

FINAL OFFICIAL STATEMENT DATED MAY 23, 2023

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: S&P Global: "AA+"

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from the gross income of the owners thereof for Federal income tax purposes and will not be treated as a preference item for purposes of computing the Federal alternative minimum tax. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the Federal alternative minimum tax. See Appendix B – "Form of Opinion of Bond Counsel and Tax Matters" herein.



Town of Newington, Connecticut

\$10,000,000

General Obligation Bonds, Issue of 2023

Dated: Date of Delivery

Due: Serially, June 1, 2024-2043

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2024	\$ 500,000	5.000%	3.250%	651469RJ9	2034*	\$ 500,000	4.000%	2.850%	651469RU4
2025	500,000	5.000%	3.030%	651469RK6	2035*	500,000	4.000%	3.050%	651469RV2
2026	500,000	5.000%	2.850%	651469RL4	2036*	500,000	4.000%	3.250%	651469RW0
2027	500,000	5.000%	2.720%	651469RM2	2037*	500,000	4.000%	3.450%	651469RX8
2028	500,000	5.000%	2.670%	651469RN0	2038*	500,000	4.000%	3.600%	651469RY6
2029	500,000	5.000%	2.620%	651469RP5	2039*	500,000	4.000%	3.800%	651469RZ3
2030	500,000	5.000%	2.560%	651469RQ3	2040*	500,000	4.000%	3.900%	651469SA7
2031*	500,000	5.000%	2.650%	651469RR1	2041*	500,000	4.000%	3.950%	651469SB5
2032*	500,000	5.000%	2.660%	651469RS9	2042	500,000	4.000%	4.000%	651469SC3
2033*	500,000	4.000%	2.800%	651469RT7	2043	500,000	4.000%	4.020%	651469SD1

* Priced assuming redemption on June 1, 2030; however, any such redemption is at the option of the Town.

ROOSEVELT & CROSS, INC. & ASSOCIATES

Interest on the Bonds will be payable on December 1, 2023 and semiannually thereafter on June 1 and December 1 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.

The Bonds will be general obligations of the Town of Newington, Connecticut, (the "Town"), and the Town will pledge its full faith and credit to pay the principal and interest on the Bonds when due. (See "Security and Remedies" herein.)

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC or its agent via "FAST" on or about June 7, 2023. The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank Trust Company, National Association.

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

No broker, dealer, salesman or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement or any earlier date as of which any information contained herein is given.

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

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Bond Issue Summary

The information in this Bond Issue Summary, and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, May 23, 2023 at 11:30 A.M. (Eastern Time).
Location of Sale:	Town Hall, 200 Garfield Street, Newington, Connecticut 06111.
Issuer:	Town of Newington, Connecticut (the “Town”).
Issue:	\$10,000,000 General Obligation Bonds, Issue of 2023 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	Interest due December 1, 2023 and semiannually thereafter on June 1 and December 1 in each year until maturity.
Principal Due:	Principal due serially, June 1, 2024 through June 1, 2043 as detailed on the cover of this Official Statement.
Purpose:	The Bond proceeds will be used to finance school renovations. (See “Use of Proceeds” herein.)
Redemption:	The Bonds are subject to redemption prior to maturity.
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated “AA+” by S&P Global. An application for a rating on the Bonds has not been made to any other rating agency.
Bond Insurance:	The Town does <u>NOT</u> expect to purchase a credit enhancement facility.
Tax Matters:	See Appendix B - “Form of Opinion of Bond Counsel and Tax Matters” herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data, notices of listed events and notices of failure to provide required information with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Certifying Agent and Paying Agent.
Municipal Advisor:	Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 will act as Municipal Advisor. Telephone: (203) 878-4945.
Legal Opinion:	Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about June 7, 2023. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning this Official Statement should be addressed to Janet Murphy, Director of Finance, Town Hall, 200 Garfield Street, Newington, Connecticut 06111, Telephone: (860) 665-8525 or Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

I. Bond Information

Introduction

This Official Statement, including the front and inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Newington, Connecticut (the "Town"), in connection with the original issuance and sale of \$10,000,000 General Obligation Bonds, Issue of 2023 (the "Bonds") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or acts of the Town contained herein do not purport to be complete, and are qualified in their entirety by reference to such laws, charters or acts. Such provisions of law are subject to repeal or amendment. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut. See Appendix B - "Form of Opinion of Bond Counsel and Tax Matters".

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

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

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

Global Health Emergency Risk

The COVID-19 Outbreak

The outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence of COVID-19 will not materially affect local, state, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town.

Federal Response to COVID-19

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan"). The Rescue Plan relief package includes, amongst other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State of Connecticut (the "State") and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds may be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State's K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

State Response to COVID-19

Governor Lamont also declared a state of emergency throughout the State of Connecticut and took steps to mitigate the spread and impacts of COVID-19. Public schools began to operate remotely and many businesses, with the exception of those deemed to be essential, were required to operate in a limited capacity, if not required to temporarily close altogether. Connecticut's COVID-19 vaccination plan commenced on December 14, 2020, and today the vaccine is widely available to all individuals aged 5 and over. As of February 28, 2022, the State has lifted nearly all restrictions put in place during the height of the pandemic. The State will continue to evaluate the need for additional restrictions on an on-going basis. For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

The extent to which COVID-19 impacts the State's operations and its financial condition will depend on future developments, which are uncertain and cannot be fully predicted with confidence at this time, including the duration of the outbreak, new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. There can be no assurances that the outbreak will not further materially adversely affect the financial condition of the State or the Town.

Impact of COVID-19 on the Town

To date, the Town has not experienced a material negative financial impact as a result of COVID-19. The Town collected 99.2% of its Fiscal Year 2022 General Fund levy, with 99.3% having been collected for Fiscal Year 2021 and 99.3% having been collected for Fiscal Year 2020.

As of March 31, 2023, the Town had collected approximately 98.54% of its Fiscal Year 2023 General Fund current levy, with 98.71% having been collected by the same time last year for Fiscal Year 2022.

The Town has received \$8,882,661 in federal funding as a result of the Rescue Plan. The Town is developing a plan for the use of such federal funds that focuses on infrastructure improvements and other initiatives that comply with the program eligibility criteria. Much of the funds have been designated for various projects. These projects include Town fiber-optics/broadband, drainage, small business assistance, first responder and emergency management incentives, human services assistance, public safety, and ambulances. Currently approximately half of the funds received by the Town have been designated for projects. Plans for the remainder of the funds will be determined within the next few months.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasingly extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town's operations and finances.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cybersecurity threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town's computers and computer servers are protected by such security software and firewalls. These security protection systems are continually evaluated for upgrades or replacements.

To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident, recovery from an earlier state for any enterprise application system is possible. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could negatively impact the Town's operations and financial condition and/or damage the Town's digital networks and systems. The costs of remedying any such damage could be substantial.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the Town with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

The Bonds are being offered for sale through public bidding. A Notice of Sale for the Bonds dated May 16, 2023, a copy of which appears as Appendix D, has been furnished to prospective bidders. Reference is made to the Notice of Sale for the Bonds for the terms and conditions of the bidding on the Bonds.

The Bonds will mature on June 1 in each of the years and in the principal amounts as set forth on the cover page of this Official Statement. The Bonds will be dated the date of delivery and will bear interest at the rate or rates per annum specified on the inside cover page of this Official Statement, payable on December 1, 2023 and semiannually thereafter on June 1 and December 1 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest is payable to the registered owners as of the close of business on the fifteenth day of May and November, or the preceding day if such fifteenth day is not a business day, in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank Trust Company, National Association, as Paying Agent.

Redemption Provisions

The Bonds maturing on or before June 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after June 1, 2030, at any time, either in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 1, 2030 and thereafter	100.0%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of any Bonds designated for redemption, at the address of such registered owner, as the same shall last appear on the registration books for the Bonds kept for such purposes. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be

redeemed, the interests to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or the Paying Agent.

Authorization and Purpose

Anna Reynolds Elementary School Renovations Project: The Bonds are being issued pursuant to an appropriation and bonding authorization approving an appropriation in the amount of \$35,500,000 and bonding in the amount of \$17,750,000 adopted at a referendum on November 2, 2021 for the purpose of financing costs related to certain building and infrastructure repairs, renovations, construction and improvements, and equipment acquisition, at the Anna Reynolds Elementary School.

Use of Proceeds

Project	Borrowing Authorization	This Issue: The Bonds
Anna Reynolds Elem. School Renovations ..	\$ 17,750,000	\$ 10,000,000
Total.....	\$ 17,750,000	\$ 10,000,000

Book-Entry-Only Transfer System

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such

other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Principal and interest on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

DTC Practices

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

Replacement Securities

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

Security and Remedies

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

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

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

Availability of Continuing Disclosure

The Town prepares, in accordance with State law, annual independent audited financial statements and files such annual reports with the State Office of Policy and Management.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of the SEC Rule 15c2-12(b)(5) (the “Rule”), (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds, and (iii) timely notice of the failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon it receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to the Rule. To its knowledge, the Town has not failed to comply, in any material respect, with its previous undertakings under such agreements in the past five years.

Ratings

The Bonds have been rated “AA+” by S&P Global. Such ratings reflect only the views of such organization and any explanation of the significance of such ratings should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There can be no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town’s outstanding bonds and/or notes, including the Bonds.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

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II. The Issuer



Connecticut

Description of the Municipality

The Town of Newington was first settled in 1678 and received its Charter from the State of Connecticut in 1871. The Town covers approximately 13.2 square miles and is located five miles southwest of the City of Hartford. Newington is geographically in the center of the State and is bordered by West Hartford, Farmington, New Britain, Berlin, Rocky Hill, Hartford and Wethersfield. Population as of the 2010 Census was 30,562, an increase of 4.3% since the 2000 Census.

Newington has U.S. Route 5/15 (Berlin Turnpike) as a main north-south highway from Hartford to New Haven, which intersects with Interstates 91 and 84 in Hartford. In addition, State Route 9 provides a north-south link from Interstate 84 in Farmington to I-95 in Old Saybrook. The Town is served by various motor common carriers, and interstate and intrastate buses.

Newington is primarily a residential community. Its ten largest taxpayers comprise 8.1% of the net taxable grand list and include a balanced mix of commercial, manufacturing and light industry. The Town has two municipal-sponsored and five privately owned industrial parks as well as three office parks. Principal industries include manufacture of airplane parts, milk processing, printing, dies, gauges, tools and plumbing supplies. The Berlin Turnpike serves as a major retail trade location within the Central Connecticut market area. The 4.5 miles of the Berlin Turnpike in Newington and the Town Center comprise the bulk of the commercial areas in Newington. See “Economic Condition and Outlook” herein for more information.

The Town maintains an extensive recreation system that includes two major public parks, a synthetic turf field, baseball fields, swimming pools, soccer fields, picnic grounds, and tennis courts. The Newington public school system with an enrollment of approximately 3,967 students consists of four elementary schools, two middle schools and a high school. Medical facilities include the Hartford Hospital-Newington Campus, Veteran’s Affairs Connecticut Health Care Facility, the Newington branch of the Grove Hill Clinic, Dialysis Center, and Newington Diagnostic Center. The Town also provides library services at the Lucy Robbins Welles Library.

Description of Government

Newington adopted the Council–Manager form of government in 1966. The Town Charter was most recently revised by vote of the electors on November 8, 2022, effective December 8, 2022.

The Town Council is the budget-making authority and the legislative body of the Town. The Town Council consists of eight Councilors and a Mayor who is the presiding officer of the Council. The Councilors and the Mayor each are elected at large for two-year terms. Minority representation is guaranteed in that no political party may have more than six members sitting on the Council. The Town Council appoints the Town Manager, who is the Chief Executive and Administrative Officer of the Town. The Town Manager is directly responsible to the Council for the supervision and administration of all Town departments, offices, agencies, boards and commissions, except those elected by the voters or appointed by the Council, Mayor, or a regional, State or Federal authority. The Mayor, elected separately, is a member and the presiding official of the Council with the power to vote. The Council appoints the Town’s auditor annually. The Board of Education consists of nine members who each are elected at large for two-year terms.

The Director of Finance is an appointee of the Town Manager and is responsible for the financial affairs of the Town, including supervision of the Assessor’s office and Revenue Collector’s office. Both the Assessor and the Revenue Collector are appointees of the Town Manager. The Assessor’s office locates, lists, and assesses real estate, personal property, and motor vehicles for the purpose of taxation. The Revenue Collector’s office bills, collects, processes, and deposits taxes, interest, and fees on all taxable property in Town. The Director of Finance serves as the Town Treasurer and oversees the Town’s bank deposits and trust funds. The Director of Finance signs all checks for payment with Town funds. The Superintendent signs all checks for the Board of Education. Town and Board of Education checks are countersigned by the Town Manager and the Director of Finance, respectively.

There are no overlapping taxing districts in Newington. The Town’s share of the Metropolitan District Commission sewer levy, which totals approximately \$4,858,150, is included in the Town’s 2022-23 General Fund budget.

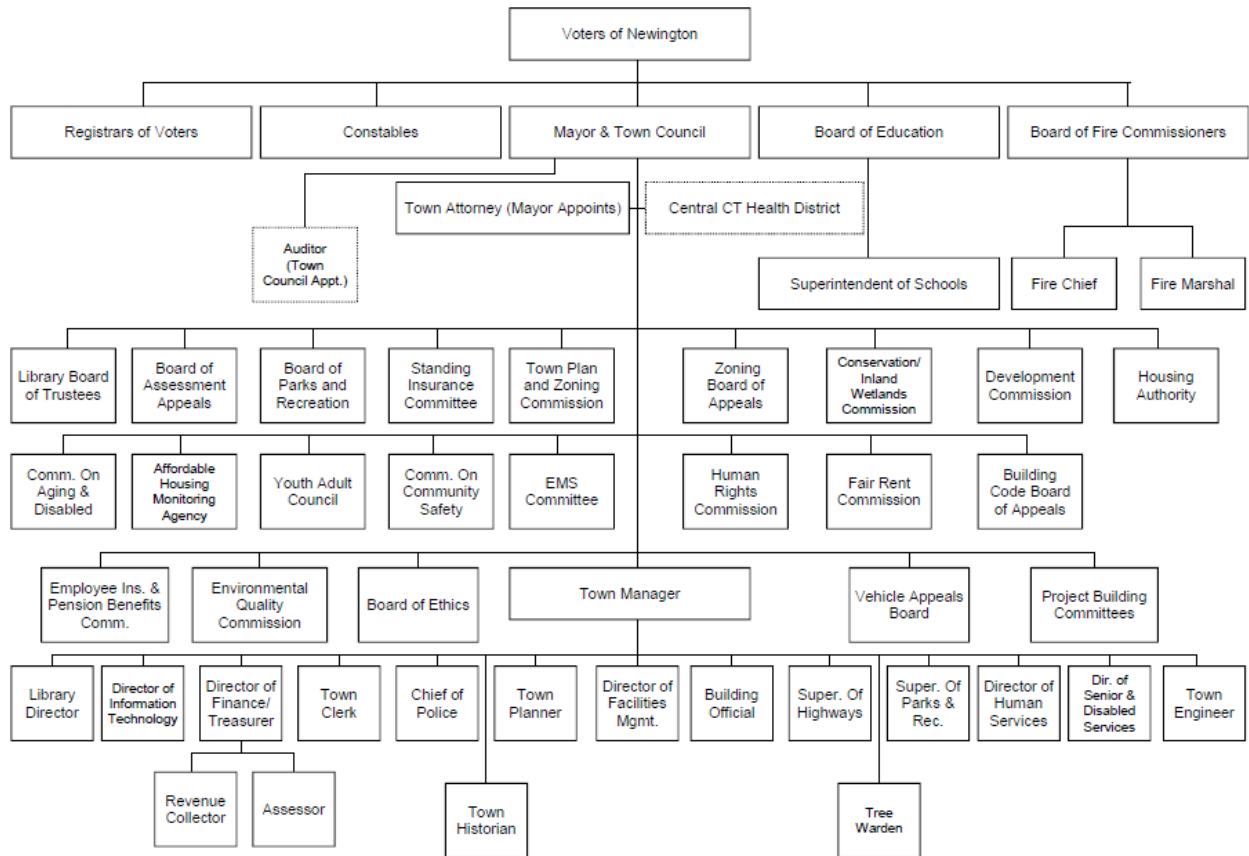
Principal Municipal Officials

Office	Name	Manner of Selection	Term	Length of Service
Town Council:				
Mayor.....	Beth DelBuono	Elected	2 years	12 years
Councilor.....	Mitch Page	Elected	2 years	2 years
Councilor.....	Timothy Manke	Elected	2 years	8 years
Councilor.....	Gail Budrejko	Elected	2 years	8 years
Councilor.....	Michael Camillo	Elected	2 years	4 years
Councilor.....	John Donahue	Elected	2 years	4 years
Councilor.....	David Nagel	Elected	2 years	4 years
Councilor.....	Kim Radda	Elected	2 years	2 years
Councilor.....	Carol Anest	Elected	2 years	< 1 year
Acting Town Manager.....	James Krupienski ¹	Appointed	Indefinite	< 1 year
Director of Finance/Treasurer....	Janet Murphy	Appointed	Indefinite	6 years
Revenue Collector.....	Corinne Aldinger	Appointed	Indefinite	17 years
Assessor.....	Fauna Eller	Appointed	Indefinite	1 years
Town Planner.....	Paul Dickson	Appointed	Indefinite	< 1 year
Town Clerk.....	James Krupienski	Appointed	Indefinite	7 years
Town Attorney.....	Ben Ancona	Appointed	Indefinite	8 years
Superintendent of Schools.....	Dr. Maureen Brummett	Appointed	Indefinite	4 years

¹ The Town is conducting a search for a permanent Town Manager and is expected to complete its search and hire a permanent Town Manager by July 1, 2023.

Source: Town of Newington

Organizational Chart



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Summary of Municipal Services

The Town provides the following municipal services as authorized by its Charter: public safety (police, fire, and emergency medical services), public works, solid waste disposal, sewer and water, public health, culture and recreation, library, education, and general administrative services.

Police: The Town police department has an authorized staff of 50 sworn personnel with an administrative and support staff consisting of the Chief and Assistant to the Chief. A fleet of 45 vehicles is maintained for police protection.

Fire: Fire protection is provided by the all-volunteer Newington Fire Department consisting of approximately 110 volunteer firefighters within four companies. Administrative matters are handled by the Fire Chief and four Deputy Chiefs, all of whom are part-time. The Town also employs one full-time fire marshal. Apparatus consists of pumpers, aerial ladder trucks, rescue vehicles, and brush trucks. A three-member elected board of commissioners acts as the policy-making body for the Fire Department.

Emergency Medical Services: The Newington Volunteer Ambulance Corps, which comprises 48 volunteers, provides emergency medical services to Town residents. It also holds the Primary Service Area paramedic services for the Town. The Corps has four ambulances and one mass-casualty van.

Public Works: The public works function includes the Highway and Engineering Departments with a combined full-time staff of 26 positions. The Town Engineer serves as the administrative and enforcement officer for the Conservation/Inland Wetlands Commission, which is the regulatory agency for inland/wetlands and watercourses within the Town. Through the Highway Department, the Town does all of its street construction and repair, with some in-place paving work outsourced under contract.

Solid Waste Disposal: The Town executed a contract with Murphy Road Recycling, effective July 1, 2022 for the disposal of its solid waste. The contract will remain in effect through June 30, 2026. The Town estimates delivering on an annual basis 10,518 tons of solid waste for processing at a rate of \$110.00 per ton. The annual rate will increase to \$115 per ton in years three and four of the contract.

The Town operates a municipal recycling center for scrap metal and waste motor oil. Curbside service is provided for recyclable materials. Leaves, brush and grass clippings may be disposed at the bulky waste landfill operated by the Town.

Sewer and Water: The Metropolitan District (“MDC”), a regional water and sewer utility, provides water and sewer facilities for the Town. The Town pays the sewer user charge. MDC assesses its eight member towns for residential sewer service annually using total tax revenues received in each town averaged over the previous three years in relation to the total of the member towns. Water consumers are invoiced directly by MDC on a quarterly basis. The Town’s share of the MDC’s sewer budget in 2022-23 totals \$4,858,150.

Health and Community Services: Effective July 1, 2006, the Town became a member of the Central Connecticut Health District (CCHD), which also includes the Towns of Berlin, Wethersfield and Rocky Hill. The district-wide services offered by CCHD include environmental health, community health, and emergency preparedness for the Town’s residents. The Newington Senior and Disabled Center (the “Center”), located in close proximity to Town Hall, is the first center in the State of Connecticut to be accredited by the National Institute of Senior Centers. It provides support to older adults and people with disabilities by enriching their independence, well-being and quality of life by promoting their inclusion in the community and facilitating access to a comprehensive choice of services and activities that respond to their diverse needs and interests. Working with other Town departments, state and community agencies, service providers and businesses, a wide array of services and programs are provided by the Center to more than 3,500 members. The staff of 18 full-time employees is assisted by more than 140 volunteers.

Culture and Recreation: The Newington Parks and Recreation Department is responsible for providing cultural programs, recreational activities and maintaining public grounds. The Recreation Division provides programs in seven programming areas: social, cultural, sports and fitness, aquatics, playgrounds, summer programs, and senior citizen programs. The Parks and Grounds Division is responsible for the aesthetic and functional maintenance of all parks, public grounds, and school grounds. Public swimming is available at the outdoor pools at Mill Pond and Churchill Parks and an indoor pool at the Newington High School. Municipal-owned and operated tennis courts are available at the Mill Pond and Churchill Parks. Town facilities are used for self-sponsored activities for Little League Baseball, Babe Ruth Baseball, and Midget Football. Recreation programs are financed by user fees accounted for in a Special Revenue Fund.

Library: The Lucy Robbins Welles Library, located across from the Town Hall, is one of the busiest and most used libraries in the state, with an estimated 250,000 patron visits annually. It has 14 full-time staff members with policy oversight by a 15-member Board of Trustees.

Education: The Town provides kindergarten through high school education. An elected nine-member Board of Education has the responsibility for the Town's seven schools. The primary function of the Board is to establish policy, set curriculum, submit budget requests, ensure appropriated funds for education are properly expended, and plan for facilities including construction and renovations.

Principal Public Facilities

Facility	Date Constructed	Additions and Major Renovations	Type of Construction
Town Hall	2020	--	Brick
Police Station	2005	-	Brick
Lucy Robbins Welles Library	1939	1988, 1998	Brick
Senior and Disabled Center	1950	1989	Brick
Newington Volunteer Fire Dept. Headquarters	1967	1988, 1989	Brick
Newington Volunteer Fire Dept. Co. 2	1977	2008	Brick
Newington Volunteer Fire Dept. Co. 3	1977	1998, 1999	Brick
Newington Volunteer Fire Dept. Co. 4	1954	-	Brick
Newington Volunteer Fire Dept. Co. 5	1929	1982	Brick
Highway Garage	1970	1985	Steel
Kellogg Eddy House	1804	1929, 1998	Wood frame
Kelsey House	1799	1980	Wood frame
Parks Garage	1976	2001	Concrete

Source: Town of Newington

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School Facilities

School	Grades	Date Constructed	Last Remodeled/ Code Improvements	Number of Classrooms	10/1/2022 Enrollment	Rated Capacity
Elizabeth Green.....	K-4	1924	1996/1999/2004	20	286	380
Anna Reynolds.....	K-4	1955	2000/2023 (WIP)	19	388	500
John Paterson.....	K-4	1962	2000	22	442	540
Ruth Chaffee.....	K-4	1953	1996/1999/2004	22	327	400
John Wallace.....	5-8	1973	2000/2014	33	586	858
Martin Kellogg.....	5-8	1958	2000/2013	29	555	792
Newington High....	9-12	1971	2000/2015	84	1,327	1,402
Total.....				229	3,911	4,872

Source: Town of Newington, Board of Education

School Enrollment ¹

School Year as of October 1	Historical			Special	Total
	K-4 ²	5-8	9-12	Education	
2013	1,490	1,294	1,361	54	4,199
2014	1,442	1,303	1,308	50	4,103
2015	1,426	1,294	1,264	46	4,030
2016	1,449	1,288	1,271	48	4,056
2017	1,410	1,306	1,287	49	4,052
2018	1,360	1,319	1,311	44	4,034
2019	1,407	1,288	1,302	55	4,052
2020	1,428	1,239	1,284	58	4,009
2021	1,409	1,181	1,309	48	3,947
2022	1,443	1,141	1,327	56	3,967
	Projected			Special	Total
School Year	K-4 ²	5-8	9-12	Education	
2023	1,444	1,141	1,328	52	3,965
2024	1,418	1,139	1,324	52	3,933
2025	1,435	1,152	1,290	52	3,929
2026	1,442	1,137	1,238	52	3,869
2027	1,455	1,169	1,181	52	3,857
2028	1,471	1,139	1,180	52	3,842

¹ Includes students from Open Choice Program which consists of K-12 students from neighboring towns.

² Includes Pre-K students.

Source: Town of Newington, Board of Education

Municipal Employees

The Town of Newington employs full-time and permanent part-time employees as shown below:

	2022	2021	2020	2019	2018
General Government.....	173	172	172	171	171
Board of Education ¹	543	528	512	507	508
Total.....	716	700	684	678	679

¹ Full-time Equivalent.

