

Town of New Fairfield, Connecticut



Annual Financial Report For the Year Ended June 30, 2025

Town of New Fairfield, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2025**

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Financial Section



Independent Auditors' Report

**Board of Finance
Town of New Fairfield, Connecticut**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Fairfield, Connecticut ("Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Policy

As discussed in Note VI to the financial statements the Town implemented the provisions of GASB Statement No. 101, *Compensated Absences*. As a result of the implementation, the Town restated the beginning net position of the governmental activities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

**Board of Finance
Town of New Fairfield, Connecticut**

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We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

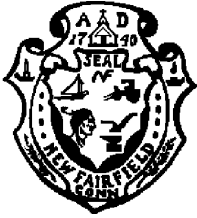
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 9, 2026



TOWN OF NEW FAIRFIELD
Municipal and School Financial Services
3 Brush Hill Road
New Fairfield, CT 06812-2665

Management's Discussion and Analysis
For the Year Ended June 30, 2025

As management of the Town of New Fairfield, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. The Management's Discussion and Analysis (MD&A) purpose is to aid the reader in understanding the financial position of the Town and how it has changed compared to the prior year and the relationship between the two types of financial statements.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Town of New Fairfield, 3 Brush Hill Road, New Fairfield, CT 06812.

Overview of the financial statements

The financial statements of the Town are presented in this annual financial report and consist of the following components:

Government-wide financial statements

**Governmental activities -
Government-wide
financial statements**

Includes the **Statement of Net Position and Statement of Activities**. These statements include a long-term view of the Town's finances (long-term assets and liabilities) using the accrual basis of accounting, which is similar to most private sector companies.

Report the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, and education.

Fund financial statements

Governmental funds

Includes **Balance Sheet and Statement of Changes in Revenues, Expenditures and Changes in Fund Balance**. These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements, but exclude long-term assets and liabilities. Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are accounted for on the modified accrual basis of accounting.

In addition to the general fund, noteworthy funds include the capital nonrecurring fund and the school construction fund

Proprietary Funds

Includes an internal service fund used to accumulate and allocate costs internally among the Town's various functions. The Town uses the internal fund to account for its self-insured medical and dental benefits.

Fiduciary funds	Include funds that the Town acts as trustee for, including the Town and Education pension plans and the OPEB plan. The resources in those funds do not belong to the Town and, therefore, cannot be used to provide services to the residents. That is the reason why these funds are not included in the government-wide financial statements.
Notes to financial statements	The notes to the financial statements present the significant accounting policies and related disclosures for the significant balance sheet accounts such as cash and investments, capital assets and long-term liabilities. These also include other disclosures related to the pension and OPEB plans.
Required supplementary information (RSI)	RSI includes the MD&A, budget and actual comparison information and pension and OPEB schedules
Supplementary schedules	Supplementary schedules are presented immediately following the required supplementary information. These include statutorily required schedules, other supporting schedules as well as combining statements.

The fund financial statements provide more detailed information about the major funds.

Financial summary

The following table presents condensed comparative information for the government wide governmental type activities.

**Summary Statement of Net Position
June 30**

	2025	2024	Change
Current and other assets	\$ 35,822,548	\$ 43,061,836	\$ (7,239,288)
Capital assets (net)	184,863,793	187,169,250	(2,305,457)
Total assets	220,686,341	230,231,086	(9,544,745)
Deferred outflows of resources	1,116,440	2,474,789	(1,358,349)
Other liabilities	13,164,176	15,758,244	(2,594,068)
Long-term liabilities	84,188,766	87,570,133	(3,381,367)
Total liabilities	97,352,942	103,328,377	(5,975,435)
Deferred inflows of resources	7,098,963	7,327,070	(228,107)
Net position:			
Net investment in capital assets	102,145,225	101,474,274	670,951
Restricted	2,747,485	2,804,797	(57,312)
Unrestricted	12,458,166	17,771,357	(5,313,191)
Total net position	\$ 117,350,876	\$ 122,050,428	\$ (4,699,552)

Management's Discussion and Analysis (continued)

	2025	2024	Change
<u>Net position percentage by category:</u>			
Net investment in capital assets	87.04%	83.14%	3.90%
Restricted	2.34%	2.30%	0.04%
Unrestricted	10.62%	14.56%	(3.94%)
Total	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>

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

The change in the percentage of unrestricted net position was mostly due the prior period adjustment.

