	65	65	64
Police	91	91	89	87	87	87	87	85	85	82
Fire	39	37	36	36	36	34	34	34	34	34
Public Works ⁽¹⁾	36	36	35	34	34	25	25	25	26	26
Parks and Recreation ⁽¹⁾	2	2	2	2	2	11	12	12	12	12
Library and Barnes	21	20	20	20	20	20	20	20	20	20
Education	1,127	1,127	1,145	1,080	1,074	1,070	1,056	1,040	1,033	995
Animal Control	2	2	2	2	2	2	2	2	2	2
Sewer Plant and Office	13	13	13	13	13	13	13	13	9	12
Total	<u>1,392</u>	<u>1,388</u>	<u>1,403</u>	<u>1,336</u>	<u>1,330</u>	<u>1,327</u>	<u>1,314</u>	<u>1,296</u>	<u>1,285</u>	<u>1,246</u>

Notes:

(1) Beginning FY 2019, Public Works includes Highway and Parks. Recreation is now a standalone function/program.

Source: Town of Southington Finance Department and Board of Education records.
Town utilized Department of Labor reports as of June 30th.

TABLE 14

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Building Permits Issued	1,193	1,168	1,320	1,300	1,496	1,327	1,016	1,392	1,301	1,162
Police:										
Physical Arrests	762	632	555	630	675	843	779	857	1,082	932
Parking Violations	79	79	29	242	368	558	477	209	246	172
Traffic Violations	8,265	3,938	2,347	3,316	6,564	8,024	5,859	4,680	5,611	6,963
Fire:										
Emergency Responses and Fire Calls	2,579	2,498	2,153	2,334	2,292	2,311	2,207	1,996	2,154	1,942
Inspections	839	788	732	823	908	526	509	552	593	502
Refuse Collection:										
Average Refuse Collected (Tons Per Day)	159	156	170	158	153	139	130	132	124	128
Average Recyclables Collected (Tons Per Day)	-	-	-	-	9	15	16	14	13	12
Other Public Works:										
Street Resurfacing (Miles)	5	3	4	5	6	16	7	18	14	8
Library:										
Total Volumes Loaned and Combined Lending	302,504	290,284	247,441	287,408	380,288	336,427	323,093	389,811	421,881	482,528
Water:										
New Connections	72	53	135	158	59	107	84	69	102	83
Average Daily Consumption (Thousands of Gallons)	3,314	3,837	3,461	4,655	3,569	3,500	3,837	4,053	3,775	3,752
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	4,260	4,310	4,450	4,990	4,790	4,790	4,800	4,790	4,725	4,670

Source: Town of Southington ACFRs, Annual Reports, and department records.

TABLE 15

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	24	23	24	24	24	24	23	22	22	22
Fire Stations	4	4	4	4	4	4	4	4	4	4
Other Public Works:										
Streets (Miles)	206	206	206	205	204	204	203	203	202	201
Streetlights	3,909	3,909	3,907	3,907	3,897	3,875	3,870	3,866	3,865	3,796
Traffic Signals	10	10	10	10	10	10	10	10	10	9
Parks and Recreation:										
Acreage	527	527	527	351	351	351	351	351	351	351
Parks	11	11	11	10	10	10	10	10	10	10
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Water:										
Water Mains (Miles) (1)	206	205	212	256	255	202	201	200	200	200
Fire Hydrants	1,496	1,492	1,496	1,492	1,486	1,481	1,451	1,426	1,425	1,416
Storage Capacity (Thousands of Gallons)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Wastewater:										
Storm Sewers (Miles)	144	144	144	144	143	143	142	142	141	141
Treatment Capacity (Thousands of Gallons)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

(1) Data changes as historical information is added to the Water Department's GIS mapping system.

Source: Town of Southington ACFRs, Annual Reports, and department records.