Source: Town of Newington

Municipal Employee Bargaining Organizations

	Positions Covered	Current Contract Expiration Date
Board of Education Groups		
Central Staff (AFSCME – Local 2930).....	100	6/30/2024
Teachers (Newington Teacher's Association).....	369	6/30/2024
NASA (Certified Administrators)	24	6/30/2026
School Nurses	10	6/30/2024
Certified Non-Instructional Administrators	4	06/30/2026
Total Unionized Board of Education Employees.....	507	
General Government		
Police (IBPO – Local 443).....	58	6/30/2026
Central Staff (AFSCME – Local 2930).....	67	6/30/2024
Total Unionized General Government Employees...	125	

Source: Town of Newington

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

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III. Demographic and Economic Data

Economic Condition and Outlook

Newington's October 1, 2022 Grand List increased by 0.88% over the prior year. This increase was primarily attributable to a significant increase in the Motor Vehicle and business Personal Property section of the Grand List which increased respectively by 9.74% or \$29,309,215 and 4.75% or \$9,217,252 from the prior year. Significant investment in personal property by Eversource was the major source of the increase in the Personal Property section of the Grand List. The Real Estate section of the 2022 Grand List totaled \$2,336,065,427 which is a decrease of \$13,365,223 or .57% less than the 2021 Grand List. This decrease was attributable to the settlement of various tax appeals relating to the just completed revaluation. The Motor Vehicle section of the 2022 Grand List totals \$330,311,961. The total number of motor vehicles being assessed was slightly higher than last year, and the average assessment of the vehicles on the list this year increased from \$11,033 to \$11,862 to reflect the increase in the cost of newer vehicles. The 2022 Grand List is subject to further adjustments by the Board of Assessment Appeals and any future court cases that may be filed. The Town continues to maintain a balanced mix of retail, manufacturing, and light industry and its top twenty-five assessments represented about 11.70% of the total assessed value on the October 1, 2022 Grand List. The Town's tax collection rate for the fiscal year ended June 30, 2022 was 99.22, a slight decrease from the rate achieved in the fiscal year ending June 30, 2021. Current year tax collections are similar to the same period of the previous year.

For fiscal year ending June 30, 2022 building permit activity generated \$64 million in construction value, representing an increase of approximately \$32 million from the prior year. The largest part of the construction was the building of a new hotel, Woodspring Suites at 712 Cedar Street, a commercial building at 203 Costello Road, an apartment complex on Pane Road, and a 36-unit apartment building at 550 Cedar Street. Other construction included the remodeling of several businesses including Forward Approach Physical Therapy, Montana Nights Axe Throwing, Courtyard at Marriott, and Cumberland Farms. Although Newington is limited in land for extensive housing development, residential building is still occurring at developments on Pane Road and is planned for the National Welding property. Building permits were issued for three residential units during the 2022 fiscal year.

Economic Development Initiatives

Economic development over the long term will enhance the Town financially through business recruitment and retention, resulting in an increase in the annual Grand List. Town officials are expected to begin exploring the creation of a redevelopment commission to address the redevelopment of vacant properties and corridors throughout the Town.

The Berlin Turnpike continues to be the Town's main retail corridor, attracting a dynamic and eclectic mix of big box, national and locally-owned stores and restaurants. New tenants routinely replace those at the end of their life cycles. Recent additions include New Meadow Commons, a commercial and residential development under construction; the recently opened car wash at 2530 Berlin Turnpike; and The Pike, a multi-family development on Pane & Maselli Road.

Newington's Town Center continues to prosper, offering affordable rents to more than one hundred businesses ranging from banks, restaurants, and health care, along with professional and personal services. Work has begun at the former Keeney Manufacturing building at 1170 Main Street, to renovate and convert the structure into a health-centric retail destination. The Town has been working with businesses to fund additional streetscape enhancements through State grants, most recently improvements to Hartford Ave and Main Street. Additional improvements to the New Britain Ave and Maple Hill Ave area are being considered. Land available in the Town Center for further development, along with redevelopment, has the potential to nearly double the size of the existing center while adding residential and new mixed-use options.

The Town is continuing to expand the regionalization of services with its neighboring towns. Currently, the Towns of Wethersfield and Newington utilize a shared Animal Control Officer program. This program is planned to expand this year to include the Town of Rocky Hill. Previously, the Town of Rocky Hill executed an Interlocal Agreement with Newington to purchase an Alamo Boom Mower for roadside trimming. Due to the challenges faced throughout the entire northeast, the Town has recognized that working with other municipalities and the State of Connecticut can derive benefits that could aid in expansion of its tax revenues and employment opportunities.

The Town's residential growth figures are expected to see significant increases over the next few years as residential development is completed at 550 Cedar Street consisting of 108 units (Cedar Point); 3333 Berlin Turnpike consisting of 269 units (Meadow Commons); 227 Pane Road and 253 Maselli Road consisting of 153 units (The Pike). The Town is expected to begin the inventorying and marketing of vacant Town property as a way to increase its Grand List. In efforts to enhance residential development, the elimination of blighted conditions is an important factor for Newington's current and future residents. The existence of blighted properties has a negative effect on the Town's economic development efforts. The Town Council has discussed directing the Blight Ordinance Subcommittee of the Council to review and possibly revise of the Town's blight ordinance which was adopted in 2016..

Industry remains a material component of Newington's economy, with an emphasis on aerospace manufacturing. Major aerospace manufacturing firms include GKN, EDAC, Beacon Industries and Reno Machine. Newington has created an Aerospace Academy program in its public schools to help supply a pipeline of qualified people for these high-value companies. In addition, Newington is home to the world headquarters of Data-Mail and the quarrying operations of Oldcastle's Tilcon division.

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Population and Density

Year	Population	% Increase (Decrease)	Density ²
1980	28,841	10.8	2,201.6
1990	29,208	1.3	2,229.6
2000	29,306	0.3	2,237.1
2010	30,562	4.3	2,333.0
2020	30,536	(0.1)	2,331.0
2021 ¹	30,493	(0.1)	2,327.7

¹ American Community Survey, 2017-2021.

² Per square mile: 13.1 square miles.

Source: U.S. Department of Commerce, Bureau of Census.

Age Distribution of the Population

	Town of Newington		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years.....	1,255	4.1%	182,122	5.1%
5 to 9 years.....	1,166	3.8	196,540	5.5
10 to 14 years.....	1,735	5.7	224,371	6.2
15 to 19 years.....	1,771	5.8	245,790	6.8
20 to 24 years.....	1,628	5.3	241,370	6.7
25 to 34 years.....	3,789	12.4	445,861	12.4
35 to 44 years.....	3,532	11.6	439,098	12.2
45 to 54 years.....	4,729	15.5	488,283	13.5
55 to 59 years.....	2,317	7.6	269,688	7.5
60 to 64 years.....	2,204	7.2	252,028	7.0
65 to 74 years.....	3,451	11.3	357,409	9.9
75 to 84 years.....	1,899	6.2	173,149	4.8
85 years and over.....	1,017	3.3	89,621	2.5
Total.....	30,493	100.0%	3,605,330	100.0%

2021 median age (years)..... 46.1 41.0

2010 median age (years)..... 43.7 39.8

Source: American Community Survey, 2017-2021.

U.S. Bureau of Census, 2010 Census.

Income Distribution

	Town of Newington		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	447	5.4%	23,811	2.6%
\$10,000 to \$14,999.....	129	1.6	14,243	1.6
\$15,000 to \$24,999.....	288	3.5	36,091	4.0
\$25,000 to \$34,999.....	107	1.3	44,586	4.9
\$35,000 to \$49,999.....	510	6.2	71,397	7.8
\$50,000 to \$74,999.....	1,089	13.3	123,873	13.6
\$75,000 to \$99,999.....	1,373	16.7	113,529	12.5
\$100,000 to \$149,999.....	1,875	22.8	188,052	20.7
\$150,000 to \$199,999.....	1,427	17.4	117,255	12.9
\$200,000 or more.....	969	11.8	177,169	19.5
Total.....	8,214	100.0%	910,006	100.0%

Source: American Community Survey, 2017-2021.

Income Levels

	Town of Newington	State of Connecticut
Per Capita Income, 2021.....	\$43,209	\$47,869
Per Capita Income, 2010.....	\$35,055	\$36,613
Median Family Income, 2021.....	\$103,429	\$106,441
Median Family Income, 2010.....	\$84,132	\$84,558
Median Household Income, 2021.....	\$90,314	\$83,572
Median Household Income, 2010.....	\$71,817	\$69,243

Source: American Community Survey, 2017-2021.

U.S. Bureau of Census, 2010 Census.

Educational Attainment

Years of School Completed – Age 25 and Over

	Town of Newington		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	824	3.6%	101,461	4.0%
9th to 12th grade, no diploma.....	983	4.3	123,560	4.9
High School graduate (includes equivalency)....	5,506	24.0	656,949	26.1
Some college, no degree.....	4,344	18.9	418,214	16.6
Associate's degree.....	2,335	10.2	194,987	7.8
Bachelor's degree.....	5,226	22.8	561,567	22.3
Graduate or professional degree.....	3,720	16.2	458,399	18.2
Total.....	22,938	100.0%	2,515,137	100.0%
Total high school graduate or higher (%)......	92.1%		91.1%	
Total bachelor's degree or higher (%)......	39.0%		40.6%	

Source: American Community Survey, 2017-2021.

Labor Force Data

Period	Town of Newington		Percentage Unemployed		
	Employed	Unemployed	Town of Newington	Hartford Labor Market	State of Connecticut
March 2023.....	16,318	642	3.8	4.2	4.3
Annual Average					
2022	16,484	601	3.5	4.1	4.1
2021	15,287	905	5.6	6.6	6.6
2020	16,192	1,145	6.6	7.0	7.3
2019	16,970	588	3.4	3.8	3.7
2018	16,859	646	3.7	4.2	4.2
2017	16,753	708	4.1	4.7	4.7
2016	16,516	791	4.3	5.2	5.1
2015	16,578	815	4.9	5.7	5.7
2014	16,022	938	5.5	6.6	6.6
2013	15,703	1,129	6.6	7.8	7.8

Source: State of Connecticut, Department of Labor.

Commute to Work

16 years of age and over

	Town of Newington		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone.....	13,268	80.3%	1,327,055	74.1%
Car pools.....	1,104	6.7	137,686	7.7
Using public transportation.....	227	1.4	68,957	3.8
Walked.....	95	0.6	47,482	2.6
Using other means.....	223	1.3	24,242	1.4
Worked at home.....	1,610	9.7	186,364	10.4
Total.....	16,527	100.0%	1,791,786	100.0%
Mean travel to work (minutes).....	20.7		26.5	

Source: American Community Survey, 2017-2021.

Employment by Industry

Sector	Town of Newington		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	-	0.0%	7,314	0.4%
Construction.....	676	4.0	113,665	6.2
Manufacturing.....	2,234	13.3	192,688	10.6
Wholesale trade.....	397	2.4	41,165	2.3
Retail trade.....	1,677	10.0	194,081	10.6
Transportation warehousing, and utilities.....	796	4.7	80,481	4.4
Information.....	233	1.4	36,259	2.0
Finance, insurance, real estate, and leasing...	1,715	10.2	164,657	9.0
Professional, scientific, management, administrative, and waste management.....	1,771	10.5	212,866	11.7
Education, health and social services.....	4,181	24.8	482,274	26.5
Arts, entertainment, recreation, accommodation and food services.....	1,534	9.1	148,835	8.2
Other services (except public admin.).....	816	4.8	82,217	4.5
Public Administration.....	818	4.9	66,493	3.6
Total Labor Force, Employed.....	16,848	100.0%	1,822,995	100.0%

Source: American Community Survey, 2017-2021.

Major Employers

The following are among the most significant employers in the Town of Newington:

Employer	Type of Business	Approximate Number of Employees ¹
Hartford Hospital-Newington Campus.....	Health Services	1,481
Town of Newington.....	Government	1,175
Connecticut Department of Transportation.....	Government	1,066
Data-Mail, Inc.....	Direct Mail Service	599
Stew Leonards.....	Grocery	266
Newington Rapid Recovery.....	Health Services	257
Veterans Administration Hospital.....	Health Services	240
C&S (formerly Davidson Company).....	Distributors	231
Walmart.....	Retail Trade	216
Target.....	Retail Trade	210

¹ Full-time equivalent.

Source: Town of Newington Economic Development

Age Distribution of Housing

Year Built	Town of Newington		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,069	8.1%	323,631	21.2%
1940 to 1969.....	6,335	47.9	528,583	34.6
1970 to 1979.....	2,437	18.4	206,448	13.5
1980 to 1989.....	1,374	10.4	191,539	12.5
1990 to 1999.....	1,021	7.7	118,124	7.7
2000 or 2009.....	990	7.5	157,946	10.3
2010 or later.....	-	-	768	0.1
Total Housing Units.....	13,226	100.0%	1,527,039	100.0%

Source: American Community Survey, 2017-2021.

Housing Inventory

Type	Town of Newington		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	8,282	62.6%	899,368	58.9%
1-unit, attached.....	1,737	13.1	90,010	5.9
2 units.....	275	2.1	122,509	8.0
3 or 4 units.....	783	5.9	127,995	8.4
5 to 9 units.....	702	5.3	79,520	5.2
10 to 19 units.....	882	6.7	54,673	3.6
20 or more units.....	557	4.2	141,189	9.2
Mobile home.....	8	0.1	11,240	0.7
Boat, RV, van, etc.....	-	-	535	0.0
Total Inventory.....	13,226	100.0%	1,527,039	100.0%

Source: American Community Survey, 2017-2021.

Housing Unit Vacancy Rates

Units	Town of Newington		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units.....	12,575	95.1%	1,397,324	91.5%
Vacant housing units.....	651	4.9%	129,715	8.5%
Total units.....	13,226	100.0%	1,527,039	100.0%
Homeowner vacancy rate.....	1.0%		1.3%	
Rental vacancy rate.....	5.9%		5.3%	

Source: American Community Survey, 2017-2021.

Owner-Occupied Housing Units

Specified Owner-Occupied Units	Town of Newington		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	91	0.9%	19,747	2.1%
\$50,000 to \$99,000.....	369	3.8	25,603	2.8
\$100,000 to \$149,999.....	700	7.1	68,932	7.4
\$150,000 to \$199,000.....	1,934	19.7	130,158	14.1
\$200,000 to \$299,999.....	4,605	47.0	250,981	27.1
\$300,000 to \$499,999.....	1,949	19.9	268,183	29.0
\$500,000 to \$999,999.....	114	1.2	117,839	12.7
\$1,000,000 or more.....	37	0.4	44,060	4.8
Total.....	9,799	100.0%	925,503	100.0%
Median Value.....	\$237,700		\$288,700	

Source: American Community Survey, 2017-2021.

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Number and Value of Building Permits

Fiscal Year	Residential		Comm./Industrial		Other/Exempt		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2023 ¹	8	\$ 15,622,535	6	\$ 28,669,504	1,667	\$ 44,076,715	1,681	\$ 88,368,754
2022	3	4,900,377	11	21,653,090	2,192	37,542,735	2,206	64,096,202
2021	10	2,106,450	4	2,449	2,302	30,065,557	2,316	32,174,456
2020	4	782,490	1	1,348,000	151	16,645,412	156	18,775,902
2019	1	150,000	3	1,265,000	1,861	49,029,935	1,865	50,444,935
2018	6	1,249,970	2	950,000	1,901	19,295,538	1,909	21,495,508
2017	16	3,501,053	3	1,429,774	1,817	23,025,013	1,836	27,955,840
2016	26	5,370,428	1	520,000	2,228	24,312,254	2,255	30,202,682
2015	21	5,062,020	2	1,500,000	2,006	23,696,566	2,029	30,258,586
2014	18	2,720,377	1	223,000	2,010	24,083,751	2,029	27,027,128

¹ As of 3/31/23.

Source: Town of Newington, Building Official

Breakdown of Land Use

Land Use Category	Acres as of	
	October 2022	Percent
<u>Developed:</u>		
Residential.....	2,993	43.4%
Commercial/Industrial/Utility.....	2,206	32.0%
Open Space.....	-	0.0%
Community Facilities/Institutional.....	-	0.0%
Roads/Utility/Rights of Way.....	-	0.0%
<u>Undeveloped:</u>		
Inland/Wetland and Flood hazards.....	-	0.0%
Non-residential vacant.....	1,087	15.8%
Residential vacant.....	611	8.9%
Total All Land.....	6,897	100.0%

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IV. Tax Base Data

Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real property, personal property and motor vehicles located within the Town as of October 1. Each year the Town's Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Real estate assessments are computed at seventy percent (70%) of the estimated market value at the time of the last revaluation. When conducting a revaluation generally accepted mass appraisal methods shall be used. A revaluation by physical or full inspection must be performed for real property once every ten years except in the event the Assessor obtains satisfactory verification of data listed on the Assessor's record for such property in which case a full inspection shall not be required. Pursuant to Section 12-62 of the Connecticut General Statutes, as amended, which statute governs the periodic revaluation of real property, revaluations of real property must be performed every five years. The Town's last revaluation was completed as of October 1, 2021, and became effective for the 2022-23 fiscal year. The Town's next revaluation will be October 1, 2026.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined for the structure with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically. Assessments for both personal property and motor vehicles are completed at 70% of the current fair market value.

Section 12-71e of the Connecticut General Statutes, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021 (fiscal year beginning July 1, 2022 and ending June 30, 2023) and each assessment year thereafter. Section 4-66l of the Connecticut General Statutes, as amended, establishes the municipal revenue sharing account which provides that sales tax revenue diverted to this fund shall mitigate the revenue loss attributed to the motor vehicle property tax cap.

The Town's motor vehicle tax rate for the current October 1, 2021 assessment year is 32.46 mills. Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ratio is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits.

Section 12-124a of the Connecticut General Statutes, as amended, permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. Section 12-170v of the Connecticut General Statutes permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

The Town has not approved the use of the 12-124a or 12-170v abatement provisions to date.

All State of Connecticut permitted veterans and elderly tax relief programs are utilized.

Property Tax Levy and Collection

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real property and personal property taxes are payable in two equal installments on July 1 and January 1 following the levy date, except that any taxes under \$500 are payable in one installment on July 1. Motor vehicle taxes are payable in one installment on July 1 following the levy date, although a 30-day grace period is provided. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Each year delinquent motor vehicle, real estate and personal property tax accounts are transferred to a suspense account when collection appears unlikely, at which time they cease to be carried as receivables. Tax accounts are deemed uncollectible 15 years after the due date in accordance with State statutes, at which time such accounts are transferred to a suspense account.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes that are deemed to be uncollectible.

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**Comparative Assessed Valuations
(\$ in thousands)**

Grand List As Of 10/1	Commercial Residential Real Property (%)	Commercial & Industrial Real Property (%)	Other Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List	Exemptions, Veterans Relief and Disabled	Net Taxable Grand List
2022	56.8	21.0	0.7	10.3	11.1	\$ 2,982,659	\$ 113,351	\$ 2,869,308
2021 ¹	57.2	21.9	0.6	10.1	10.2	2,957,084	112,938	2,844,146
2020	58.5	22.8	0.6	9.5	8.6	2,888,316	112,822	2,775,494
2019	59.9	21.1	0.6	9.8	8.6	2,774,712	117,464	2,657,248
2018	60.4	21.3	0.6	9.2	8.5	2,749,192	108,617	2,640,575
2017	60.7	21.6	0.6	8.8	8.3	2,729,468	105,059	2,624,409
2016 ¹	61.1	21.9	0.5	8.2	8.3	2,703,924	93,323	2,610,601
2015	60.1	22.3	0.8	7.9	8.9	2,725,688	93,817	2,631,871
2014	61.2	21.2	0.7	8.1	8.8	2,668,496	89,521	2,578,975
2013	61.3	21.1	0.9	7.6	9.1	2,656,343	80,901	2,575,442

¹ Revaluation.

Source: Town of Newington, Assessor's Office.

Exempt Property

Public	Assessed Value (10/1/22)
Regular Veterans.....	\$ 3,873,080
Additional Veterans.....	481,720
Additional Veterans (1/2).....	1,200,990
100% Disabled and Blind.....	235,000
Local Option Veterans (non-reimbursed).....	926,300
Local Option Disability (non-remibursed).....	248,580
Solar Energy.....	5,790,600
Public buildings/property.....	408,497,480
Sub-Total Public.....	\$ 421,253,750
Private	
Agricultural or Horticultural.....	\$ -
Manufacturing machinery.....	86,887,400
Commercial Hauler Truck Exemption.....	629,700
Tax Exempt Personal Property.....	13,075,820
Enterprise zone.....	-
Miscellaneous.....	1,500
Sub-Total Private.....	\$ 100,594,420
Total Exempt Property.....	\$ 521,848,170
Percent Compared to Net Taxable Grand List.	18.19%

Source: Town of Newington, Assessor's Office

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation As of 10/1/22	Percent of Net Taxable Grand List ¹
Eversource.....	Utility	\$ 79,367,590	2.77%
Mandell Properties/Data Mail.....	Direct Mail Service	21,464,940	0.75%
Brixmor GA Turnpike Plaza LLC.....	Shopping Center	20,150,380	0.70%
Newington Gross LLC.....	Shopping Center	19,525,360	0.68%
TLG Newington LLC.....	Shopping Center	18,547,440	0.65%
Newington VF, LLC.....	Shopping Center	18,200,000	0.63%
IREIT Newington Fair LLC.....	Shopping Center	16,404,710	0.57%
Hayes Kaufmann Associates.....	Real Estate	14,280,000	0.50%
Conn Natural Gas Corp.....	Utility	13,358,410	0.47%
Target.....	Shopping Center	11,134,430	0.39%
Total.....		\$ 232,433,260	8.10%

¹ Based on a Net Taxable Grand List for October 1, 2022 of \$2,869,308,000.

Source: Town of Newington, Assessor's Office.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000s)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2022
2021	2023	\$ 2,844,146	38.49	\$ 107,284,357	<i>IN COLLECTION</i>		
2020	2022	2,775,494	38.81	106,595,000	99.22	0.78	0.78
2019	2021	2,657,248	39.28	104,581,000	99.32	0.68	0.15
2018	2020	2,640,575	39.45	104,725,000	99.32	0.68	0.06
2017	2019	2,624,409	38.50	99,245,388	99.18	0.82	0.02
2016	2018	2,610,601	36.59	94,975,000	99.05	0.95	0.02
2015	2017	2,631,871	35.75	93,302,000	99.28	0.70	0.01
2014	2016	2,578,975	35.80	91,453,000	99.30	0.70	0.01
2013	2015	2,575,442	34.77	88,599,000	99.19	0.80	0.01
2012	2014	2,537,447	33.63	85,346,000	99.13	0.90	0.00

Source: Town of Newington, Tax Collector

Property Taxes Receivable

Fiscal Year Ended 6/30	Current Year Levy Uncollected	Total Uncollected (Current & Prior Years)
2022	\$ 836,000	\$ 1,180,000
2021	711,000	973,000
2020	707,000	1,005,000
2019	829,000	1,364,000
2018	911,000	1,468,000

Source: Town of Newington Financial Statements, 2018-2022.

V. Debt Summary

Principal Amount of Bonded Indebtedness As of June 7, 2023 (Pro-Forma)

Long-Term Debt:

<u>Date</u>	<u>Purpose</u>	<u>Interest Rate %</u>	<u>Original Issue</u>	<u>Amount Outstanding</u> ¹	<u>Fiscal Year of Maturity</u>
3/01/2013	Refunding - General Purpose	1.00-4.00	\$ 4,820,000	\$ 569,000	2025
3/01/2013	Refunding - School Improvement	1.00-4.00	4,990,000	251,000	2024
6/05/2019	General Purpose	3.00-5.00	6,727,445	5,400,000	2039
6/05/2019	School	3.00-5.00	2,272,555	1,800,000	2039
6/04/2020	General Purpose	2.00-5.00	11,212,000	9,530,200	2040
6/04/2020	School	2.00-5.00	3,788,000	3,219,800	2040
Total Outstanding Bonded Debt.....			\$ 33,810,000	\$ 20,770,000	
<u>This Issue</u>					
6/7/2023	School	4.00-5.00	\$ 10,000,000	\$ 10,000,000	2043
Total This Issue.....			10,000,000	10,000,000	
Grand Total.....			\$ 43,810,000	\$ 30,770,000	

¹ Excludes Refunded Bonds.

Short-Term Debt

The Town has no outstanding short-term debt as of June 7, 2023.

Other Obligations

The Town has entered into two lease agreements as lessee for financing the acquisition of fire trucks. Each of the leases qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of its inception date. As of June 30, 2022, the outstanding aggregate balance owed on the leases is \$734,282.

Overlapping/Underlying Debt

The Town is a member of the Metropolitan District Commission (the "District"), a special district created by the Connecticut General Assembly in 1929 as a quasi-municipal corporation of the State of Connecticut under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended, to provide, as authorized, complete, adequate and modern systems of water supply, sewerage collection, and disposal facilities for its eight member municipalities. The member municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor. The District also provides sewerage disposal facilities and supplies water under special agreements to certain towns, or areas therein, that are not members of the District.

Metropolitan District Commission Statement of Overlapping Debt (Pro Forma)

As of June 30, 2022

Net overlapping debt for all member towns.....	\$ 821,371,571
Newington's percent of net overlapping debt.....	9.04%
Newington's share of net overlapping debt.....	\$ 74,251,990

Source: Metropolitan District Commission Official Statement Dated August 16, 2022.