The Town implemented GASB Statement No. 101 "Compensated Absences". As a result, the Town increased the compensated absences liability and decreased net position by \$5,426,888 as of July 1, 2024.

The Town's change in net position from current year operations of \$727,336 was due to the following activity:

Net capital asset activity	\$ 4,196,163
Disposals	(6,501,620)
Net long-term debt activity	5,440,150
Net pension liability	1,454,724
Negative operations of the school construction fund	(3,585,773)

The general fund ended the year with positive operations of \$230,186.

The capital nonrecurring fund was essentially break even for the fiscal year.

The negative operations of the school construction fund is due to the timing of project spending and the related financing and state reimbursements.

After the prior period adjustment discussed above, the Town's total net position decreased by \$4,699,552 during the year.

The following table presents comparative information for the government wide governmental type activities.

**Statement of Changes in Net Position
For the Years Ended June 30**

	2025	2024	Dollar Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 5,041,219	\$ 4,967,384	\$ 73,835	1.49%
Operating grants and contributions	14,881,079	14,028,769	852,310	6.08%
Capital grants and contributions	3,816,621	13,068,803	(9,252,182)	(70.80%)
General revenues:				
Property taxes	61,991,516	59,471,877	2,519,639	4.24%
Grants and contributions not restricted to specific programs	301,257	643,581	(342,324)	(53.19%)
Income from investments	1,914,628	2,257,554	(342,926)	(15.19%)
Gain on sale of assets	-	22,950	(22,950)	(100.00%)
Other	496	1,870	(1,374)	(73.48%)
Total revenues	<u>87,946,816</u>	<u>94,462,788</u>	<u>(6,515,972)</u>	<u>(6.90%)</u>
Expenses:				
General government	5,883,085	5,367,954	515,131	9.60%
Public safety	5,293,523	5,317,024	(23,501)	(0.44%)
Public works	4,124,353	3,439,649	684,704	19.91%
Health and welfare	703,226	744,071	(40,845)	(5.49%)
Culture and recreation	1,452,281	1,562,492	(110,211)	(7.05%)
Education	67,515,946	63,505,170	4,010,776	6.32%
Interest	2,247,066	2,461,554	(214,488)	(8.71%)
Total expenses	<u>87,219,480</u>	<u>82,397,914</u>	<u>\$ 4,821,566</u>	<u>5.85%</u>
Change in net position	<u>727,336</u>	<u>12,064,874</u>		
Net position - July 1, as previously reported	122,050,428	109,985,554		
Adjustment - cumulative change in accounting principle for implementation of GASB No. 101	<u>(5,426,888)</u>	<u>-</u>		
Net position - July 1, as restated	<u>116,623,540</u>	<u>109,985,554</u>		
Net position - June 30	<u>\$ 117,350,876</u>	<u>\$ 122,050,428</u>		
Percentage increase in net position	<u>0.60%</u>	<u>10.97%</u>		

Management's Discussion and Analysis (continued)

Significant revenue changes as compared to the prior year are as follows:

Revenue category	Amount	Description	
Operating grants and contributions increased/ (decreased) by/ due to:	\$ 852,310	Library donation of:	\$ 1,429,062
		Motor vehicle reimbursement grant of:	447,181
		Teachers retirement system pension on-behalf payments of:	(344,867)
		Education grants, primarily ESSER grants, of:	(306,937)
		School lunch grants of:	(238,661)
Capital grants and contributions increased/ (decreased) by/ due to:	(9,252,182)	School construction grant of:	(11,009,572)
		ARPA grant recognized of:	1,801,300
Property taxes increased/ (decreased) by/ due to:	2,519,639	Increased funding for debt service and education costs for contractual salaries and benefits	
Grants and contributions not restricted to specific programs increased/ (decreased) by/ due to:	(342,324)	Municipal revenue sharing grant of:	(343,360)
Income from investments increased/ (decreased) by/ due to:	(342,926)	Lower investible balances	

Significant expense related changes are as follows:

Expense category	Amount	Description	
General government increased/ (decreased) by/ due to:	\$ 515,131	Employee benefits of:	\$ 429,047
Public works increased/ (decreased) by/ due to:	684,704	Differences year to year for capital purchases of:	244,976
		Employee benefits of:	278,881
Education increased/ (decreased) by/ due to:	4,010,776	Loss on disposal primarily for demolition of Consolidated School of:	2,102,074
		Contractual salaries of:	1,029,065
		Medical insurance costs of:	461,007
		Education user surcharges of:	461,630
		Teachers retirement system pension on-behalf payments of:	(344,867)
		Education grants, primarily ESSER grants, of:	(306,937)

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Certain factors and activity relevant to the Town's financial health are more apparent in the fund financial statements than in the government-wide financial statements

The Town reports 3 major funds, the general fund, the capital nonrecurring fund and school construction fund. The American Rescue Plan Act fund was reclassified from a major fund to a nonmajor for the current fiscal year.