The net overlapping debt for all member towns excludes \$821,371,571 in debt issued pursuant to authorizations approved. As of June 30, 2022, the net direct district debt attributable to the Town is \$74,251,990 or 9.04%.

The total cost of the Clean Water Project is estimated at approximately \$2.1 billion. An \$800 million appropriation was approved by the voters of the member towns at referendum in November 2006 for Phase I of the Clean Water Project. An appropriation for an additional \$800 million for Phase II of the Clean Water Project was approved by the voters of the member towns at referendum on November 6, 2012. The District's goal is to fund 25%-35% of the entire project with State and Federal grants; an additional 50% with State and Federal low-cost loans and the remainder with debt. Project financing is expected to be repaid by a special sewer service surcharge levied annually and collected directly from the District's water customers.

**Annual Bonded Debt Maturity Schedule
As of June 7, 2023
(Pro-Forma)**

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Debt Service	Pro-forma		Cumulative Principal Retired %	
				This Issue:			
				Schools	Total Principal		
2024	\$ 1,835,000	\$ 660,131	\$ 2,495,131	\$ 500,000	\$ 500,000	\$ 2,335,000	7.6%
2025	1,385,000	587,431	1,972,431	500,000	500,000	1,885,000	13.7%
2026	1,200,000	523,500	1,723,500	500,000	500,000	1,700,000	19.2%
2027	1,200,000	463,500	1,663,500	500,000	500,000	1,700,000	24.8%
2028	1,200,000	415,500	1,615,500	500,000	500,000	1,700,000	30.3%
2029	1,200,000	367,500	1,567,500	500,000	500,000	1,700,000	35.8%
2030	1,200,000	327,000	1,527,000	500,000	500,000	1,700,000	41.3%
2031	1,200,000	286,500	1,486,500	500,000	500,000	1,700,000	46.9%
2032	1,200,000	253,500	1,453,500	500,000	500,000	1,700,000	52.4%
2033	1,200,000	220,500	1,420,500	500,000	500,000	1,700,000	57.9%
2034	1,200,000	192,000	1,392,000	500,000	500,000	1,700,000	63.4%
2035	1,200,000	163,500	1,363,500	500,000	500,000	1,700,000	69.0%
2036	1,200,000	135,000	1,335,000	500,000	500,000	1,700,000	74.5%
2037	1,200,000	106,125	1,306,125	500,000	500,000	1,700,000	80.0%
2038	1,200,000	76,875	1,276,875	500,000	500,000	1,700,000	85.5%
2039	1,200,000	47,250	1,247,250	500,000	500,000	1,700,000	91.1%
2040	750,000	16,875	766,875	500,000	500,000	1,250,000	95.1%
2041	-	-	-	500,000	500,000	500,000	96.8%
2042	-	-	-	500,000	500,000	500,000	98.4%
2043	-	-	-	500,000	500,000	500,000	100.0%
Total.....	\$ 20,770,000	\$ 4,842,688	\$ 25,612,688	\$ 10,000,000	\$ 10,000,000	\$ 30,770,000	

**Debt Statement
As of June 7, 2023
(Pro-Forma)**

Long-Term Debt Outstanding: ¹	
General Purpose.....	\$ 15,499,200
Schools (Includes this issue).....	15,270,800
Total Long-Term Debt.....	30,770,000
Short-Term Debt.....	-
Total Direct Debt.....	30,770,000
Overlapping/Underlying Debt (MDC Debt).....	74,251,990
Total Overall Debt.....	105,021,990
Less: School Construction Grants Receivable (As of June 30, 2022)	-
Total Overall Net Debt.....	\$ 105,021,990

¹ Excludes Capital Leases.

**Current Debt Ratios
As of June 7, 2023
(Pro-Forma)**

Population ¹		30,562
Net Taxable Grand List (10/1/22)	\$	2,869,308,000
Estimated Full Value (70%).....	\$	4,099,011,429
Equalized Net Taxable Grand List (10/1/20) ²	\$	3,951,453,309
Money Income per Capita (2021) ¹		\$43,209
Money Income per Capita (2010) ³		\$35,055

	Total Direct Debt	Total Overall Net Debt
	\$30,770,000	\$105,021,990
Debt per Capita.....	\$1,006.81	\$3,436.36
Ratio to Net Taxable Grand List.....	1.07%	3.66%
Ratio to Estimated Full Value.....	0.75%	2.56%
Ratio to Equalized Grand List.....	0.78%	2.66%
Debt per Capita to Money Income per Capita (2021).....	2.33%	7.95%
Debt per Capita to Money Income per Capita (2010).....	2.87%	9.80%

¹ U.S. Census Bureau, American Community Survey, 2017 - 2021.

² Office of Policy and Management, State of Connecticut.

³ U.S. Department of Commerce, Bureau of Census, 2010.

**THE TOWN OF NEWINGTON HAS NEVER DEFAULTED IN THE PAYMENT
OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

Bond Authorization

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Charter of the Town, including, without limitation, Sections 407 and 408 thereof. The issuance of bonds and notes shall be authorized by resolution of the Town Council. No resolution authorizing the issuance of bonds or notes, in excess of 1.50% of the General Fund appropriation in the current year, shall become effective until approved by a majority of the qualified electors voting thereon at referendum called by the Town Council for such purpose. Notwithstanding the foregoing, refunding bonds may be issued upon resolution of the Town Council (CGS Sec. 7-370c). Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes and the Town Charter.

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Temporary Financing

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

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

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

Maturities

Except for refunding bonds that achieve net present value savings or are approved by a two-thirds vote of the municipality's legislative body, general obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years, except in the case of sewer and school bonds or other bonds issued on or after July 1, 2017, which may mature in up to thirty years.

Limitation of Indebtedness

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

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

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

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

Statement of Statutory Debt Limitation ¹
As of June 7, 2023
(Pro Forma)

Total Tax Collections (including interest and lien fees)	
For the fiscal year ended June 30, 2022.....	\$ 104,648,000
Reimbursement For Revenue Loss:	
Tax relief for elderly.....	-
Base for Debt Limitation Computation.....	\$ 104,648,000

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 ¹ / ₄ times base.....	\$ 235,458,000	-	-	-	-
4 ¹ / ₂ times base.....	-	\$ 470,916,000	-	-	-
3 ³ / ₄ times base.....	-	-	\$ 392,430,000	-	-
3 ¹ / ₄ times base.....	-	-	-	\$ 340,106,000	-
3 times base.....	-	-	-	-	\$ 313,944,000
Total Debt Limitation.....	\$ 235,458,000	\$ 470,916,000	\$ 392,430,000	\$ 340,106,000	\$ 313,944,000

Indebtedness:					
Bonds Outstanding	15,499,200	5,270,800	-	-	-
Bonds – This Issue.....	-	10,000,000	-	-	-
Capital Leases.....	794,000	-	-	-	-
Overlapping MDC Debt.....	-	-	74,251,990	-	-
Debt Authorized But Unissued.....	3,588,000	1,212,000	-	-	-
Total Indebtedness.....	19,881,200	16,482,800	74,251,990	-	-

Less:					
State School Grants Receivable.....	-	-	-	-	-
Total Net Indebtedness.....	19,881,200	16,482,800	74,251,990	-	-

DEBT LIMITATION IN EXCESS					
OF OUTSTANDING INDEBTEDNESS.....	\$ 215,576,800	\$ 454,433,200	\$ 318,178,010	\$ 340,106,000	\$ 313,944,000

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$732,536,000

Authorized but Unissued Debt
As of June 7, 2023
(Pro Forma)

Project	Borrowing Authorization	Bonds Issued	This Issue: The Bonds	Authorized But Unissued
Town Hall & Community Center Project.....	\$ 28,800,000	\$ 24,000,000	\$ -	\$ 4,800,000
Anna Reynolds Elem. School Renovations ..	17,750,000 ¹	-	10,000,000	7,750,000
Total.....	\$ 46,550,000	\$ 24,000,000	\$ 10,000,000	\$ 12,550,000

¹ The total project appropriation for this project is \$35,500,000. The Town's total bonding has been capped at the amount shown. It is expected that the difference will be funded through the receipt of State of Connecticut School building grants.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value (000s) ¹	Net Long-Term Debt (000s) ²	Ratio of Net Long-Term Debt to		Population ³	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income (%) ³
				Assessed Value (%)	Estimated Full Value (%)			
2022	\$ 2,775,494	\$ 3,964,991	\$ 22,620	0.81%	0.57%	30,562	\$740.13	1.71%
2021	2,657,248	3,796,069	24,485	0.92%	0.65%	30,562	801.16	1.85%
2020	2,640,575	3,772,250	26,360	1.00%	0.70%	30,562	862.51	2.00%
2019	2,624,409	3,749,156	12,500	0.48%	0.33%	30,562	409.00	0.95%
2018	2,610,601	3,729,430	4,195	0.16%	0.11%	30,562	137.26	0.32%

¹ Assessment Ratio: 70%.

² Long-Term debt does not include Water Debt, compensated absences, capital lease obligations, or State of Connecticut CWF Debt.

³ American Community Survey (2017-2021), Money Income Per Capita: \$39,117.

Source: Town of Newington, Audited Financial Reports

Ratios of Annual Long-Term General Fund Debt Service Expenditures To Total General Fund Expenditures

Fiscal Year Ended 6/30	Total Debt Service	Ratio of Total Debt Service to Total	
		Total General Fund Expenditures ²	General Fund Expenditures
2023 ¹	\$ 2,528,070	\$ 143,858,411	1.76%
2022	3,546,000	140,150,000	2.53%
2021	2,751,000	131,919,000	2.09%
2020	1,686,000	130,343,000	1.29%
2019	786,000	122,411,000	0.64%
2018	1,151,000	126,309,000	0.91%
2017	1,192,000	127,298,000	0.94%
2016	1,228,000	119,319,000	1.03%
2015	1,677,000	115,086,000	1.46%

¹ Budgetary basis and subject to audit. Expenditures include an estimate for the State of Connecticut Teacher's Retirement Board allocation to be consistent with prior years.

² Includes transfers out.

Source: Town of Newington Annual Audited Financial Statements, 2015-2022.
Finance Department, 2023.

Principal Amount of Outstanding Debt

Long-Term Debt ¹	2022	2021	2020	2019	2018
Bonds.....	\$ 22,620,000	\$ 24,485,000	\$ 26,360,000	\$ 12,500,000	\$ 4,195,000
Short-Term Debt					
Bond Anticipation Notes...	-	-	-	-	-
Totals.....	\$ 22,620,000	\$ 24,485,000	\$ 26,360,000	\$ 12,500,000	\$ 4,195,000

¹ Does not include compensated absences or capital lease obligations.

Source: Town of Newington Annual Audited Financial Statements, 2018-2022.

VI. Financial Administration

Fiscal Year

The Town's fiscal year begins July 1 and ends June 30.

Audit

The Town of Newington, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Chapter 111 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations. The firm of CliftonLarsonAllen LLC currently serves as the Town's auditor.

Summary of Accounting Principles

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The General Fund is the primary operating fund of the Town and operates under a legal budget. The Town's internal service fund is its Medical Self-Insurance Fund. The Town's General Fund accounting records are maintained on a modified accrual basis, with major revenues recorded when susceptible to accrual or earned and expenditures recorded when incurred. Proprietary Fund type revenues and expenses are recognized on the accrual basis of accounting whereby revenues and expenses are recognized when incurred. The accounting policies and financial statements of the Town conform with generally accepted accounting principles as applied to governmental units. (See Appendix A – "Auditor's Section, Notes to Basic Financial Statements" herein.)

Budgetary Control

At least 105 days before the end of the fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the ensuing fiscal year beginning July 1. The proposed budget includes proposed expenditures and estimated revenues. Two public hearings are held on the budget: the first hearing occurring within 15 days of the Town Manager's budget submission, and the second hearing occurring within 30 days of the first hearing. The Town Council adopts the budget by a majority vote of all of its members. The Town Council is legally required to adopt a budget for the General Fund. If the Council fails to adopt the budget within ten days after the second public hearing, the Town Manager's proposed budget becomes the Town's budget.

The Town Manager may transfer appropriations from one classification to another within the same department, except within the Board of Education, when the Town Manager deems it necessary for the proper administration of the Town. During the last six months of the fiscal year, the Town Council may transfer any unencumbered appropriation, except within the Board of Education, provided that the resolution making the transfer includes the certification of the Director of Finance that the balance of the appropriation is free of encumbrances. Transfers among any capital project funds may occur at any time and are not subject to the forgoing six month limitation. The Town Council may make a special appropriation by resolution provided the appropriation is \$375,000 or less and that the Director of Finance certifies that the amount to be appropriated is unencumbered and unappropriated in the Town's treasury. Special appropriations between \$375,000 and 1.5% of the Town's General Fund appropriation for the current year require the adoption of a Town ordinance. Special appropriations of more than 1.5% of the Town's General Fund appropriation for the current year require approval of the voters.

The Town's budgeting system for the General Fund requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP). The major difference between a budget and a GAAP basis is that, on a budget basis, encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures in that year; whereas, on a GAAP basis, encumbrances at year-end are recorded as reservations of fund balance. Additionally, State of Connecticut payments on behalf of Town of Newington teachers for the State teacher retirement system are reported for GAAP purposes only.

Budgetary control is maintained by an encumbrance system. All purchases, except certain services as outlined in the Town's Purchasing Manual, require a purchase requisition and a purchase order. In addition, purchases over \$1,500 require evidence that quotations were received and that the lowest quote, consistent with quality, was selected. Town Charter requires formal competitive bids for expenditures over \$30,000. Funds are recorded as encumbered when the purchase order is issued, and expenditures are recorded when the Town issues a check or incurs a liability.

All unencumbered appropriations lapse at year-end except in the Capital Projects Funds where appropriations are continued until completion of projects. Budgetary control in the Capital Projects Funds is achieved by the constraints imposed by the project's authorization or grant awards related to these funds.

The Town's budget process must also anticipate the impact of the State's budget which process proceeds simultaneously with the Town's budget process.

Municipal Budget Expenditures Cap

Connecticut General Statute Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted general budget expenditures for municipalities in Connecticut. Section 4-66l reduces a municipality's revenue sharing grant if its general budget expenditures in any fiscal year, with certain exceptions, exceeds the statutory threshold. Beginning in fiscal year ending June 30, 2018, the Office of Policy and Management ("OPM") is required to reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in Section 4-66l. For each fiscal year, OPM must determine the municipality's percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

For fiscal years ending June 30, 2022 and June 30, 2023, the Town does not expect to receive municipal revenue sharing grant monies from the State.

Section 4-66l requires that each municipality annually certify to the Secretary of OPM whether the municipality has exceeded the spending cap and if so, the amount over the cap.

Under Section 4-66l, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, non-recurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to a municipality's population growth from the previous year, the municipal revenue sharing grant for such municipality will not be reduced.

Capital Improvement Plan

	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>Total</i>
<i>Uses of Funds</i>						
General Government.....	\$ 3,053,690	\$ 3,239,000	\$ 3,770,000	\$ 3,685,000	\$ 3,335,000	\$ 17,082,690
Public Safety.....	155,000	494,400	405,000	350,000	515,000	1,919,400
Public Works.....	3,180,000	2,770,000	3,265,000	3,265,000	3,265,000	15,745,000
Library.....	-	-	-	-	-	-
Parks and Recreation.....	875,000	1,225,000	1,225,000	1,033,000	1,733,000	6,091,000
Education/Miscellaneous...	813,725	813,725	613,725	613,725	613,725	3,468,625
Equipment Replacement.....	1,310,424	1,301,191	1,301,191	1,301,191	1,217,096	6,431,093
<i>Total Uses.....</i>	<i>\$ 9,657,839</i>	<i>\$ 9,963,316</i>	<i>\$ 10,649,916</i>	<i>\$ 10,267,916</i>	<i>\$ 10,698,821</i>	<i>\$ 51,237,808</i>
<i>Sources of Funds</i>						
Local Funds.....	\$ 8,817,839	\$ 9,323,316	\$ 10,009,916	\$ 9,627,916	\$ 10,058,821	\$ 47,837,808
State Aid:						
LoCIP.....	200,000	200,000	200,000	200,000	200,000	1,000,000
Town Aid Road.....	400,000	400,000	400,000	400,000	400,000	2,000,000
Other Grants.....	200,000	-	-	-	-	200,000
Other Funds.....	40,000	40,000	40,000	40,000	40,000	200,000
<i>Total Sources.....</i>	<i>\$ 9,657,839</i>	<i>\$ 9,963,316</i>	<i>\$ 10,649,916</i>	<i>\$ 10,267,916</i>	<i>\$ 10,698,821</i>	<i>\$ 51,237,808</i>

Investment Practices

The Town of Newington invests cash temporarily idle during the fiscal year principally in the Connecticut State Treasurer's Short Term Investment Fund ("STIF") and municipal money market funds at local financial institutions, in accordance with Connecticut General Statutes.

The Connecticut General Statutes (Section 7-402) govern the deposit of public funds. 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 does not constitute a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in obligations of the United States and its agencies, highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated investment companies (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. The Connecticut General Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut STIF and the Tax Exempt Proceeds Fund. Other provisions of the Connecticut General Statutes cover specific municipal funds with particular investment authority. The provisions of the Connecticut General Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the laws applicable to fiduciaries and the provisions of the applicable plan generally control investment of such funds.

Certificate of Achievement

The financial statements and tables found in the Town's Annual Comprehensive Financial Report conform to the high standards promulgated by the Government Accounting Standards Board. The Government Finance Officers' Association each year since 1990 has awarded the Town a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a governmental unit and its management. For additional information on accounting policies, financial statements, and tables refer to the 2021-22 Basic Financial Statements and "Notes to Financial Statements" incorporated in this Official Statement and the independent auditor's report.

Pension Plans

The Town maintains four single-employer defined-benefit pension plans. The plans cover substantially all full-time employees except certified Board of Education personnel. The four pension plans (Municipal Employees', Police Officers', Administrative Employees' and Volunteer Firefighters' Plans) are part of the Town's financial reporting entity and are accounted for in the Pension Trust Funds. Each plan provides retirement, disability, death benefits, and cost of living adjustments to plan members and beneficiaries. Employees contribute a fixed rate to the pension plan per contract. The Town is required, by Charter, to contribute the amount necessary to finance the benefits for its employees, net of employee contributions, as determined by its actuaries. The Town Charter gives the Town Council the authority to establish and amend benefit provisions.

The Town has consistently contributed 100% of the actuarially determined contribution for at least the last twenty years. The table below shows the most recent years' contributions:

Schedule of Contributions
Town Plan ¹

Fiscal Year Ended	Actuarially		
	Determined Contribution	Actual Contribution	Percent Contributed
6/30/2023 ²	\$ 6,185,766	\$ 6,185,766	100.00%
6/30/2022	6,332,000	6,332,000	100.00%
6/30/2021	6,471,000	6,471,000	100.00%
6/30/2020	6,261,000	6,261,000	100.00%
6/30/2019	5,872,000	5,872,000	100.00%
6/30/2018	5,971,000	5,971,000	100.00%
6/30/2017	4,761,000	5,790,000	121.61%
6/30/2016	5,543,000	5,543,000	100.00%
6/30/2015	5,358,000	5,358,000	100.00%

¹ Includes Municipal Employees, Police Officers, Administrative Employees and Firefighters plans.

² Budgeted.

Net Pension Liability of the Town

	Municipal		Administrative	
	Employees	Police	Employees	Firefighters
Total Pension Liability	\$ 54,601,000	\$ 85,558,000	\$ 13,255,000	\$ 1,322,000
Plan Fiduciary Net Position	26,537,000	55,077,000	4,854,000	581,000
Net Pension Liability	\$ 28,064,000	\$ 30,481,000	\$ 8,401,000	\$ 741,000
Covered Payroll	\$ 4,755,000	\$ 6,388,000	\$ 484,000	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.60%	64.37%	36.62%	43.95%
Net Pension Liability as a Percentage of Covered Payroll	590.20%	477.16%	1735.74%	N/A

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

The following presents the net pension liability of the Town for the Municipal Employees, Police and Administrative Employees Plans, calculated using the current discount rate of 6.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.25%)	(6.25%)	(7.25%)
Municipal Employees' Net Pension Liability	\$ 33,726,000	\$ 28,064,000	\$ 49,755,000
Police Net Pension Liability	42,331,000	30,481,000	20,843,000
Admin. Employees' Net Pension Liability	9,676,000	8,401,000	7,310,000

The following presents the net pension liability of the Town for the Firefighters' Plan, calculated using the current discount rate of 5.50% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.50%)	(5.50%)	(6.50%)
Firefighters Net Pension Liability	\$ 866,000	\$ 741,000	\$ 633,000

Municipal Employees' Plan: All bargaining unit employees are eligible to participate in the plan except elected officials, police officers, and certified professional employees of the Newington Board of Education. Benefits vest after five years of continuous service or 15 years of aggregate service. The normal retirement is the earlier of age 63 or completion of 25 years of service. For municipal employees hired after January 1, 2007, pension benefits are limited to a defined contribution plan which provides for an employee contribution of 4.5 percent supplemented by a Town contribution of 9 percent.

Pension benefits for normal retirement under the Municipal Employees' Plan are based on the average rate of earnings during the three years for which the participants' earnings were at their highest level (final earnings). The participants' yearly pension amount is equal to 1.7% of the final earnings multiplied by the number of years of aggregate service through July 1, 1990 plus 2% of final earnings times years of aggregate service since July 1, 1990. The plan permits early retirement for participants at age 55 with five years of continuous service or 15 years of aggregate service.

Police Officers' Plan: All police officers, canine control officers, and public safety dispatchers of the Newington Police Department are eligible to participate in the plan. Benefits vest after ten years of full-time service. Normal retirement is the earlier of age 50 or 20 years of service. For members hired after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age.

Pension benefits for normal retirement under the Police Officers' Plan are based on the average rate of earnings during the three years of which the participants' earnings were at their highest level (final earnings). The participants' yearly pension amount is equal to 2.5% of the final earnings multiplied by the years of service. The plan permits early retirement for participants at age 45 with ten years of service with benefits reduced by the appropriate early retirement adjustment.

Administrative Employees' Plan: All administrative or technical employees not covered under the Municipal Employees' Plan or Police Officers' Plan are eligible under the Administrative Employees' Plan. Benefits vest after five years of continuous service or 15 years of aggregate service. Normal retirement is the earlier of age 65 or 30 years of service. For administrative employees hired after July 1, 1997, pension benefits are limited to a defined contribution plan which provides for an employee contribution of 4.5 percent supplemented by a Town contribution of 9 percent.

Pension benefits for normal retirement under the Administrative Employees' Plan are based on the rate of earnings for the highest average earnings received in any three consecutive years. The participants' yearly pension amount is equal to 1.75% of final earnings up to \$10,000 plus 2% of final earnings in excess of \$10,000 multiplied by the number of years of aggregate service. The plan permits early retirement for participants at age 55 who have ten years of continuous service or 15 years of aggregate service. Benefits for early retirement are computed based on the normal retirement benefit and adjusted by the appropriate early retirement adjustment factor.

Volunteer Firefighters' Plan: Effective July 1, 1994, accrued benefits for eligible members of the Newington Volunteer Fire Department were frozen for all but 17 participants. Ongoing benefits are provided through a new Volunteer Firefighters' Defined Contribution Plan. Benefits vest after 10 years of service. Normal retirement age is 60.

The 17 continuing participants receive benefit enhancements phased in over a five-year period. Monthly pension benefit amount for normal retirement for those who continue in this Volunteer Firefighters' Plan is equal to \$120 based on the completion of ten years of credited service plus \$7.50 for each additional year of service effective July 1, 1999 (increasing \$0.50 each July 1, - maximum to \$12.00). There are also percentage increases in the benefits if the participant is an officer of the Volunteer Fire Department for at least five years.

Teachers Retirement System: All Town teachers participate in the State of Connecticut Teachers' Retirement System under Chapter 167a of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has (1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers Retirement Board. Teacher payroll subject to retirement amounted to \$26,235,947 or 48.25% of the total Board of Education payroll of \$54,371,283 for the fiscal year ended June 30, 2022.

For more information, please refer to the Town's Annual Comprehensive Financial Report, June 30, 2022, Note 12 ("Employee Retirement Systems and Pension Plans").

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Town (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Town's general creditors. Participants' rights under the plan are equal to those of general creditors of the Town in an amount equal to the fair market value of the deferred account for each participant.

The investment manager, International City Management Association ("ICMA") Retirement Corporation, holds all investments. Each employee directs the investment of the assets in his/her account. The Town does not have custodial responsibility for the funds of the plan.

Other Post-employment Benefits

The Town provides other post-employment benefits (OPEB) for teachers, members of the Police Department and certain other retirees. These benefits are furnished pursuant to various bargaining agreements. Teachers and school administrators retiring under the Connecticut State Teachers Retirement System are eligible for retiree health care coverage for lifetime at the earlier of 25 years of service or age 55 with 20 years of service. The Town is required to provide medical, dental and life insurance to certain retired police officers until such retirees reach the age of 65 upon the attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55 and 5 years of continuous service or 15 years of aggregate service. Municipal employees and administrators are eligible for retiree medical benefits and dental insurance coverage until such retirees reach the age of 65 upon the attainment of normal or early retirement. The Town pays for 100% of retiree and spouse costs for police and teacher groups (less an annual State subsidy) and 75% of retiree costs for all other eligible Town employees. As of June 30, 2022, 100 retirees have met these eligibility requirements.