General fund. The total fund balance increased by \$230,186. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.40% of total budgetary general fund expenditures and transfers out, down from 19.91% for the prior year.

Significant revenue and expenditure changes from the prior year were as follows:

Revenues

Revenue category	Amount	Description	
Property taxes increased/ (decreased) by/ due to:	\$2,774,597	Certain expenditures as discussed below	
Intergovernmental revenues increased/ (decreased) by/ due to:	(344,620)	The municipal revenue sharing grant received in prior year that was not received in current year of:	\$ (343,360)
Charges for services revenues increased/ (decreased) by/ due to:	210,812	Real estate conveyance resulting from a high volume of real estate transactions of:	74,289
		EMS/paramedic billings due to an increase in service calls of:	63,063
		Student tuition due to increase in enrollment of:	45,086
Income from investments revenues increased/ (decreased) by/ due to:	(359,868)	Lower investible balances	

Expenditures

Expenditure category	Amount	Description	
Health insurance expenditures increased/ (decreased) by/ due to:	\$ 901,000	Additional contribution to the medical insurance fund to fund claims	
Education expenditures increased/ (decreased) by/ due to:	1,765,424	Contractual salaries of:	\$ 1,029,065
		Special education contracted services of:	132,805
		Lower than expected costs in prior year, primarily due to special education costs, of:	209,769
Debt service expenditures increased/ (decreased) by/ due to:	672,895	Bond principal and interest was paid from the debt service fund in prior year	
		1,800,000	

Capital nonrecurring fund. The capital nonrecurring fund's net change in fund balance was an increase of \$74,230 for the fiscal year substantially due to transfers in of \$173,280 offset with transfers out of \$225,683 and the timing of spending for projects.

School construction fund. The school construction fund's net change in fund balance was a decrease of \$3,585,773 for the fiscal year due to the timing of the project financing and state reimbursements and construction activity.

Proprietary fund

The Town has one proprietary fund, the internal service fund used for self-insured medical and dental claims for the Education department.

Internal service fund. The internal service fund's unrestricted net position at year end was \$22,075, a decrease of \$352,421 from the prior year. The decrease is due to claims in excess of revenue due to higher-than-expected claims. The decrease would have been larger without the \$901,000 additional contribution to the fund as discussed above.

Significant capital asset and long-term financing activity

Capital assets. The Town's capital assets (net of accumulated depreciation/amortization) by type are detailed in the table below.

**Capital Assets (Net of Depreciation/Amortization)
June 30**

<u>Category</u>	<u>2025</u>	<u>2024</u>
Land	\$ 6,985,394	\$ 6,960,476
Construction in progress	114,641,319	109,251,342
Intangible right-to-use assets	409,960	400,789
Land improvements	3,997,027	3,920,152
Buildings and improvements	34,708,128	41,747,066
Vehicles	2,005,070	2,482,579
Machinery and equipment	1,025,915	969,754
Infrastructure	21,090,980	21,437,092
Total	<u>\$ 184,863,793</u>	<u>\$ 187,169,250</u>
Dollar change	<u>\$ (2,305,457)</u>	<u>\$ 7,553,876</u>
Percentage change	<u>(1.23%)</u>	<u>4.21%</u>

The decrease in net capital assets is due to disposals and depreciation/amortization expense exceeding capital additions. In the current year, the Town had net capital asset additions totaling \$8,068,862 and disposals totaling \$15,137,513.

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

Category	Description	Amount
Construction in progress	CELA school project	\$ 3,488,460
	High school project	1,240,075
	Beach house project	664,496
	Stadium turf field and track replacement	413,515
Buildings and improvements	Beach house project	714,351
	Dispatch console	446,221
	Elevator	182,810
	Gate and door system and bollards	172,239

The significant capital asset disposals consisted of the demolition of the old Consolidated School which included land improvements of \$47,878, buildings and improvements of \$13,863,027, and machinery and equipment of \$42,959.

Additional information on the Town's capital assets can be found in Note III D.