The Town reimburses the entire amount of validated claims for medical, dental and hospitalization costs incurred by pre-Medicare retirees and their dependents. Expenses for postretirement benefits are recognized by the Town as health care claims and life insurance premiums paid. During the fiscal year 2021-22, expenses for post-retirement health care and life insurance benefits amounted to approximately \$1,608,000. For the fiscal year ended June 30, 2022 the General Fund appropriation payments totaled \$1,723,000.

The Town's audited annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the most recent prior fiscal years are presented below:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation / (Asset)
6/30/2023 ¹	\$ 1,654,958	\$ 1,654,958	100.0%	\$ (46,000)
6/30/2022	1,723,000	1,723,000	100.0%	(46,000)
6/30/2021	1,697,000	1,697,000	100.0%	(46,000)
6/30/2020	2,254,400	2,254,400	100.0%	(46,000)
6/30/2019	2,123,000	2,123,000	100.0%	(46,000)
6/30/2018	1,841,000	1,771,000	96.2%	(46,000)
6/30/2017	1,772,000	2,138,000	120.7%	(116,000)
6/30/2016	1,971,000	1,946,000	98.7%	250,000
6/30/2015	1,881,000	1,781,000	94.7%	225,000

¹ Budgeted.

The Town has budgeted an OPEB contribution for fiscal year 2022-23 of \$1,654,958, representing 100% of the Actuarially Determined Contribution.

Pursuant to a July 1, 2021 actuarial valuation, the most recent study of the Town's OPEB obligations, the Town has determined that its total OPEB liability was approximately \$21,763,000. The Town's payments of post-employment benefits are accounted for in the OPEB Trust Fund on a pay-as-you go basis which is funded annually by the General Fund. The Town has established a trust to irrevocably segregate assets to fund the liability associated with post-employment benefits in accordance with GASB guidelines. The annual contribution is typically approved by the Town Council during the budgeting process. For additional information regarding the Town's other post-employment benefits, see Annual Comprehensive Financial Report, June 30, 2022, Note 10 ("Other Post-employment Benefits").

Net OPEB Liability of the Town

Total OPEB Liability	\$	21,763,739
Plan Fiduciary Net Position		9,753,620
Net OPEB Liability	\$	12,010,119
Covered Payroll	\$	58,587,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		44.82%
Net OPEB Liability as a Percentage of Covered Payroll		20.50%

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

The following presents the net OPEB liability of the Town, as well as what the Town's net 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability.....	\$ 14,094,186	\$ 12,010,119	\$ 10,186,084

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

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

	1% Decrease 5.1% Decreasing to 3.1%	Healthcare Cost Trend Rates 6.1% Decreasing to 4.1%	1% Increase 7.1% Decreasing to 5.1%
Net OPEB Liability.....	\$ 9,639,327	\$ 12,010,119	\$ 14,843,064

Risk Management

The Town is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee health and medical claims. The Town has a self-insurance Administered Services Only account with the employee health insurance carrier, Anthem Blue Cross/Blue Shield which is accounted for in the Health Benefits Fund. The Town and the Board of Education contribute funds to cover costs associated with providing medical benefits to current full-time employees and eligible former employees. The Town covers claims up to \$175,000 per participant per year with an individual stop-loss policy covering amounts exceeding that limit. In addition, there is an aggregate stop-loss policy that would cover claims exceeding 120% of total estimated claims for the year. The Town seeks to maintain a reserve of at least 25% of expected claims in the Health Benefits Fund in addition to an allowance for claims incurred but not reported at year-end. This reserve is intended to cover the Town's claims exposure; that is, the difference between the expected or estimated claims for the plan year, which the Town budgets annually, and the 120% aggregate stop-loss level. The Employee Insurance and Pension Benefits Committee reviews the Town's various benefit programs. The Town Council appoints an employee benefits Agent of Record to assist the Committee.

The Town has insurance coverage for workers compensation, general liability, automobile liability, physical damage, and professional liability. The Town has a Standing Insurance Committee that determines the Town's insurance needs, reviews insurance proposals, reviews loss data and other information, and makes recommendations to the Town Manager and Town Council. Further, the Town Council appointed Insurance Agent of Record works with the committee and the Town Manager to review and monitor the Town's insurance program and experience.

Per the Town's Code of Ordinances, an Insurance Reserve Fund was established to account for and finance the Town's obligations from uninsured losses, deductibles, and rating plan adjustments from its property and casualty insurance programs. Each fiscal year the Town appropriates the level of funds required to meet its obligations based on an actuarial-based recommendation using a seventy-five-percent confidence level and additional consideration by the Town Manager of exposures not subject to the actuarial-based review. The Town seeks to maintain a reserve level of 5% above this obligation.

Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation or sickness. For eligible Town employees and Board of Education non-certified employees, sick time may be accumulated and paid upon death, retirement, or termination, up to certain limits. The Town does not recognize sick pay liability for Board of Education certified staff. The Town does not accrue vacation pay liability because employees are generally not allowed to carry vacation time over to the following year. The long-term liability for compensated absences as of June 30, 2022 is \$1,965,000.

A special revenue fund, the Employee Leave Liability Fund, was established to offset the Town's future liability for unused, accrued sick pay earned by Town employees in accordance with official personnel policies. The fund is used to pay employees who are entitled to cash payments for unused sick leave. The fund had a fund balance of \$614,000 as of June 30, 2022. The General Fund generally provides for the payment of compensated absences for active employees.

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**Comparative Balance Sheets
General Fund**

	Actual 2021-22	Actual 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18
ASSETS					
Cash and cash equivalents	\$ 40,053,000	\$ 38,007,000	\$ 34,841,000	\$ 30,392,000	\$ 26,282,000
Investments	2,195,000	2,605,000	2,335,000	-	-
Receivables, net	1,808,000	1,211,000	1,057,000	1,633,000	1,616,000
Due from other funds	74,000	-	8,000	194,000	826,000
Prepays	4,000	-	-	-	-
Inventories	-	-	-	-	-
Total Assets	44,134,000	41,823,000	38,241,000	32,219,000	28,724,000
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and other payables	4,592,000	4,711,000	5,533,000	5,049,000	5,572,000
Due to state and federal governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	18,000
Deferred revenue	-	-	-	-	-
Total Liabilities	4,592,000	4,711,000	5,533,000	5,049,000	5,590,000
Deferred Inflows:					
Unavailable Revenue	1,003,000	706,000	719,000	1,046,000	1,152,000
Unavailable Revenue	345,000	-	-	-	-
Advance Property Tax Collections	615,000	243,000	33,000	555,000	437,000
Total Deferred Inflows	1,963,000	949,000	752,000	1,601,000	1,589,000
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	2,691,000	2,361,000	2,361,000	1,025,000	297,000
Assigned	6,105,000	6,674,000	7,620,000	5,286,000	5,970,000
Unassigned	28,783,000	27,128,000	21,975,000	19,258,000	15,278,000
Total Fund Balance	37,579,000	36,163,000	31,956,000	25,569,000	21,545,000
Total Liabilities, Deferred Inflows and Fund Balance	\$ 44,134,000	\$ 41,823,000	\$ 38,241,000	\$ 32,219,000	\$ 28,724,000
Analysis of General Fund Balance					
Operating revenues	\$ 141,394,000	\$ 135,966,000	\$ 136,571,000	\$ 126,286,000	\$ 126,486,000
Fund balance as a % of operating revenues	26.58%	26.60%	23.40%	20.25%	17.03%
Unassigned or Unreserved fund balance as a percent of operating revenues	20.36%	19.95%	16.09%	15.25%	12.08%

Intergovernmental Revenues as a Percent of Total Revenues

Fiscal Year Ended 6/30	Intergovernmental Revenues	General Fund Revenues	Percent
2022	\$ 27,901,000	\$ 141,394,000	19.73%
2021	26,660,000	135,966,000	19.61%
2020	26,775,000	136,571,000	19.61%
2019	19,825,000	126,286,000	15.70%
2018	27,920,000	126,486,000	22.07%
2017	29,005,000	126,467,000	22.93%
2016	23,340,000	119,683,000	19.50%
2015	22,709,000	116,064,000	19.57%

Source: Town of Newington Financial Statements.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis),
Current Year Budget and Adopted 2023-24 Budget (Budgetary Basis)

Revenues:	Adopted Budget ¹ 2023-24	Adopted Budget ¹ 2022-23	Actual 2021-22	Actual 2020-21	Actual 2019-20	Actual 2018-19
Property Taxes	\$ 108,116,257	\$ 107,657,322	\$ 107,469,000	\$ 105,253,000	\$ 106,053,000	\$ 102,616,000
Payment in Lieu of Taxes	5,830,057	5,502,540	3,776,000	1,999,000	2,000,000	2,002,000
Licenses, Fees, and Permits	884,500	434,500	613,000	446,000	307,000	296,000
Intergovernmental	17,447,014	16,384,535	27,901,000	26,660,000	26,775,000	19,825,000
Contributions	-	-	-	-	-	-
Rental	100,000	100,000	104,000	97,000	101,000	102,000
Income on Investments	250,000	100,000	(108,000)	299,000	566,000	791,000
Fines	22,000	22,000	24,000	19,000	26,000	27,000
Charges for Services	648,600	576,600	1,063,000	850,000	640,000	566,000
Refunds and Reimbursements	22,000	22,000	-	-	-	-
Other	120,649	65,020	552,000	343,000	103,000	61,000
Total Revenues	133,441,077	130,864,517	141,394,000	135,966,000	136,571,000	126,286,000
Expenditures:						
Current:						
General Government	6,536,306	6,431,049	5,482,000	5,190,000	5,047,000	5,066,000
Public Safety	10,273,855	9,789,718	9,178,000	8,935,000	8,407,000	8,729,000
Public Works	5,749,364	5,563,359	5,051,000	5,212,000	5,018,000	4,965,000
Community Planning and Development	658,826	662,161	535,000	555,000	536,000	547,000
Health and Human Services	1,368,483	1,323,279	1,230,000	1,060,000	1,243,000	1,221,000
Library	1,891,048	1,782,256	1,614,000	1,612,000	1,721,000	1,770,000
Parks and Recreation	2,162,019	1,899,432	1,729,000	1,888,000	1,700,000	1,668,000
Education	82,199,830	78,660,124	88,142,000	84,606,000	83,358,000	77,976,000
Miscellaneous	17,118,619	16,526,124	15,715,000	16,205,000	16,204,000	15,829,000
Capital Outlay	-	-	-	-	-	-
Debt Service	3,395,132	2,528,070	3,546,000	2,751,000	1,686,000	786,000
Total Expenditures	131,353,482	125,165,572	132,222,000	128,014,000	124,920,000	118,557,000
Excess of Revenues over expenditures	2,087,595	5,698,945	9,172,000	7,952,000	11,651,000	7,729,000
Other Financing Sources (Uses):						
Transfers In	386,126	182,894	172,000	160,000	159,000	149,000
Transfers Out	(6,159,091)	(8,857,839)	(7,928,000)	(3,905,000)	(5,423,000)	(3,854,000)
Premium on Refunding Bonds	-	-	-	-	-	-
Bond Refunding Issued	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-
Total other Financing Sources (uses)	(5,772,965)	(8,674,945)	(7,756,000)	(3,745,000)	(5,264,000)	(3,705,000)
Net Change in Fund Balances	(3,685,370)	(2,976,000)	1,416,000	4,207,000	6,387,000	4,024,000
Fund Balance, July 1	34,603,000	37,579,000	36,163,000	31,956,000	25,569,000	21,545,000
Fund Balance, June 30	\$ 30,917,630	\$ 34,603,000	\$ 37,579,000	\$ 36,163,000	\$ 31,956,000	\$ 25,569,000

¹Budgetary basis of accounting, subject to audit.

VII. Legal and Other Information

Litigation

Following consultation with the Town Attorney for the Town of Newington, Connecticut, and other attorneys providing legal services to the Town, Town officials advise that the Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Transcript and Closing Documents

The original purchaser will be furnished the following documents when the Bonds are delivered:

1. A signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the Acting Town Manager and the Director of Finance, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement in substantially the forms attached hereto as Appendix C to this Official Statement.
6. The Town will make available to the winning bidder of the Bonds twenty-five (25) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidders at the office of the Town's Municipal Advisor no later than seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning bidders by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the underwriters, the name of the insurer, if any, and any changes on the Bonds. The purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchasers.

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

Concluding Statement

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

TOWN OF NEWINGTON, CONNECTICUT

/s/ James Krupienski

James Krupienski, *Acting Town Manager*

/s/ Janet Murphy

Janet Murphy, *Director of Finance*

Dated: May 23, 2023

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Appendix A

2022 General Purpose Financial Statements

The following includes excerpts from the basic financial statements of the Town of Newington, Connecticut for the fiscal year ended June 30, 2022. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Newington, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Newington, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Newington, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Newington, Connecticut, as of June 30, 2022, 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 Newington, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Town of Newington, Connecticut, adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Newington, 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 the Town of Newington, 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 the Town of Newington, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Newington, Connecticut's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Newington, Connecticut, as of and for the year ended June 30, 2021, (not presented herein), and have issued our report thereon dated January 26, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

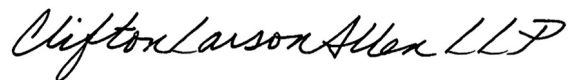
Other Information

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the Town of Newington, 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 Newington, 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 the Town of Newington, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 30, 2022

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

This discussion and analysis of the Town of Newington, Connecticut's (Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2022. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The Total Net Position for government-wide activities increased \$7 million from \$82.2 million to \$89.2 million, an increase of 8.5% from prior year.
- Total cost of all of the Town's programs was \$145 million with no new programs added this year. That was a decrease of \$5 million from the 2021 fiscal year.
- During the year, the Town had expenses that were \$6.9 million less than the \$152.3 million generated in tax and other revenues for governmental programs.
- The resources available for appropriation were \$4.9 million more than budgeted for the General Fund. Expenditures were \$1.8 million less than appropriations.
- The General Fund reported a fund balance this year of \$37.6 million. On a budgetary basis, \$28.8 million represents the Town's fund balance; \$3 million is assigned for 2022-23 budget, \$3.1 million is assigned for outstanding encumbrances and \$2.7 million is the committed balance for the Board of Education Non-Lapsing Fund.
- The tax collection rate was 99.22%, down slightly from prior years' 99.32%.
- The Town of Newington's outstanding bonded debt at June 30, 2022 was \$22.6 million, a decrease of \$1.9 million or -7.76%, from the prior year. Bonds have been authorized for work on the Anna Reynolds School in the amount of \$17.7 million and the Town will go out for bonding on this in spring 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Recreation Programs, Health Benefits Fund and the Employee Leave Liability Fund,) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Health Benefits Fund and Insurance Reserve Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position increased from \$82.2 million to \$89.2 million. The analysis below focuses on the net position (Table 1).

Table 1 – Net Position
(in Thousands)

	Governmental Activities	
	2022	2021
Assets:		
Current and Other Assets	\$ 73,343	\$ 68,509
Capital Assets, Net of Accumulated Depreciation	125,869	119,079
Total Assets	199,212	187,588
Deferred Outflow of Resources	18,538	3,189
Liabilities:		
Long-Term Debt Outstanding	108,953	78,834
Other Liabilities	12,546	11,603
Total Liabilities	121,499	90,437
Deferred Inflow of Resources	7,095	18,105
Net Position:		
Net Investment in Capital Assets	96,151	92,888
Restricted	1,651	2,967
Unrestricted	(8,646)	(13,620)
Total Net Position	\$ 89,156	\$ 82,235

Net position of the Town's governmental activities increased by \$7 million or 8.5% (\$82.2 million compared to \$89.2 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$(13.6) million at June 30, 2021 to \$(9.4) million at the end of this year. The largest portion of the Town's net position, \$96.2 million or 108%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

Governmental Activities

Change in net position (Table 2) of the Town's governmental activities increased by \$7 million. Approximately 70.9% of the revenues were derived from property taxes, followed by 20.4% from operating grants, the remaining 8.7% is from charges for services, capital grants and contributions, and other grants that were not restricted for specific purposes. Key elements of the increase are as follows:

- Property tax revenues recorded for fiscal year 2022 increased by \$.3 million or 2.9% during the year. This reflects a tax rate of 38.81 mills, a decrease of .47 mills over the rate used in the previous fiscal year. The tax collection rate for the year was 99.22%, a slight decrease from the prior year of 99.32%. Increase in this area is due to the growth in the Grand list for the 2021-22 fiscal year of 4.5%.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- Operating grants and contributions decreased by \$12.2 million. The major decrease would be the funding that we received for COVID related expenses which total almost \$6.5 Million in prior year. There was also decreases in grants made by State of Connecticut to the Town in many areas but the primary being Education.
- Capital grants and contributions increased \$2.7 million compared to prior year figures. Construction of the new Town Hall/Community Center was completed during the prior year and reimbursement by the State of Connecticut for the Board of Education offices and Transition Academy were received in the 2021-2022 fiscal year.
- The total cost of all programs and services was \$145.4 million, down \$3.6 million. This reduction is driven primarily by the Board of Education.

Table 2 – Change in Net Position
(in Thousands)

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,730	\$ 3,186
Operating Grants and Contributions	31,083	43,324
Capital Grants and Contributions	3,456	726
General Revenues:		
Property Taxes	107,953	104,935
Grants and Contributions Not Restricted to Specific Purposes	4,031	2,591
Unrestricted Investment Earnings	(302)	1,037
Other General Revenues	1,377	904
Total Revenues	<u>152,328</u>	<u>156,703</u>
Program Expenses:		
General Government	10,711	10,459
Public Safety	16,344	12,886
Public Works	12,325	12,318
Community Planning and Development	830	819
Health and Community Services	2,025	2,191
Library	2,337	2,320
Parks and Recreation	4,574	4,093
Education	95,651	103,367
Interest on Long-Term Debt	610	600
Total Program Expenses	<u>145,407</u>	<u>149,053</u>
Increase in Net Position	6,921	7,650
Net Position - Beginning of Year	<u>82,235</u>	<u>74,585</u>
Net Position - End of Year	<u>\$ 89,156</u>	<u>\$ 82,235</u>

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The following analysis separately considers the operations of governmental activities. Table 3 presents the cost of each of the Town's five largest programs - general government, police and fire, public works, education, and parks and recreation - as well as each program's net cost (total cost less revenues generated by the activities). The net cost, which shows the financial burden placed on the Town's taxpayers by each of these functions, increased by \$4.3 million (\$106.1 million compared to \$101.8 million). The most noteworthy changes are as follows:

- The cost of General Government, Public Safety, Public Works, Park and Recreation and other miscellaneous departments increased \$4 million. Primary driver of the increase was in the area of public safety which saw an increase of \$3.4 million.
- Education experienced a decrease in the amount of expenses going from \$103.3 to \$95.7 million. This decrease was more than offset by decreased state funding which is reflected in the fact that the Net Cost of Services for the Board of Education increased \$4.3 million.

TABLE 3 - Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$ 10,711	\$ 10,459	\$ 6,843	\$ 9,560
Public Safety	16,344	12,886	16,145	12,741
Public Works	12,325	12,318	9,621	10,317
Education	95,651	103,367	65,769	60,664
Parks and Recreation	4,574	4,093	2,874	3,319
All Others	5,802	5,930	4,886	5,216
Total	<u>\$ 145,407</u>	<u>\$ 149,053</u>	<u>\$ 106,138</u>	<u>\$ 101,817</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$51.6 million. Approximately 48% of the fund balance amount or \$24.5 million constitutes unassigned fund balance that is available for unforeseen contingencies and to offset future budgets over the long term. The next largest portion, \$19.4 million or 37.5%, is committed to be used only for the specific purposes such as a capital or grant related projects. The balance of \$7.8 million is primarily assigned to balance the subsequent year's budget and to liquidate purchase orders. The Town had positive fund balances in all categories of net position both for the governmental as a whole as well as for its separate governmental activities.

As highlighted in Exhibit IV, the combined fund balance increased by \$3.1 million (\$51.6 million compared to \$48.4 million) from last years' total. Included in this year's total change in fund balance is an increase of \$1.5 million in Capital Project Funds. These increased funds account for financial resources available for the acquisition of major equipment or construction of facilities and primarily due to the reimbursement for the construction of the new Town Hall/Community Center. The General Fund's revenue and other financing sources were more than the expenditures and other financing uses by \$1.4 million for the fiscal year thereby increasing the fund's equity balance to \$37.6 million. The Miscellaneous Grants Fund revenue and other financing sources were more than the expenditures and other financing uses by \$60 thousand for the fiscal year thereby increasing the fund's equity balance to \$1.2 million.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The Town experienced a variety of significant General Fund events that affected the year ending equity balances. The major impacts include:

1. The Town had an increase of \$2 million in property tax revenue compared to 2021. This was due to an increase in our grand list of 4.5% partially offset by a decreased mill rate, and a slight decrease in the collection rate.
2. State of Connecticut funding was above the prior year figures by over \$1.1 million. Primary figure for this was the increase in school grant and municipal grants in aid compared to prior years.
3. General operating expenditures were up \$4.2 million compared to prior year. Board of Education expenditure increase accounting for the majority of the increase.
4. Town department expenditures remained flat to prior year, only showing a \$.2 million reduction in total cost.
5. Comparison between the increase in fund balance between fiscal year 2021 and 2022 was \$2.8 million. This is due to the zero spending increases, and grand list growth during the year.

The Town's Nonmajor Governmental Funds account for special revenue sources that are restricted to specific purposes. The primary reason for the Nonmajor Governmental Funds increased due to the recreation program and cemetery activity starting to return to normal.

Small Cities Fund accounts for financial resources from the Federal Community Development Block Grants/Small Cities Program. The fund balance increased by \$6 thousand as grants and other revenue sources received were not fully expensed in this year. As of June 30, 2022, the fund balance increased to \$116 thousand.

Proprietary Funds

The Town accounts for two funds in its proprietary funds. The Town's Health Benefits Fund and its Insurance Reserve Fund, both of which are self-funded programs. Unrestricted net position of both funds totaled \$6.1 million, a decrease of \$.6 million from the prior year. This is primarily due to the performance of the Health Benefits Fund which experienced benefit payments (expenses) of \$.598 million over revenue. The Insurance Reserve Fund is to pay for losses incurred through insurance deductibles and uninsured property and casualty losses. During the year contributions by the Town were less than the payments made for insurance claims by \$.58 thousand.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the Town had \$126 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and storm water lines - Table 4. This amount represents a net increase (including additions and deductions) of \$6.8 million or 6%, over last year. This also reflects the addition as per GASB 87 of the lease information included under Right to use Equipment.

Table 4 – Capital Assets (Net of Depreciation)
(in Thousands)

	Governmental Activities	
	2022	2021
Land	\$ 7,847	\$ 7,847
Intangible Assets	2,770	2,770
Buildings and Improvements	73,458	72,158
Equipment	14,040	13,524
Right to use Assets	2,500	-
Infrastructure	23,421	22,609
Construction in Progress	1,833	171
Total	<u>\$ 125,869</u>	<u>\$ 119,079</u>

This year's major additions included (in thousands):

Buildings - Additions in the amount \$2,768 thousand were due to the new Town Hall/Community Center, Senior and Disabled Center HVAC/Windows, Library Carpeting and Roof, Martin Kellogg HVAC, Fire Company Improvements, Ambulance Building Roof, Newington High School and John Paterson School Hot Water Upgrades, Newington High School Roof, Security Improvements/Glass Vestibules at Martin Kellogg and John Wallace Middle Schools, Air Handling Units at John Wallace Middle School and various Town Building improvements.

Land Improvements - Additions in the amount of \$1,039 thousand were due to Irrigation Systems for Town Hall/Community Center, Library and Police Building, West Meadow Cemetery Expansion, Clem Lemire Legends Field Lighting, Newington High School Girls Softball Field Improvements, John Paterson Parking Lot Expansion/Improvements, Badger Field Improvements and Beacon Park playground improvements.

Furniture, Fixtures and Equipment - These were added in the amount of \$3,413 thousand. General Government increased by \$772 for a Dial-A-Ride Bus and many items for the new Town Hall including computer equipment, audio visual and furniture. Public Safety increased by \$1,138 for the purchase of six vehicles, Fire Aerial Truck, Police drone and drone camera, Police body camera system and software, Fire rescue tools and Fire phone system. Public Works increased by \$517 due to the purchase of a Caterpillar Loader, a dump truck and a phone system. Parks and Recreation increased by \$283 for the purchase of an Excavator, a Toolcat, a turf sprayer, playground shade system at Clem Lemire, a Cargo van, a Forklift, and a riding lawn mower. Board of Education increased by \$703 for two school buses, two used cars, Transit van, a Grand Cherokee SUV, freezers at two schools, refrigerators at two schools, playscape additions/improvements at John Paterson, instruments for

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Newington High School, elevator cylinder and intruder detection system at Newington High School, and wireless access points for Ruth Chafee.

Infrastructure - Additions in the amount \$1,524 were due to continued work on Robbins/Maple Hill bike lane construction, John Stewart Drive sidewalks, resurfacing/improvements to Cedarwood Lane, North Main Street, Jeffrey Lane, Starr Avenue, Kitts Lane, Chapman Street, Dowd Street, Ellsworth Street, Hawley Street, Edmund Street, and other smaller roads comprising 34,644 linear feet.

Construction in Progress - Additions in the amount of \$1,662 thousand were due to costs for the Anna Reynolds Renovate as New project and continued work on the Library Expansion plans.

Total Net Additions \$ 10,406

The Town's fiscal-year 2022-23 budget calls for it to spend \$9.7 million for capital projects, of which \$0.8 million is financed from the State of Connecticut and the balance from local funds. It is primarily to finance major vehicle equipment replacement, road reconstruction and resurfacing, town technology, town buildings roof replacements and radio lease.

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2022, the Town had \$22.6 million in bonds outstanding versus \$24.5 million last year - a decrease of 7.89% - as shown in Table 5.

Table 5 – Outstanding Debt
(in Thousands)

	Governmental Activities	
	2022	2021
General Obligation Bonds (Backed by the Town)	\$ 22,620	\$ 24,485

- The decrease in the Town's indebtedness is due to no new bond issue this fiscal year and payments being made on the prior issued bonds. The Town has bonds authorized but unissued in the amount of \$4.8 for the Town Hall Project and \$17.7 million was approved in the Fall of 2020 for the renovation of the Anna Reynolds School.
- The Town holds a credit rating from Moody's Investor Services of Aa2. Standard & Poor's Ratings Services raised its rating on the Town's general obligation bonds to 'AA+' from 'AA' based on the implementation of its local GO criteria.
- The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. When the Town's outstanding general obligation debt is calculated in accordance with this formula, it is significantly below this \$733 million state-imposed limit.

Other obligations include an accrued vacation pay and sick leave and Notes payable for two fire trucks. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

From a financial perspective as detailed in this annual financial report, Newington once again successfully managed the 2021-22 budget through prudent, conservative fiscal management. This is evidenced from the fact that final actual expenditures are \$1.8 million under the final budget and the revenue side was favorable \$4.9 million. The significant challenges in the development of the 2022-23 Town budget continued to be: 1) the economic conditions in the region and nationally; 2) maintain costs to meet the high level of service to which Town residents are accustomed; and 3) the ability of citizens to absorb any increases in taxes during a year when many citizens are experiencing financial difficulty. The Town's adopted fiscal year 2022-23 General Fund appropriations totaled \$134 million, an increase of 3.6% over the 2022 budget of \$129.4 million. The most significant factor driving the overall budget increase is the combined operating expense increases for both the Town and Board of Education of \$3.3 million or 2.5%. The increase in vendor cost, materials and salary are the major factors for the increase.

On the revenue side, the 10/1/2021 taxable list increased 2.5% from the 2020 Grand List. The net real estate grand list increased .12% which is attributable to the slight increase in residential building in town. The personal property category increased by 15.91%. The 2021 motor vehicle component of the Grand List increased 25.32% over the 2020 Grand List. Estimated State Aid and other revenue sources such as building permits and real estate conveyance fees, which comprises approximately 18.9% of total revenues, increased 19.9% compared to the budget for 2021-22. The passing of the state statute requiring the capping of the mill rate for motor vehicles will see us reduce our taxable grant list for the 2022-23 fiscal year by approximately 10.6%. These funds will be reimbursed to the Town from the state at 100% and in following years the percentage of reimbursement will decline.

On a budgetary basis, the June 30, 2022 unassigned General Fund balance, after the designation of \$3 million to assist in financing the 2022-23 appropriations, increased by \$1.5 million to a level of \$28.5 million or 21.3% of the fiscal year 2022-23 budget. The Town has consistently maintained a ratio of unassigned fund balance at a level of 10% or higher of subsequent year's appropriation, which is consistent with the parameters as set forth by the credit industry. The result was a tax decrease of .82% without compromising the delivery of services to the community. Similar to other communities, Newington has had to address the difficult budgetary and economic times through strong management, well-managed fund balances and an active economic development program.

At this point in time, a review of key economic indicators shows that Newington has seen the effects of a national and state economic decline due to the COVID pandemic. We continue to hold steady with per capita income of Newington's residents being approximately \$28 thousand, below the statewide average, but its median family income of \$95.4 thousand exceeds the statewide average. Building permit activity continue to increase in comparison to last year's value of permits in October of 2021. As of October 2022, the unemployment rate for Newington was 3.6%, down from 4.2%, in the prior year, but compares favorably to the State's unemployment rate during the same period.

The Town of Newington is well positioned to deal with the present economic situation. With an overwhelming reliance on property taxes, Newington's income stream is rather stable, even during a period of fiscal stress. The Town's diverse tax base lends stability to the Town's revenue. The Town's Berlin Turnpike, central location in the State, and proximity to Hartford continue to attract and retain housing and commercial development. This increased development will lend itself to expand the tax base. Newington will continue to take steps to exercise fiscal discipline and manage revenue shortfalls through diligent cost control and enhanced operating efficiencies.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Newington, Connecticut, 200 Garfield Street, Newington, Connecticut 06111.

BASIC FINANCIAL STATEMENTS

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022
(IN THOUSANDS)

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 64,665
Investments	5,173
Receivables, Net	3,420
Prepaid Items	4
Inventory	81
Capital Assets Not Being Depreciated or Amortized	12,450
Capital Assets Being Depreciated or Amortized, Net	113,419
Total Assets	199,212
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	152
Deferred Outflows Related to Pensions	16,268
Deferred Outflows Related to OPEB	2,118
Total Deferred Outflows	18,538
LIABILITIES	
Accounts and Other Payables	8,547
Unearned Revenue	3,999
Noncurrent Liabilities:	
Due Within One Year	3,721
Due in More than One Year	105,232
Total Liabilities	121,499
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Leases	345
Advance Property Tax Collections	615
Deferred Inflows Related to Pensions	739
Deferred Inflows Related to OPEB	5,396
Total Deferred Inflows	7,095
NET POSITION	
Net Investment in Capital Assets	96,151
Restricted for:	
Trust Purposes	37
Grants	1,614
Unrestricted	(8,646)
Total Net Position	\$ 89,156

See accompanying Notes to Financial Statements.

**TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Grants and Contributions		Governmental Activities
GOVERNMENTAL ACTIVITIES						
General Government	\$ 10,711	\$ 1,106	-	\$ 2,762		\$ (6,843)
Public Safety	16,344	109	90	-		(16,145)
Public Works	12,325	29	2,075	600		(9,621)
Community Planning and Development	830	674	-	-		(156)
Health and Community Services	2,025	6	226	-		(1,793)
Library	2,337	10	-	-		(2,327)
Parks and Recreation	4,574	1,675	25	-		(2,874)
Education	95,651	1,121	28,667	94		(65,769)
Interest on Long-Term Debt	610	-	-	-		(610)
Total Governmental Activities	\$ 145,407	\$ 4,730	\$ 31,083	\$ 3,456		(106,138)
GENERAL REVENUES						
Property Taxes						107,953
Grants and Contributions Not Restricted to Specific Programs						4,031
Unrestricted Investment Earnings						(302)
Miscellaneous						1,377
Total General Revenues						113,059
CHANGE IN NET POSITION						6,921
Net Position - Beginning of Year						82,235
NET POSITION - END OF YEAR						\$ 89,156

See accompanying Notes to Financial Statements.

**TOWN OF NEWINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
(IN THOUSANDS)**

	General	Capital Projects	Miscellaneous Grants Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 40,053	\$ 9,063	\$ 4,611	\$ 3,690	\$ 57,417
Investments	2,195	-	-	2,978	5,173
Receivables, Net	1,808	10	11	1,262	3,091
Due from Other Funds	74	-	-	-	74
Prepaid Items	4	-	-	-	4
Inventories	-	-	-	81	81
Total Assets	\$ 44,134	\$ 9,073	\$ 4,622	\$ 8,011	\$ 65,840
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts and Other Payables	\$ 4,592	\$ 2,578	\$ 58	\$ 101	\$ 7,329
Due to Other Funds	-	-	-	74	74
Unearned Revenue	-	-	3,341	658	3,999
Total Liabilities	4,592	2,578	3,399	833	11,402
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	1,003	-	-	-	1,003
Unavailable Revenue - Loans and Grants Receivable	-	-	-	914	914
Deferred Inflows Related to Leases	345	-	-	-	345
Advance Property Tax Collections	615	-	-	-	615
Total Deferred Inflows of Resources	1,963	-	-	914	2,877
FUND BALANCES					
Nonspendable	-	-	-	81	81
Restricted	-	-	1,223	313	1,536
Committed	2,691	10,727	-	5,943	19,361
Assigned	6,105	-	-	-	6,105
Unassigned	28,783	(4,232)	-	(73)	24,478
Total Fund Balances	37,579	6,495	1,223	6,264	51,561
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 44,134	\$ 9,073	\$ 4,622	\$ 8,011	\$ 65,840

See accompanying Notes to Financial Statements.

**TOWN OF NEWINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 51,561

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	233,674
Less: Accumulated Depreciation and Amortization	<u>(107,805)</u>
Net Capital Assets	125,869

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

Housing Loan Receivables	726
LOCIP Receivables	188
Property Tax Receivables Greater than 60 Days	1,003
Interest Receivable on Property Taxes	329
Deferred Outflows Related to Pensions	16,268
Deferred Outflows Related to OPEB	2,118

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.

6,068

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

Bonds Payable	(22,620)
Notes Payable	(734)
Deferred Amount in Refunding	152
Deferred Charge on Premium	(1,454)
Interest Payable on Bonds	(38)
Net OPEB Liability	(12,009)
Deferred Inflows Related to OPEB	(5,396)
Compensated Absences	(1,965)
Lease Liability	(2,484)
Deferred Inflows Related to Pensions	(739)
Net Pension Liability	<u>(67,687)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 89,156

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	General	Capital Projects	Miscellaneous Grants Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 107,469	\$ -	\$ -	\$ -	\$ 107,469
Payment in Lieu of Taxes	3,776	-	-	-	3,776
Licenses, Fees, and Permits	613	-	-	18	631
Intergovernmental	27,901	1,654	1,280	6,581	37,416
Contributions	-	-	92	11	103
Rental	104	84	-	-	188
Income on Investments	(108)	3	-	(216)	(321)
Fines	24	-	-	-	24
Charges for Services	1,063	862	16	1,861	3,802
Other	552	99	126	739	1,516
Total Revenues	<u>141,394</u>	<u>2,702</u>	<u>1,514</u>	<u>8,994</u>	<u>154,604</u>
EXPENDITURES					
Current:					
General Government	5,482	-	-	7	5,489
Public Safety	9,178	-	101	14	9,293
Public Works	5,051	-	-	-	5,051
Community Planning and Development	535	-	-	24	559
Health and Community Services	1,230	-	156	-	1,386
Library	1,614	-	39	-	1,653
Parks and Recreation	1,729	-	9	1,433	3,171
Education	88,142	-	-	6,575	94,717
Miscellaneous	15,715	-	-	-	15,715
Capital Outlay	-	9,418	1,151	687	11,256
Debt Service	3,546	320	-	-	3,866
Total Expenditures	<u>132,222</u>	<u>9,738</u>	<u>1,456</u>	<u>8,740</u>	<u>152,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,172	(7,036)	58	254	2,448
OTHER FINANCING SOURCES (USES)					
Transfers In	172	7,731	2	70	7,975
Transfers Out	(7,928)	-	-	(172)	(8,100)
Note Issued	-	815	-	-	815
Total Other Financing Sources (Uses)	<u>(7,756)</u>	<u>8,546</u>	<u>2</u>	<u>(102)</u>	<u>690</u>
NET CHANGE IN FUND BALANCES	1,416	1,510	60	152	3,138
Fund Balances - Beginning of Year	<u>36,163</u>	<u>4,985</u>	<u>1,163</u>	<u>6,112</u>	<u>48,423</u>
FUND BALANCES - END OF YEAR	<u>\$ 37,579</u>	<u>\$ 6,495</u>	<u>\$ 1,223</u>	<u>\$ 6,264</u>	<u>\$ 51,561</u>

See accompanying Notes to Financial Statements.

**TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 3,138

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/amortization expense:

Capital Outlay	10,406
Depreciation and Amortization Expense	(6,736)

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold. (239)

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 Interest and Lien Revenue - Accrual Basis Change	187
Property Tax Receivable - Accrual Basis Change	297
Housing Loan Receivable - Accrual Basis Change	(11)
LOCIP Reserve Receivable - Accrual Basis Change	188
Deferred Outflows Related to Pensions	13,704
Deferred Outflows Related to OPEB	1,690

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 issuance costs, 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:

Bond Principal Payments	1,865
Note Issued	(815)
Note Principal Payments	302
Lease Principal Payments	875

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	425
Accrued Interest	31
Deferred Inflow Related to OPEB	2
Change in Net OPEB Liability	(1,055)
Amortization of Premium	228
Amortization of Deferred Charge on Refunding	(45)
Deferred Inflow Related to Pensions	11,725
Change in Net Pension Liability	(28,585)

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. (656)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II) \$ 6,921

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022
(IN THOUSANDS)

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 7,248
LIABILITIES	
Accounts and Other Payables	<u>1,180</u>
NET POSITION	
Unrestricted	<u><u>\$ 6,068</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	Governmental Activities <hr/> Internal Service Funds <hr/>
OPERATING REVENUES	
Charges for Services	\$ 11,207
Miscellaneous	85
Total Operating Revenues	<hr/> 11,292
OPERATING EXPENSES	
Benefit Payments	10,883
Administration	450
Insurance	490
Casualty Loss	268
Total Operating Expenses	<hr/> 12,091
OPERATING INCOME (LOSS)	(799)
NONOPERATING REVENUE	
Interest on Investments	<hr/> 18
INCOME (LOSS) BEFORE TRANSFERS	(781)
TRANSFERS IN	<hr/> 125
CHANGE IN NET POSITION	(656)
Net Position - Beginning of Year	<hr/> 6,724
NET POSITION - END OF YEAR	<hr/> <hr/> \$ 6,068

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services and Other	\$ 11,292
Cash Paid to Vendors	(11,601)
Net Cash Used by Operating Activities	<u>(309)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	125
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>18</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(166)
Cash and Cash Equivalents - Beginning of Year	<u>7,414</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,248</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Loss	\$ (799)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
Increase in Accounts and Other Payables	<u>490</u>
Net Cash Used by Operating Activities	<u><u>\$ (309)</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022
(IN THOUSANDS)

	Pension and Other Post Employment Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 2,207
Investments:	
Corporate Bonds	7,395
U.S. Government Securities	5,155
Common Stocks	26,905
Mutual Funds	57,947
Total Assets	99,609
LIABILITIES	
Accounts Payable	18
NET POSITION	
Restricted for Pension	89,837
Restricted for OPEB Benefits	9,754
Total Net Position	\$ 99,591

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	<u>Pension and Other Employee Benefit Trust Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 8,101
Plan Members	827
Total Contributions	<u>8,928</u>
Investment Income:	
Net Depreciation in Fair Value of Investments	(19,472)
Interest and Dividends	3,021
Total Investment Income (Loss)	<u>(16,451)</u>
Less: Investment Expense	490
Net Investment Income (Loss)	<u>(16,941)</u>
Total Additions	(8,013)
DEDUCTIONS:	
Benefits	10,800
Administration	165
Total Deductions	<u>10,965</u>
CHANGE IN NET POSITION	(18,978)
Net Position - Beginning of Year	<u>118,569</u>
NET POSITION - END OF YEAR	<u>\$ 99,591</u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Newington (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

The Town was incorporated on July 10, 1871. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

Fiduciary Component Units

The Town has established four single-employer Public Retirement Systems (PERS), one defined contribution plan and one postretirement health care benefits (OPEB) plan to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(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.

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 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 fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as 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 NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(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. 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 construction and acquisition of major capital assets.

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for various state and federal grant programs administered by Town departments.

Additionally, the Town reports the following fund types:

Internal Service Funds

The Internal Service Funds account for the Town's health benefits programs.

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the Town's four defined benefits pension plans, one defined contribution plan and the Other Post-Employment Benefits (OPEB) Trust Fund, which accumulates resources for pension and health benefit payments to qualified Town employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town 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.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for the internal service funds include the cost of health benefits and administrative expenses. 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 resources are used in the following order: committed, assigned then unassigned.

D. 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 as described in Note 3.

Investments for the Town are reported at fair value.

E. 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." All trade and property tax receivables are shown net of an allowance for collectibles. The property tax receivable allowance of \$94 is equal to 9.4% of outstanding property taxes at June 30, 2022.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

The Town's property tax is levied each May on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in May, the legal right to attach property does not exist until July 1, and, as such, taxes are due and payable in two installments on July 1 and January 1 following the date of the Grand List. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. It is the policy of the Town to record deferred revenue for property taxes receivable at June 30. Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reported as a deferred inflow of resources. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

F. 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/expenses 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Lease Receivable

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Town recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Lease Receivable (Continued)

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.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.K below. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of donation.

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

Land, construction, and certain intangible assets are not depreciated or amortized. The intangible asset that is not amortized consists of a perpetual easement agreement and is recorded at fair value. In accordance with GASB Statement No. 51, intangible assets with indefinite useful lives are not subject to amortization. The other tangible and intangible assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 Years
Building Improvements	20 Years
Public Domain Infrastructure	40 Years
System Infrastructure	60 Years
Vehicles	8 Years
Office Equipment	5 Years
Computer Equipment	5 Years
Right-to-Use Lease Equipment	3-5 Years

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding 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 and the net difference between project and actual earning on plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees), or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period. No deferred outflows of resources affect the governmental fund financial statements in the current year.

J. Deferred Inflows of Resources

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to leases and advance property tax collections in the government-wide statement of net position and the governmental fund financial statements. In addition, the Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension 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 and OPEB plan (active employees and inactive employees). Advance property tax collections 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 the following sources: property taxes, loans, and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases - Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide fund financial statements.

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

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation or sickness. For eligible Town employees and Board of Education noncertified employees, sick time may be accumulated and paid upon death, retirement, or termination, up to certain limits. The Town does not recognize sick pay liability for Board of Education certified staff. The Town does not accrue vacation pay liability because employees are generally not allowed to carry vacation time over to the following year.

A special revenue fund, the Employee Leave Liability Fund, has been established to offset the Town's future liability for unused, accrued sick pay earned by Town employees in accordance with official personnel policies. The fund is used to pay employees who are entitled to cash payments for unused sick leave. The General Fund generally provides for the payment of compensated absences for active employees.

M. 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.

N. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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 governmental activities 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. Bond 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.

P. Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Equity (Continued)

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). Amounts remain committed until action is taken by the Town Council (resolution) to remove or revise the limitations.

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council or Director of Finance, who have been delegated authority to assign amounts by the Town Charter.

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.

Q. Use of Estimates

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

R. Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the General Fund. Prior to March 16, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Two public hearings are held by the Town Council, at which taxpayer comments are obtained, and then the Town Council legally adopts the budget by a majority vote of all its members. If the Town Council fails to adopt a budget within ten days after holding its second public hearing, the Town Manager's budget becomes the Town budget.

- The Town Manager is authorized to transfer budgeted amounts within departments within any fund, except within the Board of Education. The Town Council, during the last six months of the year, may transfer any unencumbered appropriations between departments, except for the Board of Education. The Board of Education is responsible for establishing its own system of budgetary control and certification of the sufficiency of unexpended and unencumbered balance of appropriation. The Town Council may authorize additional appropriations from unappropriated and unencumbered General Fund balance up to \$375,000 (amount not rounded). Special appropriations between \$375,000 and \$975,000 (amount not rounded) require a Town ordinance. Special appropriations over \$975,000 (amount not rounded) require voter approval.
- Formal budgetary integration is employed as a management control device during the year for the General Fund legally adopted budget.
- Except for encumbrance accounting, the on-behalf contributions from the State of Connecticut into the TRB Pension and OPEB plans, and some intergovernmental grant revenues, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund.
- Budgeted amounts shown are as amended. There were additional appropriations from fund balance of \$573 during 2021-2022.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as committed or assigned fund balance, depending on the nature of restriction, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances outstanding at year-end are classified as restricted, committed, or assigned based on the restrictions on the underlying revenue source, in accounting with GAAP.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Fund Deficit

The LOCIP reserve fund, a nonmajor special revenue fund, had a deficit of \$73 at June 30, 2022. This deficit will be funded when the town receives the grant revenue in a future period.

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.

The statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the state Short-Term Investment Fund (STIF) 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.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$30,031 of the Town's bank balance of \$31,732 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 26,903
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>3,128</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 30,031</u></u>

Cash Equivalents

At June 30, 2022, the Town's cash equivalents amounted to \$37,585. 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.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAA
Money Market Funds*	

* Not rated

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The pool has a maturity of less than one year.

B. Investments

Investments as of June 30, 2022 in all funds consisted of \$102,575 as follows:

Investments:	
General Fund:	
Mutual Funds	\$ 2,195
Total General Fund	<u>2,195</u>
Special Revenue Fund:	
Common Stocks	2,237
Mutual Funds	741
	<u>2,978</u>
Pension and OPEB Trust Funds:	
Corporate Bonds	7,395
U.S. Government Securities	5,155
Common Stocks	26,905
Mutual Funds	57,947
Total Pension and OPEB Trust Funds	<u>97,402</u>
Total Investments	<u><u>\$ 102,575</u></u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Interest-Bearing Investments:				
U.S. Government Securities	\$ 5,155	\$ -	\$ 990	\$ 4,165
Corporate Bonds	7,395	465	5,766	1,164
Total	12,550	\$ 465	\$ 6,756	\$ 5,329
Other Investments:				
Common Stocks	29,142			
Mutual Funds	60,883			
Total Investments	\$ 102,575			

Credit Risk

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the rating of investments for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Securities
Aaa	\$ 1,210	\$ 5,155
Aa2	51	-
Aa3	44	-
A1	298	-
A2	653	-
A3	717	-
Baa1	555	-
Baa2	894	-
Baa3	1,523	-
Ba1	334	-
Ba2	147	-
Ba3	242	-
B1	164	-
B2	215	-
B3	314	-
Unrated	34	-
Total	\$ 7,395	\$ 5,155

Interest Rate Risk

The Town limits its maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk – Investments

As indicated above, state statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as state statutes.

Concentration of Credit Risk

The Town does not have an investment policy that limits an investment in any one issuer in excess of 5% of the Town's total investment.

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. At June 30, 2022, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

Fair Value Measurement

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, 2022:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 5,155	\$ 20	\$ 5,135	\$ -
Corporate Bonds	7,395	2,102	5,293	-
Common Stock	29,142	29,142	-	-
Mutual Funds	60,883	60,883	-	-
Total Investments by Fair Value Level	<u>\$ 102,575</u>	<u>\$ 92,147</u>	<u>\$ 10,428</u>	<u>\$ -</u>

Mutual funds and common stock classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. government securities and corporate bonds classified as Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

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	Miscellaneous Grants Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 1,180	\$ -	\$ -	\$ -	\$ 1,180
Accounts	377	10	11	729	1,127
Leases	345	-	-	-	345
Intergovernmental	-	-	-	533	533
Gross Receivables	<u>1,902</u>	<u>10</u>	<u>11</u>	<u>1,262</u>	<u>3,185</u>
Less: Allowance for Uncollectibles	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>
Total Receivables, Net	<u>\$ 1,808</u>	<u>\$ 10</u>	<u>\$ 11</u>	<u>\$ 1,262</u>	<u>\$ 3,091</u>

The above table does not include accrued interest on property taxes of \$329.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance (1)	Increases	Decreases and Adjustments	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 7,847	\$ -	\$ -	\$ 7,847
Construction in Progress	171	1,662	-	1,833
Intangible Assets	<u>2,770</u>	<u>-</u>	<u>-</u>	<u>2,770</u>
Total Capital Assets Not Being Depreciated	10,788	1,662	-	12,450
Capital Assets Being Depreciated and Amortized:				
Buildings	103,980	2,768	-	106,748
Improvements other than Buildings	11,574	1,039	-	12,613
Furniture, Fixtures, and Equipment	40,395	3,413	(927)	42,881
Infrastructure	54,099	1,524	-	55,623
Right-to-use Lease Equipment	<u>3,359</u>	<u>-</u>	<u>-</u>	<u>3,359</u>
Total Capital Assets Being Depreciated and Amortized	213,407	8,744	(927)	221,224
Less: Accumulated Depreciation and Amortization for:				
Buildings	(37,114)	(1,943)	-	(39,057)
Improvements other than Buildings	(6,282)	(564)	-	(6,846)
Furniture, Fixtures, and Equipment	(26,871)	(2,658)	688	(28,841)
Infrastructure	(31,490)	(712)	-	(32,202)
Right-to-use Lease Equipment	<u>-</u>	<u>(859)</u>	<u>-</u>	<u>(859)</u>
Total Accumulated Depreciation	<u>(101,757)</u>	<u>(6,736)</u>	<u>688</u>	<u>(107,805)</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>111,650</u>	<u>2,008</u>	<u>(239)</u>	<u>113,419</u>
Governmental Activities Capital Assets, Net	<u>\$ 122,438</u>	<u>\$ 3,670</u>	<u>\$ (239)</u>	<u>\$ 125,869</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87, *Leases*. See Note 1.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 847
Public Safety	922
Public Works	1,039
Community Planning and Development	261
Health and Community Services	109
Library	124
Parks and Recreation	403
Board of Education	3,019
Miscellaneous	12
Total Depreciation and Amortization Expense	<u>\$ 6,736</u>

Construction Projects

The Town has 65 active construction projects as of June 30, 2022. The projects include various school and Town improvements project authorizations. At year-end, the Town's appropriation balances are as follows:

Project	Cumulative Authorizations	Spent-to-Date	Remaining Commitment
Town Hall/Community Center Bldg and Improvements	\$ 34,494	\$ 34,412	\$ 82
Anna Reynolds Renovate as New	35,550	32,889	2,661
Public Works Equipment Reserve	5,531	5,385	146
Road Reconstruction	5,502	5,329	173
Public Safety Equipment Reserve	4,973	4,871	102
OCR Compliance	2,781	2,558	223
Lease Proceeds	2,154	2,152	2
Park, Pool and Playground Improvements	1,964	1,963	1
Parks and Grounds Equipment Reserve	1,958	1,924	34
Town Buildings Roof Replacement	1,836	1,810	26
General Property Improvements	1,436	1,417	19
Tax Revaluation Reserve	1,238	1,141	97
Drainage Improvement	1,224	1,060	164
School Bus	1,053	398	655
General Government Equipment Reserve	1,022	929	93
Sidewalk/Pavers/Curbs M&R R&Rr	976	801	175
Town Hall/Community Ctr Technology	950	931	19
Other Various Projects	26,265	21,651	4,614
Total	<u>\$ 130,907</u>	<u>\$ 121,621</u>	<u>\$ 9,286</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 6 INTERFUND ACCOUNTS

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. As of June 30, 2022 the nonmajor governmental funds owe the general fund \$74.

Interfund transfers:

	Transfer In					Total Transfers Out
	General	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental	Internal Service	
Transfers Out:						
General Fund	\$ -	\$ 7,731	\$ 2	\$ 70	\$ 125	\$ 7,928
Nonmajor Governmental	172	-	-	-	-	172
Total Transfers In	<u>\$ 172</u>	<u>\$ 7,731</u>	<u>\$ 2</u>	<u>\$ 70</u>	<u>\$ 125</u>	<u>\$ 8,100</u>

Transfers are used to move General Fund revenues to finance various capital projects in accordance with budgetary authorizations, as well as to transfer amounts provided as subsidies or matching funds for various grant programs.

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance (1)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 24,485	\$ -	\$ 1,865	\$ 22,620	\$ 1,850
Premiums	1,682	-	228	1,454	36
Total Bonds Payable	<u>26,167</u>	<u>-</u>	<u>2,093</u>	<u>24,074</u>	<u>1,886</u>
Compensated Absences	2,390	40	465	1,965	819
Lease Liability	3,359	-	875	2,484	856
Net OPEB Liability	10,954	1,055	-	12,009	-
Net Pension Liability	39,102	28,585	-	67,687	-
Notes Payable - Direct Borrowing	221	815	302	734	160
Total Governmental Activities Long-Term Liabilities	<u>\$ 82,193</u>	<u>\$ 30,495</u>	<u>\$ 3,735</u>	<u>\$ 108,953</u>	<u>\$ 3,721</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87, Leases. See Note 1.

For the governmental activities, compensated absences, net pension liability, and net OPEB liability are generally liquidated by the General Fund.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

A schedule of bonds and serial notes outstanding at June 30, 2022 is presented below:

Description	Date of Issue	Amount of Interest Rate (%)	Balance Original Issue	Outstanding June 30, 2022
General Purpose Bonds:				
Police Station	02/13	1.0-4.0%	\$ 8,700	\$ 1,076
Town Hall/Community Center	06/19	3.0-5.0%	6,750	5,738
Town Hall/Community Center	06/20	2.0-5.0%	11,250	10,125
School:				
School Improvements	02/13	1.0-4.0%	4,950	394
Board of Education Offices	06/19	3.0-5.0%	2,250	1,913
Board of Education Offices	06/20	2.0-5.0%	3,750	3,374
Total				\$ 22,620

The following is a schedule of bond maturities as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,850	\$ 733	\$ 2,583
2024	1,835	660	2,495
2025	1,385	587	1,972
2026	1,200	524	1,724
2027	1,200	463	1,663
2028-2032	6,000	1,650	7,650
2033-2037	6,000	817	6,817
2038-2040	3,150	141	3,291
Total	\$ 22,620	\$ 5,575	\$ 28,195

Debt Limit

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 235,458	\$ 24,222	\$ 211,236
Schools	470,916	5,682	465,234
Sewers	392,430	71,806	320,624
Urban Renewal	340,106	-	340,106
Pension Deficit	313,944	-	313,944

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$733 million (amount not rounded). All long-term debt obligations are retired through General Fund appropriations. At June 30, 2022, the Town had \$4,800 of authorized, unissued bonds for the Town Hall and Community Center Project.

Indebtedness, in accordance with state statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Sewer indebtedness includes overlapping debt of the Metropolitan District.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 LONG-TERM DEBT (CONTINUED)

Debt Limit (Continued)

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), the Town is contingently liable for \$71,805 or 9.04% of the debt of the Metropolitan District.

Leases Payable

The Town leases equipment for various terms under long-term, noncancelable, lease agreements. These leases expire at various dates through 2025.

The future minimum lease payments under lease agreements as of June 30, 2022 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 856	\$ 21
2024	861	12
2025	767	4
Total:	\$ 2,484	\$ 37

Notes Payable – Direct Borrowing

The Town has direct borrowing notes outstanding. The notes were issued to finance the purchase of equipment. The annual debt service requirements of notes payable are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 160	\$ 8
2024	162	6
2025	164	4
2026	165	2
2027	83	1
Total	\$ 734	\$ 21

NOTE 8 RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. The Health Insurance Internal Service Fund is utilized to report the self-insurance activity. Anthem Blue Cross/Blue Shield administers the plan, for which the Town pays a fee. The General Fund (Town and Board of Education) and Cafeteria Fund (Special Revenue Fund) contribute based on Anthem Blue Cross/Blue Shield estimates made using the Town's historical data. The Town covers all claims up to \$175,000 (amount not rounded) per participant per year with an individual stop-loss policy covering amounts exceeding the limit. In addition, the Town has an aggregate stop-loss policy that would cover claims exceeding 120% of the total estimated claims for the plan year. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

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

The claims liability of \$1,178 reported in the Health Benefits Internal Service Fund at June 30, 2022 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were:

Year Ending	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2020-2021	\$ 608	\$ 8,708	\$ 8,631	\$ 685
2021-2022	685	10,883	10,390	1,178

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

	General Fund	Capital Projects Fund	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 81	\$ 81
Total Nonspendable	-	-	-	81	81
Restricted for:					
Grants	-	-	1,223	276	1,499
Permanent Funds	-	-	-	37	37
Total Restricted	-	-	1,223	313	1,536
Committed to:					
Education Nonlapsing	2,691	-	-	-	2,691
Technology	-	1,637	-	-	1,637
Capital and Nonrecurring Projects	-	6,954	-	-	6,954
Public Schools	-	1,921	-	-	1,921
Land Acquisition	-	132	-	-	132
Parks and Recreation	-	83	-	-	83
Education	-	-	-	2,130	2,130
Cemetery Maintenance	-	-	-	1,873	1,873
Public Safety Activities	-	-	-	47	47
Recreation Programs	-	-	-	894	894
Employee Leave Liability	-	-	-	614	614
Volunteer Ambulance	-	-	-	212	212
Volunteer Firefighters	-	-	-	142	142
General Government	-	-	-	31	31
Total Committed	2,691	10,727	-	5,943	19,361
Assigned to:					
Subsequent Year's Budget	2,844	-	-	-	2,844
General Government - Encumbrances	216	-	-	-	216
Public Safety - Encumbrances	45	-	-	-	45
Public Works - Encumbrances	1	-	-	-	1
Health and Community Services - Encumbrances	2	-	-	-	2
Library - Encumbrances	4	-	-	-	4
Education - Encumbrances	2,993	-	-	-	2,993
Total Assigned	6,105	-	-	-	6,105
Unassigned	28,783	(4,232)	-	(73)	24,478
Total Fund Balances	\$ 37,579	\$ 6,495	\$ 1,223	\$ 6,264	\$ 51,561

Major encumbrances are reported in the assigned fund balance of the General Fund of \$3,261.

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Plans

A. Plan Description and Benefits Provided

The Town maintains four single-employer, contributory (except for Volunteer Firefighters' Plan), defined benefit pension plans. The plans cover substantially all full-time employees except certified personnel at the Board of Education. The four pension plans are part of the Town's financial reporting entity and are accounted for in the Pension Trust Funds: Municipal Employees', Police Officers', Administrative Employees', and Volunteer Firefighters' Plans. Each plan provides retirement, disability and death benefits to plan members and beneficiaries. The Charter provides the authority to establish and amend benefit provisions to the Town Council. Stand-alone financial statements are not issued. Management of the plans rests with the Town Manager and Director of Finance. Policy oversight is provided by The Employee Insurance and Pension Benefits Committee (EIPBC), which consists of 11 members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education, and two alternate members.

Municipal Employees' Plan

All bargaining unit employees are eligible to participate in the plan except elected officials, police officers and certified professional employees of the Newington Board of Education. Effective January 1, 2007, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. The normal retirement is the earlier of age 63 or completion of 25 years of service.

Pension benefits for normal retirement under the Municipal Employees' Plan are based on the average rate of earnings during the three years for which the participants' earnings were at their highest level (final earnings). The participants' yearly pension amount will be equal to 1.7% of the final earnings multiplied by the number of years of aggregate service through July 1, 1990 plus 2% of final earnings times years of aggregate service since July 1, 1990. The plan permits early retirement for participants at age 55 with 5 years of continuous service or 15 years of aggregate service.

Police Officers' Plan

All Police Officers, Canine Control officers and Public Safety Dispatchers of the Newington Police Department are eligible to participate in the plan. Benefits vest after 10 years of full-time service. Normal retirement is the earlier of age 50 or 20 years of service. For employees hired after October 1, 2013, normal retirement is the later of age 50 or 25 years of service.

Pension benefits for normal retirement under the Police Officers' Plan are based on the average rate of earnings during the three years of which the participants' earnings were at their highest level (final earnings). The participants' yearly pension benefit will be equal to 2.5% of the final earnings multiplied by the years of service. For employees hired after January 1, 2007, the benefit is capped at 70% of base compensation in the year prior to retirement. The plan permits early retirement for participants at age 45 with 10 years of service (or 20 years of service if hired after January 1, 2007) with benefits reduced by the appropriate early retirement adjustment.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Administrative Employees' Plan

All administrative or technical employees not covered under the Municipal Employees' Plan or Police Officers' Plan are eligible under the Administrative Employees' Plan. Effective January 1, 1997, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. Normal retirement is the earlier of age 65 or 30 years of service.

Pension benefits for normal retirement under the Administrative Employees' Plan are based on the rate of earnings for the highest average earnings received in any three consecutive years. The participants' yearly pension amount will be equal to 1.75% of final earnings up to \$10,000 (amount not rounded) plus 2% of final earnings in excess of \$10,000 multiplied by the number of years of aggregate service. The plan permits early retirement for participants at age 55 who have 10 years of continuous service or 15 years of aggregate service. Benefits for early retirement are computed based on the normal retirement benefit and adjusted by the appropriate early retirement adjustment factor.

Volunteer Firefighters' Plan (amounts not rounded)

Effective July 1, 1994, accrued benefits for eligible members of the Newington Volunteer Fire Department are frozen for all but 17 participants. Ongoing benefits are provided through a new Volunteer Firefighters' Defined Contribution Plan. Benefits vest after 10 years of service. Normal retirement age is 60.

The 17 continuing participants receive benefit enhancements that will be phased in over a five-year period. Monthly pension benefit amount for normal retirement for those who continue in this Volunteer Firefighters' Plan is equal to \$120 based on the completion of 10 years of credited service plus \$7.50 for each additional year of service effective July 1, 1999 (increasing \$.50 each July 1, maximum to \$12.00). There are also percentage increases in the benefits if the participant is an officer of the Volunteer Fire Department for at least five years. The pension plan is closed to new entrants.

As of July 1, 2021, for the Municipal, Police, Administrative, and Firefighters, the plan membership of defined benefit plans consisted of the following:

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>	<u>Firefighters</u>
Active Participants	58	55	3	21
Terminated Participants	4	4	2	36
Retirees and Beneficiaries	190	79	33	42
Total	<u>252</u>	<u>138</u>	<u>38</u>	<u>99</u>

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The four Pension Trust Funds are accounted for using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of plan assets are also recognized at fiscal year-end.

C. Funding Policy

The contribution requirements of plan members, with the exception of the Firefighters' Plan which is noncontributory, are established and may be amended by the Town Council, subject to union contract negotiation. If an employee leaves covered employment or participation or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the amount necessary to finance the benefits for its employees, net of employee contributions, as determined by its actuaries. In conjunction with the application of GASB 68, the Town Council adopted a plan for future contributions in May of 2016. Investment services and actuarial valuations are paid by the individual plans. Other costs of administering the plans are paid by the Town. The employees' required contribution rates and the Town's current rate of annual covered payroll is presented in the following table:

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>
Employee Required Contribution	4.50%	8.50%	4.50%
Town Current Rate	51.90%	48.23%	140.91%

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

D. Pension Trust Funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2022 and the changes in net position for the year then ended.

	Schedule of Plan Net Position						Total
	Municipal Employee's Plan	Police Officer's Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans		Eliminations	
				Defined Benefit	Defined Contribution		
Assets:							
Cash and Equivalents	\$ 286	\$ 547	\$ 59	\$ -	\$ 633	\$ -	\$ 1,525
Investments	26,251	54,530	4,795	777	1,959	-	88,312
Due from Other Funds	-	-	-	-	196	(196)	-
Total Assets	26,537	55,077	4,854	777	2,788	(196)	89,837
Liabilities:							
Due to Other Funds	-	-	-	196	-	(196)	-
Total Liabilities	-	-	-	196	-	(196)	-
Net Position Restricted for Pension Benefits	\$ 26,537	\$ 55,077	\$ 4,854	\$ 581	\$ 2,788	#REF!	\$ 89,837

	Schedule of Changes in Plan Net Position						Total Pension Trust Funds
	Municipal Employees' Plan	Police Officers' Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans			
				Defined Benefit	Defined Contribution		
Additions:							
Contributions:							
Employer	\$ 2,468	\$ 3,081	\$ 682	\$ 101	\$ 46	\$ 6,378	\$ 6,378
Plan Members	178	619	19	-	11	827	827
Total Contributions	2,646	3,700	701	101	57	7,205	7,205
Investment Income:							
Net Depreciation							
in Fair Value of Investments	(5,256)	(10,707)	(983)	(176)	(627)	(17,749)	(17,749)
Interest and Dividends	842	1,692	161	54	-	2,749	2,749
Total Investment Income (Loss)	(4,414)	(9,015)	(822)	(122)	(627)	(15,000)	(15,000)
Less: Investment Expenses	137	277	27	2	-	443	443
Net Investment Income (Loss)	(4,551)	(9,292)	(849)	(124)	(627)	(15,443)	(15,443)
Total Additions	(1,905)	(5,592)	(148)	(23)	(570)	(8,238)	(8,238)
Deductions:							
Benefits	3,474	4,322	1,158	105	133	9,192	9,192
Administration	30	39	16	17	26	128	128
Total Deductions	3,504	4,361	1,174	122	159	9,320	9,320
Change in Net Position	(5,409)	(9,953)	(1,322)	(145)	(729)	(17,558)	(17,558)
Net Position - Beginning of Year	31,946	65,030	6,176	726	3,517	107,395	107,395
Net Position - End of Year	\$ 26,537	\$ 55,077	\$ 4,854	\$ 581	\$ 2,788	\$ 89,837	\$ 89,837

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

E. Investments

Investment Policy

The Municipal, Police, and Administrative pension plans' policy in regard to the allocation of invested assets is established and may be amended by the EIPBC by a majority vote of its members. The Firefighters pension plan allocation of invested assets is amended by the Director of Finance in conjunction with the Fire Commissioners. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the adopted asset allocation policy for the year ended June 30, 2022:

Asset Class	Municipal Employees Target Allocation	Police Target Allocation	Administrative Employees Target Allocation	Firefighters Target Allocation
U.S. Core Fixed Income	35.0 %	35.0 %	35.0 %	- %
U.S. Short Bonds	-	-	-	25.0
U.S. Long Bonds	-	-	-	25.0
Global Bonds	5.0	5.0	5.0	18.0
Total Fixed Income	40.0	40.0	40.0	68.0
U.S. Large Caps	34.0	34.0	34.0	14.0
U.S. Small Caps	10.5	10.5	10.5	4.0
Global Equity	15.5	15.5	15.5	
U.S. Mid Caps	-	-	-	4.0
Foreign Developed Equity	-	-	-	7.0
Emerging Markets	-	-	-	3.0
Total Equity	60.0	60.0	60.0	32.0
Total Allocation	100 %	100 %	100 %	100 %

The plans did not have any concentrations over 5% of plan net position that warranted disclosure.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (13.95)% for Municipal Employees, (14.05)% for Police, (13.66)% for Administrative Employees, and (17.53)% for Firefighters, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

F. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2022, were as follows:

	Municipal Employees	Police	Administrative Employees	Firefighters
Total Pension Liability	\$ 54,601	\$ 85,558	\$ 13,255	\$ 1,322
Plan Fiduciary Net Position	26,537	55,077	4,854	581
Net Pension Liability	<u>\$ 28,064</u>	<u>\$ 30,481</u>	<u>\$ 8,401</u>	<u>\$ 741</u>

The Town's net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for Municipal Employees, Police, Administrative Employees, and Firefighters.

Actuarial Assumptions

The total pension liability for Administrative Employees, Municipal Employees, and Police was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.25%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale.

The total pension liability for Firefighters was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	N/A
Investment Rate of Return	5.5%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubS-2010 Mortality with generational projections per MP-2019 Ultimate Scale.

The plans have not had a formal actuarial experience study performed.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

F. Net Pension Liability of the Town (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2022. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Municipal Employees Long-Term Expected Real Rate of Return	Police Long- Term Expected Real Rate of Return	Administrative Employees Long-Term Expected Real Rate of Return	Firefighters Long-Term Expected Real Rate of Return
Fixed:				
U.S. Core Fixed Income	1.26 %	1.26 %	1.26 %	- %
U.S. Short Bonds	-	-	-	0.44
U.S. Long Bonds	-	-	-	1.37
Global Bonds	(0.71)	(0.71)	(0.71)	(0.71)
Equity:				
U.S. Large Caps	3.65	3.65	3.65	3.65
U.S. Small	3.75	3.75	3.75	3.89
Global U.S. Equity	4.90	4.90	4.90	-
U.S. Mid Caps	-	-	-	3.66
Foreign Developed Equity	-	-	-	4.52
Emerging Markets	-	-	-	4.95

Discount Rate

The discount rate used to measure the total pension liability was 6.25% for Municipal Employees, Administrative Employees, and Police, in the prior year the discount rate was 6.88%. The discount rate used to measure the total pension liability as of June 30, 2022 was 5.5% for Firefighters, while in the prior year the discount rate was 5.88%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

G. Changes in Net Pension Liability

	Municipal Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 51,964	\$ 31,946	\$ 20,018
Changes for the Year:			
Service Cost	362	-	362
Interest on Total Pension Liability	3,480	-	3,480
Effect of Plan Changes	-	-	-
Differences Between Expected and Actual Experience	(678)	-	(678)
Changes in Assumptions	2,947	-	2,947
Employer Contributions	-	2,468	(2,468)
Member Contributions	-	178	(178)
Net Investment Income	-	(4,551)	4,551
Benefit Payments, Including Refund to Employee Contributions	(3,474)	(3,474)	-
Administrative Expenses	-	(30)	30
Net Changes	<u>2,637</u>	<u>(5,409)</u>	<u>8,046</u>
Balances - June 30, 2022	<u>\$ 54,601</u>	<u>\$ 26,537</u>	<u>\$ 28,064</u>

	Police Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 77,176	\$ 65,030	\$ 12,146
Changes for the Year:			
Service Cost	1,360	-	1,360
Interest on Total Pension Liability	5,253	-	5,253
Effect of Plan Changes	-	-	-
Differences Between Expected and Actual Experience	(75)	-	(75)
Changes in Assumptions	6,166	-	6,166
Employer Contributions	-	3,081	(3,081)
Member Contributions	-	619	(619)
Net Investment Income	-	(9,292)	9,292
Benefit Payments, Including Refund to Employee Contributions	(4,322)	(4,322)	-
Administrative Expenses	-	(39)	39
Net Changes	<u>8,382</u>	<u>(9,953)</u>	<u>18,335</u>
Balances - June 30, 2022	<u>\$ 85,558</u>	<u>\$ 55,077</u>	<u>\$ 30,481</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

G. Changes in Net Pension Liability (Continued)

	Administrative Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 12,481	\$ 6,176	\$ 6,305
Changes for the Year:			
Service Cost	29	-	29
Interest on Total Pension Liability	821	-	821
Effect of Plan Changes	-	-	-
Differences Between Expected and Actual Experience	396	-	396
Changes in Assumptions	686	-	686
Employer Contributions	-	682	(682)
Member Contributions	-	19	(19)
Net Investment Income	-	(849)	849
Benefit Payments, Including Refund to Employee Contributions	(1,158)	(1,158)	-
Administrative Expenses	-	(16)	16
Net Changes	<u>774</u>	<u>(1,322)</u>	<u>2,096</u>
Balances - June 30, 2022	<u>\$ 13,255</u>	<u>\$ 4,854</u>	<u>\$ 8,401</u>

	Volunteer Firefighters' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 1,359	\$ 726	\$ 633
Changes for the Year:			
Service Cost	-	-	-
Interest on Total Pension Liability	78	-	78
Effect of Plan Changes	-	-	-
Differences Between Expected and Actual Experience	(52)	-	(52)
Changes in Assumptions	42	-	42
Employer Contributions	-	101	(101)
Member Contributions	-	-	-
Net Investment Income	-	(124)	124
Benefit Payments, Including Refund to Employee Contributions	(105)	(105)	-
Administrative Expenses	-	(17)	17
Net Changes	<u>(37)</u>	<u>(145)</u>	<u>108</u>
Balances - June 30, 2022	<u>\$ 1,322</u>	<u>\$ 581</u>	<u>\$ 741</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.25% for Municipal Employees, Police, and Administrative Employees, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Municipal Employees' Net Pension Liability	\$ 33,726	\$ 28,064	\$ 49,755
Police Net Pension Liability	42,331	30,481	20,843
Administrative Employees' Net Pension Liability	9,676	8,401	7,310

The following presents the net pension liability of the Firefighters' Plan, calculated using the discount rate of 5.5% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Firefighters Net Pension Liability	\$ 866	\$ 741	\$ 633

I. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$3,426, \$4,420, \$1,580, and \$61 for Municipal, Police, Administrative, and Fire employees, respectively, for a total of \$9,487. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources				Total
	Municipal Employees' Pension Plan	Police Retirement Plan	Administrative Employees' Pension Plan	Volunteer Firefighters' Pension Plan	
Differences Between Expected and Actual Experience	\$ -	\$ 34	\$ -	\$ -	\$ 34
Changes of Assumptions	982	6,166	-	10	7,158
Net Difference Between Projected and Actual Earning on Pension Plan Investments	2,738	5,785	475	78	9,076
Total	<u>\$ 3,720</u>	<u>\$ 11,985</u>	<u>\$ 475</u>	<u>\$ 88</u>	<u>\$ 16,268</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

I. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Deferred Inflows of Resources				Total
	Municipal		Administrative	Volunteer	
	Employees'	Police	Employees'	Firefighters'	
	Pension	Retirement	Pension	Pension	
	Plan	Plan	Plan	Plan	
Differences Between Expected and Actual Experience	\$ 226	\$ 501	\$ -	\$ 12	\$ 739
Total	<u>\$ 226</u>	<u>\$ 501</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 739</u>

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

<u>Year Ending June 30,</u>	Municipal Employees' Pension Plan	Police Retirement Plan	Administrative Employees' Pension Plan	Volunteer Firefighters' Pension Plan	Total
2023	\$ (1,215)	\$ (2,598)	\$ (73)	\$ (13)	\$ (3,899)
2024	(513)	(2,254)	(85)	(17)	(2,869)
2025	(423)	(1,985)	(65)	(12)	(2,485)
2026	(1,343)	(3,807)	(252)	(34)	(5,436)
2027	-	(840)	-	-	(840)
2028	-	-	-	-	-

J. Payable to the Pension Plan

At June 30, 2022, the Town had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

Volunteer Firefighters - Defined Contribution Plan (amounts not rounded)

In addition to the defined benefit plan described above, the Town provides a defined contribution plan to certain volunteer firefighters, which is administered by the three fire commissioners, the Town Manager and the Director of Finance. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Most current active and all new and future members of volunteer firefighters can only participate in this plan. Members are 100% vested after 10 years of service. Contributions range from \$385 per year for members with less than 6 years of service to \$805 per year for members with more than 35 years of service. The firefighters are not required to contribute to the plan; however, they can elect to defer a stipend of \$1,000. Stipend contributions for 2021-2022 amounted to \$11,000. Plan provisions and contribution requirements are established and may be amended by the Town Council.

The Town's contribution for 2021-2022, computed in accordance with plan requirements, amounted to \$46,740. At June 30, 2022, there were 151 members of the plan.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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.

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.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contribution (Continued)

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, 2022, the amount of "on-behalf" contributions made by the state was \$9,835 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2022, 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		117,453
Total	\$	<u>117,453</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$7,582 in Exhibit II.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan 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, 2020 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:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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

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

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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:

<u>Asset Class</u>	<u>Expected Return</u>		<u>Target Allocation</u>	
Domestic Equity Fund	5.60	%	20.00	%
Developed Market Intl. Stock Fund	6.00		11.00	
Emerging Market Intl. Stock Fund	7.90		9.00	
Core Fixed Income Fund	2.10		16.00	
Inflation Linked Bond Fund	1.10		5.00	
Emerging Market Debt Fund	2.70		5.00	
High Yield Bond Fund	4.00		6.00	
Real Estate Fund	4.50		10.00	
Private Equity	7.30		10.00	
Alternative Investments	2.90		7.00	
Liquidity Fund	0.40		1.00	
Total			<u>100.00</u>	%

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 NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (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

Other Post-employment Benefits Trust

A. Plan Description (amounts not rounded)

The Town provides post-employment benefits for Police Department, Teachers, and certain other retirees. This benefit is provided per various bargaining agreements. The Town pays for 100% of retiree and spouse costs for Police and 75% of retiree costs for Town and Board of Education administrators. The Town is required to provide medical, dental and life insurance to certain retired police officers. The Town is also required to provide medical and dental insurance to certain other retirees until the retirees reach the age of 65 or unless covered elsewhere. The post-employment benefits plan is a single-employer defined benefit health care plan administered by the Town. The post-employment benefits plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post-Employment Benefits Trust Fund. The Town does not issue a separate stand-alone financial statement for this program.

Management of the post-employment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Employee Insurance and Pension Benefits Committee, which consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education, and two alternate members.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment Benefits Trust (Continued)

A. Plan Description (amounts not rounded) (Continued)

At July 1, 2021, plan membership consisted of the following:

Active Employees	660
Retired Employees	100
Total	760

B. Funding Policy and Benefits Provided

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

The Town's funding strategy for post-employment obligations are based upon characteristics of benefits on three distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- AFSCME Board of Education and Town employees are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55, and 5 years of continuous service or 15 years of aggregate service. Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.
- Police officers are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 50 or completion of 20 years of service. Early retirement is age 45 and 10 years of continuous service. For officers hired on or after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age and an officer retiring prior to normal retirement shall not be eligible for retiree health care benefits.
- Per state statute, any Teacher and School Certified Administrator hired prior to March 1986 that does not qualify for Medicare is eligible for retiree health coverage for life, at the earlier of age 55 with 20 years of service or 25 years of service. Those qualifying for Medicare are allowed to remain on the health insurance plan until age 65.
- Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.
- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment Benefits Trust (Continued)

C. Investments

Investment Policy

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the Employee Insurance and Pension Benefits Committee by a majority vote of its members. It is the policy of the Employee Insurance and Pension Benefits Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Employee Insurance and Pension Benefits Committee's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.55)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2022. The components of the net OPEB liability of the Town at June 30, 2022, were as follows:

Total OPEB Liability	\$ 21,763
Plan Fiduciary Net Position	9,754
Net OPEB Liability	<u>\$ 12,009</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.82%
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Actuarial Assumptions

The total OPEB liability at June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	Graded by Age for Teachers and Administrators; 3.25% for all Others
Investment Rate of Return	6.25%
Health Care Cost Trend Rate	6.10%-4.10% Over 54 Years Prior to Age 65; 6.20%-4.20% Over 55 Years After Age 65

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment Benefits Trust (Continued)

D. Net OPEB Liability of the Town (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy teachers were based on the PubT-2010 Mortality Table for Employees and Healthy Annuitants, with generational projection of future improvements per the MP-2019. For all other employees the mortality rate was Pub-2010 Mortality table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP Ultimate Scale.

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected</u>
U.S. Core Fixed Income	32.0 %	1.26 %
Global Bonds	8.0	(0.71)
U.S. Large Cap	34.0	3.65
U.S. Small and Mid Cap	10.5	3.75
Non-U.S. Equity	15.5	4.90
Total	<u>100.0 %</u>	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%, a decrease from the prior year discount rate of 6.88%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment Benefits Trust (Continued)

F. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2021	\$ 22,128	\$ 11,174	\$ 10,954
Changes for the Year:			
Service Cost	650		650
Interest on Total OPEB Liability	1,512		1,512
Plan Changes	(5)		(5)
Economic/Demographic Gains or Losses	(1,767)		(1,767)
Changes in Assumptions	853		853
Employer Contributions		1,723	(1,723)
Net Investment Income		(1,498)	1,498
Benefit Payments	(1,608)	(1,608)	-
Administrative Expenses		(37)	37
Net Changes	<u>(365)</u>	<u>(1,420)</u>	<u>1,055</u>
Balances - June 30, 2022	<u>\$ 21,763</u>	<u>\$ 9,754</u>	<u>\$ 12,009</u>

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

The following presents the net OPEB liability of the Town, as well as what the Town's net 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 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability	<u>\$ 14,094</u>	<u>\$ 12,009</u>	<u>\$ 10,186</u>

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

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

	1% Decrease 5.1% Decreasing to 3.1%	Health Care Cost Trend Rates 6.1% Decreasing to 4.1%	1% Increase 7.1% Decreasing to 5.1%
Net OPEB Liability	<u>\$ 9,639</u>	<u>\$ 12,009</u>	<u>\$ 14,843</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment Benefits Trust (Continued)

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$1,087. At June 30, 2022, 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	\$ 294	\$ 4,773
Changes of Assumptions	805	623
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	1,019	-
Total	<u>\$ 2,118</u>	<u>\$ 5,396</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>
2023	\$ (327)
2024	(303)
2025	(334)
2026	(126)
2027	(609)
Thereafter	(1,579)

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

Other Post-employment Benefits Trust (Continued)

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

The following schedule presents the net position held in trust for OPEB benefits at June 30, 2022 and the changes in net position for the year ended June 30, 2022:

Statement of Net Position

Assets:	
Cash and Cash Equivalents	\$ 682
Investments	9,090
	<hr/>
Total Assets	9,772
Liabilities:	
Accounts Payable	18
	<hr/>
Total Liabilities	18
	<hr/>
Net Position:	
Restricted for OPEB Benefits	\$ 9,754
	<hr/> <hr/>

Statement of Changes in Net Position

Additions:	
Contributions:	
Employer	\$ 1,723
Total Contributions	1,723
	<hr/>
Investment Income:	
Net Depreciation in Fair Value of Investments	(1,723)
Interest and Dividends	272
Total Investment Income (Loss)	(1,451)
	<hr/>
Less: Investment Expense	
	47
Net Investment Income (Loss)	(1,498)
	<hr/>
Total Additions	225
Deductions:	
Benefits	1,608
Administration	37
Total Deductions	1,645
	<hr/>
Change in Net Position	(1,420)
Net Position - Beginning of Year	11,174
	<hr/>
Net Position - End of Year	\$ 9,754
	<hr/> <hr/>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

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

B. Benefit Provisions (amounts not rounded)

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 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 and has not increased since July 1996. A subsidy amount of \$220 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 \$220 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 health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

B. Benefit Provisions (Amounts Not Rounded) (Continued)

Survivor Health Care Coverage

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

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 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

D. Contributions (Amounts Not Rounded)

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 contributions are not currently actuarially funded. The state appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the state. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the state was \$231,432 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2022, 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		12,796
Total	\$	12,796

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of (\$473) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Cost Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will Be Depleted	2023

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

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

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

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

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

- There were no changes to benefit terms in the two years preceding the measurement date.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

F. Actuarial Assumptions (Continued)

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

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020, 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(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 Health Care Cost Trend Rate and the Discount Rate

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

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 Comprehensive Annual 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. 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.

NOTE 12 CONTINGENT LIABILITIES

The Town is subject to various legal actions arising in the normal course of business. While the ultimate outcome of the aforementioned contingencies is not determinable at this time, the Town believes that any liability or loss resulting therefrom will not materially affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property Taxes:				
Current Levy	\$ 97,286	\$ 97,286	\$ 96,206	\$ (1,080)
Motor Vehicle Taxes	9,671	9,671	10,371	700
Prorated Real Estate	-	-	-	-
Prior Year Tax Levies	400	400	518	118
Interest and Liens	350	350	374	24
Total	<u>107,707</u>	<u>107,707</u>	<u>107,469</u>	<u>(238)</u>
Payments in Lieu of Taxes:				
State-Owned Property	15	15	-	(15)
New Meadow Housing	16	16	16	-
Tiered Pilot	-	-	3,735	3,735
Disabled Exemption	5	5	5	-
Additional Veteran's Exemption	25	25	20	(5)
Tax-Exempt Colleges and Hospital	1,940	1,940	-	(1,940)
Total	<u>2,001</u>	<u>2,001</u>	<u>3,776</u>	<u>1,775</u>
Licenses and Permits:				
Building Permits	325	325	576	251
Vendor's Permits	1	1	4	3
Gun Permits	10	10	15	5
Work Within Rights of Way	20	20	17	(3)
Refuse Handling Licenses	2	2	1	(1)
Total	<u>358</u>	<u>358</u>	<u>613</u>	<u>255</u>
Rentals:				
Town Hall Rental	2	2	-	(2)
Indian Hill Country Club	48	48	51	3
Other Town Property	50	50	53	3
Total	<u>100</u>	<u>100</u>	<u>104</u>	<u>4</u>
Investment Income	100	100	(108)	(208)

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Fines:				
Parking Tickets	\$ 11	\$ 11	\$ 11	\$ -
False Alarms	10	10	13	3
Blighted Premises	1	1	-	(1)
Total	22	22	24	2
Charges for Services:				
Conservation Commission	5	5	11	6
Zoning Board of Appeals	1	1	1	-
Town Planning and Zoning	10	10	40	30
Town Clerk Fees	475	475	981	506
Police	10	10	7	(3)
Human Services - Counseling Fee	4	4	2	(2)
Library - Overdue Fines	5	5	2	(3)
Dial-A-Ride Tickets	3	3	1	(2)
Scrap Metal Curbside	20	20	18	(2)
Engineering Fees	1	1	-	(1)
Total	534	534	1,063	529
Refunds and Reimbursements:				
Refunds - Town	10	10	504	494
Refunds - Schools	10	10	39	29
Recycling Rebates	10	10	2	(8)
Total	30	30	545	515
State of Connecticut:				
Mashantucket Pequot Fund	165	165	165	-
Youth Services Bureau	20	20	21	1
Telecommunications Tax	99	99	68	(31)
Emergency Management Grant	19	19	-	(19)
Excess Cost	-	-	30	30
Adult Education	42	42	34	(8)
Municipal Grant-In-Aid	1,366	1,366	1,786	420
School Building Grants	20	20	94	74
Health Services	3	3	6	3
Controlling Interest	-	-	10	10
Education Cost Sharing Grant	13,773	13,773	14,138	365
Total	15,507	15,507	16,352	845

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Federal Government:				
FEMA	\$ 300	\$ 300	\$ 289	\$ (11)
Senior Citizen Trans Aid	9	9	11	2
Total	<u>309</u>	<u>309</u>	<u>300</u>	<u>(9)</u>
Miscellaneous:				
Other - Miscellaneous	5.00	5.00	7	2.00
Cancelled PY Encumbrances	60.00	60.00	304	244.00
Sale of Land	-	-	-	-
Total	<u>65.00</u>	<u>65.00</u>	<u>311</u>	<u>246.00</u>
Total Revenues	126,733	126,733	130,449	3,716
Other Financing Sources:				
Transfers In	<u>172</u>	<u>172</u>	<u>172</u>	-
Total	<u>\$ 126,905</u>	<u>\$ 126,905</u>	130,621	<u>\$ 3,716</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			9,835	
State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted.			231	
Cancellation of prior year encumbrances are recognized as budgetary revenue.			(304)	
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.			<u>1,183</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 141,566</u>	

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Council	\$ 54	\$ 60	\$ 60	\$ -
Town Manager	570	570	489	81
Courts	40	40	26	14
Elections	172	172	148	24
Finance	1,579	1,594	1,572	22
Town Attorney	157	157	156	1
Town Clerk	226	235	223	12
Personnel	42	57	47	10
General Services	3,076	3,083	2,773	310
Total General Government	5,916	5,968	5,494	474
Public Safety:				
Police Department	7,833	7,961	7,701	260
Fire Department	1,053	1,053	1,024	29
Street Lighting	300	300	287	13
Emergency Management	11	11	7	4
Emergency Medical Service	44	44	43	1
Hydrants	111	111	111	-
Total Public Safety	9,352	9,480	9,173	307
Public Works:				
Engineering	256	259	249	10
Highway Department	2,559	2,559	2,457	102
Solid Waste Services	2,457	2,457	2,339	118
Total Public Works	5,272	5,275	5,045	230
Community Planning and Development:				
Planning and Development	286	291	281	10
Town Planning and Zoning	18	17	16	1
Zoning Board of Appeals	2	2	2	-
Building Department	224	229	228	1
Conservation Commission	5	7	6	1
Economic Development	4	4	1	3
Total Community Planning and Development	539	550	534	16
Health and Community Services:				
Public Health:				
Health Services	201	201	198	3
Community Services:				
Human Services	482	489	475	14
Senior and Disabled Center	588	588	548	40
Boards and Commissions	4	4	1	3
Total Health and Community Services	1,275	1,282	1,222	60

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Library:				
Library Operations	\$ 1,740	\$ 1,740	\$ 1,618	\$ 122
Parks and Recreation:				
Parks and Recreation Administration	243	250	236	14
Grounds Maintenance	1,631	1,631	1,493	138
Total Parks and Recreation	1,874	1,881	1,729	152
Board of Education:				
Art	785	744	744	-
Career/Vocational	674	723	723	-
Computers	2,027	2,039	2,046	(7)
Language Arts	3,963	4,359	4,205	154
Foreign Language	1,409	1,344	1,344	-
Math	4,031	4,315	4,315	-
Music	1,218	1,237	1,237	-
Physical Education	1,517	1,604	1,604	-
Reading	3,830	3,854	3,854	-
Science	3,131	3,541	3,542	(1)
S.T.E.M.	642	644	644	-
Social Studies	3,347	3,718	3,718	-
Other Salaries	1,167	574	574	-
Special Education	10,588	10,679	10,681	(2)
Homebound	83	83	83	-
Adult Education	104	102	102	-
Guidance	1,188	1,190	1,190	-
Health/Nurses	712	658	659	(1)
Psychological Services	1,217	1,267	1,267	-
Speech and Hearing	738	701	701	-
Curriculum Development	333	297	297	-
Media	847	839	839	-
Board of Education	568	301	305	(4)
Central Direction	1,907	1,892	1,893	(1)
Building Direction	4,004	4,188	4,188	-
Supplies	241	251	251	-
Maintenance	2,208	3,504	3,516	(12)
Plant Operation	4,986	4,625	4,662	(37)
Transportation	3,421	3,074	3,085	(11)
Evaluation, Planning, and Development	101	90	90	-
Insurance	812	712	712	-
Employee Benefits	13,536	12,234	12,237	(3)
Non-Athletics	172	167	167	-
Athletics	618	634	634	-
Community Service	101	97	97	-
ALL	542	487	487	-
Total Board of Education	76,768	76,768	76,693	75

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Miscellaneous:				
Metropolitan District Assessment	\$ 4,758	\$ 4,758	\$ 4,733	\$ 25
Municipal Insurance	988	988	968	20
Greater Hartford Transit District	5	5	5	-
Employee Benefits	10,230	10,230	10,085	145
Donations and Contributions	28	28	18	10
Contingency	383	174	44	130
Total Miscellaneous	16,392	16,183	15,853	330
Debt service:				
Principal Payments	1,865	1,865	1,865	-
Interest Expense	358	807	806	1
Total Debt Service	2,223	2,672	2,671	1
Total Expenditures	121,351	121,799	120,032	1,767
Other Financing Uses:				
Transfers Out	8,054	8,179	7,783	396
Total	\$ 129,405	\$ 129,978	127,815	\$ 2,163

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	9,835
State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	231
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.	1,183
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	609
The Board of Education does not budget for certain non-lapsing expenditures.	
Transfer to non-lapsing account	477

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

\$ 140,150

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES
LAST NINE FISCAL YEARS*
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 567	\$ 561	\$ 538	\$ 503	\$ 507	\$ 504	\$ 423	\$ 415	\$ 362
Interest	2,923	3,026	3,122	3,184	3,173	3,127	3,175	3,452	3,480
Differences Between Expected and Actual Experience	(30)	471	581	(856)	(1,228)	402	649	(67)	(678)
Changes of Assumptions			518	518	520	538	3,809	-	2,947
Benefit Payments, Including Refunds of Member Contributions	(2,496)	(2,586)	(2,796)	(2,768)	(2,761)	(2,931)	(3,102)	(3,254)	(3,474)
Net Change in Total Pension Liability	964	1,472	1,963	581	211	1,640	4,954	546	2,637
Total Pension Liability - Beginning	39,633	40,597	42,069	44,032	44,613	44,824	46,464	51,418	51,964
Total Pension Liability - Ending	40,597	42,069	44,032	44,613	44,824	46,464	51,418	51,964	54,601
Plan Fiduciary Net Position:									
Contributions - Employer	1,453	1,594	1,623	1,695	1,742	1,753	1,885	2,413	2,468
Contributions - Member	326	303	284	274	288	250	221	200	178
Net Investment Income (Loss)	3,122	842	(397)	2,938	1,893	2,011	1,330	6,383	(4,551)
Benefit Payments, Including Refunds of Member Contributions	(2,496)	(2,586)	(2,796)	(2,768)	(2,761)	(2,931)	(3,102)	(3,254)	(3,474)
Administrative Expense	(20)	(21)	(15)	(20)	(28)	(28)	(25)	(36)	(30)
Other:									
Net Change in Plan Fiduciary Net Position	2,385	132	(1,301)	2,119	1,114	1,055	309	5,706	(5,409)
Plan Fiduciary Net Position - Beginning	20,427	22,812	22,944	21,643	23,762	24,876	25,931	26,240	31,946
Plan Fiduciary Net Position - Ending	22,812	22,944	21,643	23,762	24,876	25,931	26,240	31,946	26,537
Net Pension Liability - Ending	\$ 17,785	\$ 19,125	\$ 22,389	\$ 20,851	\$ 19,948	\$ 20,533	\$ 25,178	\$ 20,018	\$ 28,064
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.19 %	54.54 %	49.15 %	53.26 %	55.50 %	55.81 %	51.03 %	61.48 %	48.60 %
Covered Payroll	\$ 7,230	\$ 6,807	\$ 7,037	\$ 6,603	\$ 6,123	\$ 6,115	\$ 5,803	\$ 5,437	\$ 4,755
Net Pension Liability as a Percentage of Covered Payroll	245.99 %	280.96 %	318.16 %	315.78 %	325.79 %	335.78 %	433.88 %	368.18 %	590.20 %

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

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
LAST NINE FISCAL YEARS*
(IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 1,057	\$ 1,164	\$ 1,178	\$ 1,264	\$ 1,311	\$ 1,372	\$ 1,349	\$ 1,353	\$ 1,360
Interest	3,974	4,140	4,319	4,479	4,648	4,732	4,883	5,092	5,253
Differences Between Expected and Actual Experience	(36)	259	483	186	(1,000)	(3)	(1,588)	50	(75)
Changes of Assumptions			835	913	896	990	3,539	-	6,166
Benefit Payments, Including Refunds of Member Contributions	(3,104)	(3,206)	(3,330)	(3,507)	(3,522)	(3,686)	(3,774)	(3,990)	(4,322)
Net Change in Total Pension Liability	1,891	2,357	3,485	3,335	2,333	3,405	4,409	2,505	8,382
Total Pension Liability - Beginning	53,456	55,347	57,704	61,189	64,524	66,857	70,262	74,671	77,176
Total Pension Liability - Ending	55,347	57,704	61,189	64,524	66,857	70,262	74,671	77,176	85,558
Plan Fiduciary Net Position:									
Contributions - Employer	2,661	3,195	3,338	3,515	3,613	3,496	3,758	3,304	3,081
Contributions - Member	443	493	535	558	588	598	579	614	619
Net Investment Income (Loss)	4,598	1,310	(611)	5,004	3,386	3,739	2,574	12,711	(9,292)
Benefit Payments, Including Refunds of Member Contributions	(3,104)	(3,206)	(3,330)	(3,507)	(3,522)	(3,686)	(3,774)	(3,990)	(4,322)
Administrative Expense	(20)	(22)	(16)	(24)	(32)	(38)	(25)	(49)	(39)
Other:									
Net Change in Plan Fiduciary Net Position	4,578	1,770	(84)	5,546	4,013	4,109	3,112	12,590	(9,953)
Plan Fiduciary Net Position - Beginning	29,396	33,974	35,744	35,660	41,206	45,219	49,328	52,440	65,030
Plan Fiduciary Net Position - Ending	33,974	35,744	35,660	41,206	45,219	49,328	52,440	65,030	55,077
Net Pension Liability - Ending	\$ 21,373	\$ 21,960	\$ 25,529	\$ 23,318	\$ 21,638	\$ 20,934	\$ 22,231	\$ 12,146	\$ 30,481
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.38 %	61.94 %	58.28 %	63.86 %	67.64 %	70.21 %	70.23 %	84.26 %	64.37 %
Covered Payroll	\$ 5,561	\$ 5,536	\$ 5,766	\$ 5,828	\$ 6,151	\$ 6,183	\$ 6,381	\$ 6,548	\$ 6,388
Net Pension Liability as a Percentage of Covered Payroll	384.34 %	396.68 %	442.75 %	400.10 %	351.78 %	338.57 %	348.39 %	185.49 %	477.16 %

Notes to Schedule:

Benefit changes. In 20X1, benefit terms were modified to base public safety member pensions on a final three-year average salary instead of a final five-year average salary.

Changes of assumptions. In 20X7, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general plan members. In 20X4, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety members. In 20X1, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

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

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ADMINISTRATIVE EMPLOYEES
LAST NINE FISCAL YEARS*
(IN THOUSANDS)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 61	\$ 62	\$ 66	\$ 69	\$ 61	\$ 48	\$ 50	\$ 44	\$ 29
Interest	836	845	838	843	842	831	791	834	821
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	11	113	(63)	71	1	(370)	153	78	396
Changes of Assumptions			85	129	128	120	875	-	686
Benefit Payments, Including Refunds of Member Contributions	(899)	(855)	(848)	(848)	(958)	(985)	(1,001)	(1,091)	(1,158)
Net Change in Total Pension Liability	9	165	78	264	74	(356)	868	(135)	774
Total Pension Liability - Beginning	11,514	11,523	11,688	11,766	12,030	12,104	11,748	12,616	12,481
Total Pension Liability - Ending	11,523	11,688	11,766	12,030	12,104	11,748	12,616	12,481	13,255
Plan Fiduciary Net Position:									
Contributions - EMPLOYER	383	436	449	455	491	517	512	652	682
Contributions - member	38	40	41	43	29	24	23	15	19
Net Investment Income (Loss)	824	213	(101)	701	448	436	271	1,284	(849)
Benefit Payments, Including Refunds of Member Contributions	(899)	(855)	(848)	(848)	(958)	(985)	(1,001)	(1,091)	(1,158)
Administrative Expense	(4)	(5)	(3)	(4)	(6)	(7)	(9)	(27)	(16)
Other:									
Net Change in Plan Fiduciary Net Position	342	(171)	(462)	347	4	(15)	(204)	833	(1,322)
Plan Fiduciary Net Position - Beginning	5,502	5,844	5,673	5,211	5,558	5,562	5,547	5,343	6,176
Plan Fiduciary Net Position - Ending	5,844	5,673	5,211	5,558	5,562	5,547	5,343	6,176	4,854
Net Pension Liability - Ending	\$ 5,679	\$ 6,015	\$ 6,555	\$ 6,472	\$ 6,542	\$ 6,201	\$ 7,273	\$ 6,305	\$ 8,401
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.72 %	48.54 %	44.29 %	46.20 %	45.95 %	47.22 %	42.35 %	49.48 %	36.62 %
Covered Payroll	\$ 751	\$ 842	\$ 864	\$ 899	\$ 925	\$ 766	\$ 542	\$ 560	\$ 484
Net Pension Liability as a Percentage of Covered Payroll	756.19 %	714.37 %	758.68 %	719.91 %	707.24 %	809.53 %	1341.88 %	1125.89 %	1735.74 %

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS
LAST NINE FISCAL YEARS*
(IN THOUSANDS)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 87	\$ 86	\$ 86	\$ 84	\$ 81	\$ 78	\$ 76	\$ 79	\$ 78
Interest	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	50	-	(12)	(1)	(96)	-	(52)
Changes of Assumptions	-	-	-	-	-	-	201	-	42
Benefit Payments, Including Refunds of Member Contributions	(114)	(121)	(125)	(120)	(119)	(119)	(117)	(108)	(105)
Net Change in Total Pension Liability	(27)	(35)	11	(36)	(50)	(42)	64	(29)	(37)
Total Pension Liability - Beginning	1,503	1,476	1,441	1,452	1,416	1,366	1,324	1,388	1,359
Total Pension Liability - Ending	1,476	1,441	1,452	1,416	1,366	1,324	1,388	1,359	1,322
Plan Fiduciary Net Position:									
Contributions - Employer	102	133	133	125	125	106	106	102	101
Contributions - Member	-	-	-	-	-	-	-	-	-
Net Investment Income (Loss)	60	(5)	(3)	58	27	40	7	144	(124)
Benefit Payments, Including Refunds of Member Contributions	(113)	(121)	(125)	(120)	(119)	(119)	(117)	(108)	(105)
Administrative Expense	(9)	(6)	(12)	(5)	(11)	(4)	(8)	(4)	(17)
Other:									
Net Change in Plan Fiduciary Net Position	40	1	(7)	58	22	23	(12)	134	(145)
Plan Fiduciary Net Position - Beginning	467	507	508	501	559	581	604	592	726
Plan Fiduciary Net Position - Ending	507	508	501	559	581	604	592	726	581
Net Pension Liability - Ending	\$ 969	\$ 933	\$ 951	\$ 857	\$ 785	\$ 720	\$ 796	\$ 633	\$ 741
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.35 %	35.25 %	34.50 %	39.48 %	42.53 %	45.62 %	45.62 %	53.42 %	43.95 %
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,373	\$ 1,453	\$ 1,594	\$ 1,623	\$ 1,695	\$ 1,742	\$ 1,753	\$ 1,885	\$ 2,413	\$ 2,468
Contributions in Relation to the Actuarially Determined Contribution	1,697	1,453	1,594	1,623	1,695	1,742	1,753	1,885	2,413	2,468
Contribution Deficiency (Excess)	<u>\$ (324)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,503	\$ 7,230	\$ 6,807	\$ 7,037	\$ 6,603	\$ 6,183	\$ 6,115	\$ 5,803	\$ 5,437	\$ 4,755
Contributions as a Percentage of Covered Payroll	22.62 %	20.10 %	23.42 %	23.06 %	25.67 %	28.17 %	28.67 %	32.48 %	44.38 %	51.90 %

Notes to Schedule

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

- Contribution Rates:
 - Actuarial Cost Method: Entry Age Normal
 - Amortization Method: Level Percentage of Payroll, Closed
 - Remaining Amortization Period: 14 Years
 - Asset Valuation Method: 5-Year Nonasymptotic
 - Inflation: 2.75%
 - Salary Increases: 3.25% Average, Including Inflation
 - Investment Rate of Return: 6.25%, Net of Pension Plan Investment Expense, Including Inflation
- Retirement Age: Age-Based Table
- Mortality: PUB-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 2,427	\$ 2,661	\$ 3,195	\$ 3,338	\$ 3,486	\$ 3,613	\$ 3,496	\$ 3,758	\$ 3,304	\$ 3,081
Contributions in Relation to the Actuarially Determined Contribution	2,805	2,661	3,195	3,338	3,515	3,613	3,496	3,758	3,304	3,081
Contribution Deficiency (Excess)	<u>\$ (378)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,829	\$ 5,561	\$ 5,536	\$ 5,766	\$ 5,828	\$ 6,151	\$ 6,183	\$ 6,381	\$ 6,548	\$ 6,388
Contributions as a Percentage of Covered Payroll	48.12 %	47.85 %	57.71 %	57.89 %	60.31 %	58.74 %	56.54 %	58.89 %	50.46 %	48.23 %

Notes to Schedule:

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

- Contribution Rates:
 - Actuarial Cost Method: Entry Age Normal
 - Amortization Method: Level Percentage of Payroll, Closed
 - Asset Valuation Method: 11 Years
 - Inflation: 5-Year Nonasymptotic
 - Salary Increases: 2.75%
 - Investment Rate of Return: 3.25% Average, Including Inflation
- Retirement Age: 6.25%, Net of Pension Plan Investment Expense, Including Inflation
- Mortality: Based on Age and Service
- Mortality: PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ADMINISTRATIVE EMPLOYEES
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 324	\$ 383	\$ 436	\$ 449	\$ 455	\$ 491	\$ 517	\$ 512	\$ 652	\$ 682
Contributions in Relation to the Actuarially Determined Contribution	422	383	436	449	455	491	517	512	652	682
Contribution Deficiency (Excess)	<u>\$ (98)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 761	\$ 751	\$ 842	\$ 864	\$ 899	\$ 925	\$ 766	\$ 542	\$ 560	\$ 484
Contributions as a Percentage of Covered Payroll	55.45 %	51.00 %	51.78 %	51.97 %	50.61 %	53.08 %	67.49 %	94.46 %	116.43 %	140.91 %

Notes to Schedule

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

- Contribution Rates:
 - Actuarial Cost Method: Entry Age Normal
 - Amortization Method: Level Percentage of Payroll, Closed
 - Asset Valuation Method: 16 Years
 - Inflation: 5-Year Nonasymptotic
 - Salary Increases: 2.75%
 - Investment Rate of Return: 3.25% Average, Including Inflation
- Retirement Age: 6.25%, Net of Pension Plan Investment Expense, Including Inflation
- Mortality: Age-Related Table
- Mortality: PUB-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 102	\$ 102	\$ 133	\$ 133	\$ 125	\$ 125	\$ 106	\$ 106	\$ 102	\$ 101
Contributions in Relation to the Actuarially Determined Contribution	102	102	133	133	125	125	106	106	102	101
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00%

Notes to Schedule

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

- Contribution Rates:
 - Actuarial Cost Method: Entry Age Normal
 - Amortization Method: Level Dollar of Payroll, Open
 - Asset Valuation Method: 10 Years
 - Inflation: N/A
 - Salary Increases: 2.75% (Prior: 2.75%)
 - Investment Rate of Return: N/A
- Retirement Age: 5.5%, Net of Pension Plan Investment Expense, Including Inflation
- Mortality: 100% are assumed to retire at Normal Retirement Date
- PubS-2010 Mortality with generational projection per MP-2019 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 MUNICIPAL EMPLOYEES
 LAST NINE FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.07 %	3.64 %	(1.71)%	13.36 %	7.83 %	7.97 %	5.06 %	23.74 %	(13.95)%

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

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE
LAST NINE FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.01%	3.67%	(1.63)%	13.31%	7.83%	7.94%	5.01%	23.68%	(14.05)%

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

**TOWN OF NEWINGTON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 ADMINISTRATIVE EMPLOYEES
 LAST NINE FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.17 %	3.65 %	(1.77)%	13.37 %	8.07 %	7.82 %	4.91 %	23.84 %	(13.66)%

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

**TOWN OF NEWINGTON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 FIREFIGHTERS
 LAST NINE FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.38 %	(1.20)%	(0.70)%	9.87 %	3.98 %	7.06 %	1.51 %	26.21 %	(17.53)%

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

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

	2015	2016	2017	2018	2019	2020	2021	2022
Town's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	81,526	88,203	112,951	107,062	104,120	135,035	148,298	117,453
Total	\$ 81,526	\$ 88,203	\$ 112,951	\$ 107,062	\$ 104,120	\$ 135,035	\$ 148,298	\$ 117,453
Town's Covered Payroll	\$ 31,370	\$ 31,603	\$ 32,498	\$ 32,704	\$ 32,582	\$ 33,569	\$ 27,265	\$ 28,223
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %
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 %

Notes to Schedule

- Changes in Benefit Terms: None
- 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: 30 Years
- Asset Valuation Method: 4-Year Smoothed Market
- Inflation: 2.50%
- Salary Increase: 3.25%-6.50%, Including Inflation
- Investment Rate of Return: 6.90%, Net of Investment Related Expense

Notes:

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

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
LAST SIX FISCAL YEARS*
(IN THOUSANDS)

	2017	2018	2019	2020	2021	2022
Total OPEB Liability:						
Service Cost	\$ 756	\$ 734	\$ 774	\$ 626	\$ 636	\$ 650
Interest	1,646	1,717	1,784	1,844	1,471	1,512
Changes of Benefit Terms	-	-	-	-	-	(5)
Differences Between Expected and Actual Experience	-	737	-	(4,485)	-	(1,767)
Changes of Assumptions	-	88	-	(879)	-	853
Benefit Payments	(1,175)	(1,688)	(1,422)	(1,716)	(1,466)	(1,608)
Net Change in Total OPEB Liability	1,227	1,588	1,136	(4,610)	641	(365)
Total OPEB Liability - Beginning	22,146	23,373	24,961	26,097	21,487	22,128
Total OPEB Liability - Ending	23,373	24,961	26,097	21,487	22,128	21,763
Plan Fiduciary Net Position:						
Contributions - Employer	2,138	1,771	2,123	2,254	1,697	1,723
Net Investment Income	792	516	628	434	2,012	(1,498)
Benefit Payments	(1,175)	(1,688)	(1,422)	(1,716)	(1,466)	(1,608)
Administrative Expense	(167)	(134)	(153)	(40)	(17)	(37)
Other:						
Net Change in Plan Fiduciary Net Position	1,588	465	1,176	932	2,226	(1,420)
Plan Fiduciary Net Position - Beginning	4,787	6,375	6,840	8,016	8,948	11,174
Plan Fiduciary Net Position - Ending	6,375	6,840	8,016	8,948	11,174	9,754
Net OPEB Liability - Ending	\$ 16,998	\$ 18,121	\$ 18,081	\$ 12,539	\$ 10,954	\$ 12,009
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	27.28 %	27.40 %	30.72 %	41.64 %	50.50 %	44.82 %
Covered Payroll	\$ 46,163	\$ 46,163	\$ 45,740	\$ 45,740	\$ 56,654	\$ 58,587
Net OPEB Liability as a Percentage of Covered Payroll	36.82 %	39.25 %	39.53 %	27.41 %	19.33 %	20.50 %

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

Notes to Schedule:

Benefit changes : None

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
LAST TEN FISCAL YEARS*
(IN THOUSANDS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution (1) Contributions in Relation to the Actuarially Determined Contribution	\$ 1,713	\$ 1,795	\$ 1,880	\$ 1,970	\$ 1,771	\$ 1,841	\$ 2,123	\$ 2,254	\$ 1,697	\$ 1,723
	2,090	1,916	1,781	1,946	2,138	1,771	2,123	2,254	1,697	1,723
Contribution Deficiency (Excess)	\$ (377)	\$ (121)	\$ 99	\$ 24	\$ (367)	\$ 70	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	\$ 46,163	\$ 46,163	\$ 45,740	\$ 45,740	\$ 58,587	\$ 58,587
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	4.63 %	3.84 %	4.64 %	4.93 %	2.90 %	2.94 %

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:	Entry Age Normal
Actuarial Cost Method	Level Percent, Closed
Amortization Method	16 Years
Amortization Period	Nonasymptotic
Asset Valuation Method	2.60%
Inflation	6.10%-4.10% over 54 Years
Health Care Cost Trend Rates	3.25%
Salary Increases	6.25%
Investment Rate of Return	Varies by Age and Years of Service
Retirement Age	
Mortality:	
Teachers	PubT-2010 Mortality Table for Employees and Healthy Annuitants, with generational projection of future improvements per the MP-2019
All Others	Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP Ultimate Scale.

**TOWN OF NEWINGTON, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
 LAST SIX FISCAL YEARS***

	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.22 %	7.26 %	8.11 %	4.54 %	20.89 %	(12.55)%

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

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

	2018	2019	2020	2021	2022
Town's Proportion of the Net OPEB Liability	-	-	-	-	-
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	27,557	20,814	21,059	22,119	12,796
Total	\$ 27,557	\$ 20,814	\$ 21,059	\$ 22,119	\$ 12,796
Town's Covered Payroll	\$ 32,704	\$ 32,582	\$ 33,569	\$ 27,265	\$ 28,223
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	1.79 %	1.49 %	2.08 %	2.50 %	6.11 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-	-	-	-	-

Notes to Schedule:

- Changes in Benefit Terms: None
- Changes of Assumptions: Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; based on scheduled premium increases through calendar year 2024

Actuarial cost method

- Amortization method: Level Percent of Payroll Over an Open Period
- Remaining amortization period: 30 Years
- Asset valuation method: Market Value of Assets
- Investment rate of return: 3.00%, Net of Investment Related Expense Including Price Inflation
- Price inflation: 2.75%

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.

Appendix B

Form of Opinion of Bond Counsel and Tax Matters

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Appendix B – Form of Opinion of Bond Counsel and Tax Matters

June 7, 2023

Town of Newington
Town Hall
200 Garfield Street
Newington, CT 06111

RE: Town of Newington, Connecticut
\$10,000,000 General Obligation Bonds, Issue of 2023, dated June 7, 2023

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Newington, Connecticut (the “Town”) of its \$10,000,000 General Obligation Bonds, Issue of 2023, dated June 7, 2023 (the “Bonds”).

In connection therewith, we have examined the law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Town, and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents and the proper indexing and accuracy of all public records and documents. As to questions of fact material to our opinion, we have relied upon written representations and agreements executed by officials of the Town authorized to issue the Bonds, in connection with the issuance and delivery of the Bonds, without undertaking to verify the same by independent investigation.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement, the final Official Statement or any other offering material relating to the Bonds (except only the matters set forth as our opinion in the Preliminary Official Statement and the final Official Statement), and we express no opinion relating thereto.

Based upon the foregoing examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. When certified as provided thereon by a duly authorized official of U.S. Bank Trust Company, National Association, the Bonds will be the valid and binding general obligations of the Town. The Bonds will be payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to certain classified property. Pursuant to Connecticut General Statutes, classified property includes certified forest land, taxable at a limited rate, and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

2. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and such interest is not treated as a preference item for purposes of calculating the federal alternative minimum tax; however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The opinions set forth in the preceding paragraphs are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

3. Under existing law, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the federal alternative minimum tax.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

Although we have rendered an opinion that interest on the Bonds is not includable in the gross income of the owners thereof for purposes of federal income taxation, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any other federal or state tax consequence of ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Very truly yours,

UPDIKE, KELLY & SPELLACY, P.C.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Failure to comply with the continuing requirements of the Code may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, irrespective of the date on which such noncompliance occurs. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, contains certain representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are

deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. The foregoing is not intended to be an exhaustive list of potential tax consequences. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of the Bonds.

State Taxes

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or to reflect any changes in law that may thereafter occur or become effective.

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

No assurance can be given that future legislation, or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other state and local tax consequences of ownership and disposition of the Bonds.

Original Issue Discount

With respect to any of the Bonds where the initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their state principal amounts, the difference between the stated principal amount and the initial public offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth on the cover page of the Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law, OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income of the owners of the Bonds for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes. Accrued original issue discount on an OID Bond is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excludable from amounts on which the net Connecticut

minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any bond during each day it is owned is added to the adjusted basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bonds by such owner. Original issue discount on any bond is treated as accruing on the basis of economic accrual, computed by a constant semiannual compounding method using the yield to maturity on such bond, and the adjusted basis of such OID Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. Owners of the OID Bonds are advised to consult with their tax advisors with respect to the Federal, state and local tax consequences of owning the OID Bonds.

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

Original Issue Premium

With respect to any of the Bonds where the initial public offering prices of certain maturities of the Bonds is greater than the amount payable on those Bonds at maturity (the “OIP Bonds”), the excess of the price paid by the first owner of an OIP Bond over the principal amount payable at maturity of such OIP Bond constitutes original issue premium. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer’s yield to maturity using the taxpayer’s adjusted basis and a constant semiannual compounding method. The portion of such premium amortizing over the period the OIP Bond is held by the owner does not reduce taxable income for purposes of either the federal income tax or the Connecticut income tax on individuals, trusts and estates and does not reduce amount on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax, but it does reduce the owner’s adjusted basis in the OIP Bond for purposes of determining gain or loss on its disposition. Prospective purchasers of OIP Bonds should consult their own tax advisors regarding the amortization of premium and the effect upon basis.

Proposed Legislation and Other Matters

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds, or the marketability of the Bonds, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Bonds or the market price for, or marketability of,

the Bonds. No assurance can be given with respect to the impact of future legislation on the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisors regarding such matters.

General

The opinions of Bond Counsel are rendered as of their date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. No assurance can be given that future federal legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or will not change the effect of other federal tax law consequences discussed above of owning and disposing of the Bonds. No assurance can be given that future legislation, or amendments to the State of Connecticut income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates. The opinions of Bond Counsel are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

Appendix C

Form of Continuing Disclosure Agreement

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Appendix C – Form of Continuing Disclosure Agreement

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of the 7th day of June, 2023 by the Town of Newington, Connecticut (the “Town”), acting by its undersigned officers, duly authorized, in connection with the issuance of its \$10,000,000 General Obligation Bonds, Issue of 2023 (the “Bonds”).

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Town, dated May __, 2023, prepared in connection with the Bonds.

“Listed Events” means any of the events listed in Section 3 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2023) as follows:

(i) Audited financial statements or Annual Comprehensive Financial Report (which must include the audited financial statements of the Town) (the “Annual Report”) of the Town, as of and for the year ending on its fiscal year end, prepared in accordance with generally accepted accounting principles, as promulgated by the Government Accounting Standards Board from time to time, or mandated state statutory principles as in effect from time to time. As of the

date of this Agreement, the Town is required to prepare audited financial statements of its various funds and accounts.

- (ii) To the extent not provided in the audited financial statements or Annual Report of the Town, the following information:
 - (A) amount of the net grand list applicable to the fiscal year;
 - (B) listing of the principal property taxpayers on the applicable grand list, together with each such taxpayer's taxable assessed value thereon;
 - (C) property tax levy and collection information for the last ten fiscal years, including percentage or amount of the annual property tax levy collected for such fiscal year;
 - (D) schedule of bond and note indebtedness outstanding as of the close of the fiscal year;
 - (E) ratios of outstanding debt by type of the Town as of the close of the fiscal year and the last ten fiscal years, including debt per capita and ratio of debt to taxable assessed value;
 - (F) statement of debt limitation as of the close of the fiscal year;
 - (G) net pension liability of the Town as of the close of the fiscal year;
 - (H) schedule of employer contributions for each of the Town's pension plans for the last ten fiscal years; and
 - (I) schedule of changes in net OPEB liability for the last two fiscal years.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Town's fiscal year currently ends on June 30.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is www.emma.msrb.org, or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Town shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Town agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Town may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a “Voluntary Filing”). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Reporting of Listed Events.

The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) the incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect securities holders, if material; and
- (p) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p) above, the term “financial obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii) but shall not include municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Town agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 6. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Town acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Director of Finance receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Town should be made to the Director of Finance, Town Hall, 200 Garfield Street, Newington, CT 06111.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

TOWN OF NEWINGTON, CONNECTICUT

By: _____
JAMES KRUPIENSKI
Acting Town Manager

By: _____
JANET MURPHY
Director of Finance

Appendix D

Notice of Sale

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Appendix D – Notice of Sale

NOTICE OF SALE

TOWN OF NEWINGTON, CONNECTICUT

\$10,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2023

ELECTRONIC PROPOSALS *solely* via PARITY® will be received by the TOWN OF NEWINGTON, CONNECTICUT (the “Town”), at the Town Hall, 200 Garfield Street, Newington, Connecticut 06111, until 11:30 A.M. (Eastern Time) on TUESDAY,

MAY 23, 2023

for the purchase, when issued, of all (but not less than all) of the Town’s \$10,000,000 General Obligation Bonds, Issue of 2023, dated June 7, 2023 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on June 1 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>
2024	\$500,000	2034	\$500,000
2025	\$500,000	2035	\$500,000
2026	\$500,000	2036	\$500,000
2027	\$500,000	2037	\$500,000
2028	\$500,000	2038	\$500,000
2029	\$500,000	2039	\$500,000
2030	\$500,000	2040	\$500,000
2031	\$500,000	2041	\$500,000
2032	\$500,000	2042	\$500,000
2033	\$500,000	2043	\$500,000

The Bonds will bear interest payable on December 1, 2023 and semiannually thereafter on June 1 and December 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption. The Bonds maturing on or before June 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after June 1, 2030, at any time, either in whole or in part, in such amounts and in such order of maturity as the Town may determine, and by lot within a maturity, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
June 1, 2030 and thereafter	100.0%

Nature of Obligation. The Bonds will constitute general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied against all taxable property in the Town. All property taxation is without limit as to rate or amount, except as to classified property such as certified forest land, taxable at a limited rate, and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts.

Bank Qualification. The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Book-Entry. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. Upon receipt from the Town, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates for the Bonds will be the fifteenth day of May and November in each year, or the preceding day if such fifteenth day is not a business day.

Proposals. Each bid must be for the entire \$10,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds,

and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Town, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals. Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the responsible bidder whose bid proposes the lowest TIC to the Town. If there is more than one responsible bidder making said offer at the same lowest TIC, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®** by 11:30 A.M. (Eastern Time) on Tuesday, May 23, 2023. Any prospective bidder must be a subscriber of Ipreo’s BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o Ipreo LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: parity@ihsmarkit.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. All bids shall be deemed to incorporate the provisions of this Notice.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Town that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an

officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*®, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*®, the use of *PARITY*® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of *PARITY*® prospective electronic bidders shall be solely responsible to make necessary arrangements to access *PARITY*® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Town nor *PARITY*® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town or *PARITY*® shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The Town is using *PARITY*® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of *PARITY*® to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*® are the sole responsibility of the bidders; and the Town is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone *PARITY*® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by *PARITY*®, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on *PARITY*® shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent. The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will also act as Registrar, Paying Agent and Transfer Agent.

Bond Counsel Opinion. The legality of the issue will be passed upon by Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will appear on each Bond certificate and will state that the Bonds are valid and binding obligations of the Town. Bond Counsel will require as a precondition to release of its opinion printed on the Bonds that the purchaser of such Bonds deliver to it a completed "issue price" certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under "Establishment of Issue Price".

Establishment of Issue Price. In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion of interest on the Bonds from the gross income

of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael Botelho, Esq., Updike, Kelly & Spellacy, P.C., Goodwin Square, 225 Asylum Street, 20th Floor, Hartford, CT 06103, Telephone: (860) 548-2637, E-mail: mbotelho@uks.com and (2) the Municipal Advisor at Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town and the Municipal Advisor may act on behalf of the Town.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Town that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Town that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Town.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) the Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Exhibit A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder. The Town may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 3:30 p.m. (E.D.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Town, or Bond Counsel on behalf of the Town, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an

underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement. For more information regarding the Bonds or the Town, reference is made to the Preliminary Official Statement dated May 16, 2023 (the “Official Statement”) prepared by the Town’s Municipal Advisor, describing the Bonds and the financial condition of the Town. The Official Statement is available in electronic format at www.i-dealprospectus.com, and such electronic access is being provided as a matter of convenience only. Copies of the Official Statement may be obtained from the Municipal Advisor. The Town deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Town will make available to the purchaser twenty-five (25) copies of the final Official Statement at the Town’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Town’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. As required by the Rule, the Town will undertake, pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to provide annual financial information and operating data, including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of the occurrence of such events, and timely notice of any failure by the Town to provide annual financial information on or before the dates specified in the Continuing Disclosure Agreement. A form of the Continuing Disclosure Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

Delivery, Payment and Closing Requirements. The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about June 7, 2023. At or prior to the delivery of the Bonds the winning bidder shall be furnished, without cost, with (a) the approving opinion of Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut (see “Bond Counsel Opinion” above); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a certificate of Town

Officials relating to the accuracy and completeness of the Official Statement; (d) an executed copy of the Continuing Disclosure Agreement; and (e) a receipt of payment for the Bonds.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town's costs of issuance except to the extent specifically stated in this Notice of Sale. The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Town's Municipal Advisor will apply for CUSIP numbers for the Bonds prior to their delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

TOWN OF NEWINGTON, CONNECTICUT

JAMES KRUPIENSKI
Acting Town Manager

JANET MURPHY
Director of Finance

May 16, 2023

EXHIBIT A

ISSUE PRICE CERTIFICATE

(Competitive Sale Requirements Satisfied)

Town of Newington, Connecticut
\$10,000,000 General Obligation Bonds, Issue of 2023
Dated June 7, 2023

The undersigned, on behalf of [Underwriter] (“[Short Name of Underwriter]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [Short Name of Underwriter], the purchaser of the Bonds.

2. ***Purchase Price.*** The Town of Newington, Connecticut (the “Issuer”) sold to [Short Name of Underwriter], for delivery on or about June 7, 2023, the Bonds at a price of par (\$10,000,000), plus an aggregate net premium of \$_____ and less an underwriter’s discount of \$_____, resulting in an aggregate net purchase price of \$_____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of May 23, 2023 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [Short Name of Underwriter] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [Short Name of Underwriter] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [Short Name of Underwriter] to purchase the Bonds.

(b) [Short Name of Underwriter] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [Short Name of Underwriter] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or

more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Short name of Underwriter]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Updike, Kelly & Spellacy, P.C., bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of June 7, 2023.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, June 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2024	\$500,000		
2025	\$500,000		
2026	\$500,000		
2027	\$500,000		
2028	\$500,000		
2029	\$500,000		
2030	\$500,000		
2031	\$500,000		
2032	\$500,000		
2033	\$500,000		
2034	\$500,000		
2035	\$500,000		
2036	\$500,000		
2037	\$500,000		
2038	\$500,000		
2039	\$500,000		
2040	\$500,000		
2041	\$500,000		
2042	\$500,000		
2043	\$500,000		

Schedule B to Issue Price Certificate

[Copy of Bid]

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