Long-term financing. At the end of the current fiscal year, the Town had total long-term debt outstanding as detailed in the table below. All debt is backed by the full faith and credit of the Town.

**Long-Term Debt
June 30**

Category	2025	2024
General purpose bonds	\$ 830,000	\$ 937,000
School bonds	74,265,000	79,623,000
Leases	435,022	410,172
Total	<u>\$ 75,530,022</u>	<u>\$ 80,970,172</u>
Dollar change	<u>\$ (5,440,150)</u>	<u>\$ (5,409,238)</u>
Percentage change	<u>(6.72%)</u>	<u>(6.26%)</u>

The Town's total debt decreased due to scheduled principal payments of \$5,617,279 offset by new leases of \$177,129.

The Town maintains an "AAA" credit rating from Standard and Poor's Investor Service.

State Statutes limit the amount of general obligation debt a governmental entity may issue up to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$414,066,037, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III F.

Currently known facts, decisions, or conditions

As of June 2025, the unemployment rate for the Town was at 3.2%, which is lower than the State average unemployment rate of 3.8% and the national unemployment rate of 4.1%.

Inflationary trends in the region compare favorably to national indices.

Health insurance costs continue to be a budget concern.

These factors were considered in preparing the Town's budget for the 2026 fiscal year. The 2026 general fund adopted budget totaled \$73,968,458.

**Basic
Financial
Statements**

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2025

<u>Assets</u>	
Current assets:	
Cash	\$ 12,713,401
Investments	13,535,689
Receivables (net):	
Property taxes	429,359
Intergovernmental	1,699,867
Loans	88,000
Leases	308,095
Other	265,170
Other	14,376
	<hr/>
Total current assets	29,053,957
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	224,346
Permanently restricted:	
Cash	482
	<hr/>
Total restricted assets	224,828
Receivables (net):	
Property taxes	393,436
Loans	1,118,314
Leases	5,013,592
	<hr/>
Total receivables (net)	6,525,342
Net OPEB asset	18,421
	<hr/>
Capital assets (net of accumulated depreciation/amortization):	
Land	6,985,394
Construction in progress	114,641,319
Intangible right-to-use assets	409,960
Land improvements	3,997,027
Buildings and improvements	34,708,128
Vehicles	2,005,070
Machinery and equipment	1,025,915
Infrastructure	21,090,980
	<hr/>
Total capital assets	184,863,793
Total noncurrent assets	191,613,963
	<hr/>
Total assets	220,686,341

Deferred Outflows of Resources

Deferred charge on refunding	86,798
Deferred outflows related to pensions	904,810
Deferred outflows related to OPEB	124,832
	<hr/>
Total deferred outflows of resources	1,116,440

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

(Continued)

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2025

Liabilities

Current liabilities:	
Accounts payable	\$ 2,926,698
Accrued payroll and related liabilities	239,223
Retainage payable	738,266
Accrued interest payable	684,775
Unearned revenue	610,444
Long-term debt	5,653,257
Compensated absences	1,526,680
Claims payable	759,000
Overpayments	25,833
Total current liabilities	13,164,176
Noncurrent liabilities:	
Performance bonds	207,384
Long-term debt and related liabilities	74,283,540
Compensated absences	4,348,987
Net pension liability	5,348,855
Total noncurrent liabilities	84,188,766
Total liabilities	97,352,942

Deferred Inflows of Resources

Advance property tax collections	412,601
Lease related	4,738,380
Pension related	451,839
OPEB related	1,496,143
Total deferred inflows of resources	7,098,963

Net Position

Net investment in capital assets	102,145,225
Restricted for:	
Endowments:	
Nonexpendable	482
Expendable	16,962
OPEB asset	18,421
Housing rehabilitation program	1,521,960
Education programs	984,967
Social service programs	68,102
Water operations	28,395
General government programs	24,899
Public safety programs	83,297
Unrestricted	12,458,166
Total net position	\$ 117,350,876

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

(Concluded)

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 5,883,085	\$ 1,125,212	\$ 488,650	\$ -	\$ (4,269,223)
Public safety	5,293,523	369,253	47,670	406,276	(4,470,324)
Public works	4,124,353	553,283	-	1,213,590	(2,357,480)
Health and welfare	703,226	45,200	19,112	16,114	(622,800)
Culture and recreation	1,452,281	606,054	1,443,257	664,497	1,261,527
Education	67,515,946	2,342,217	12,882,390	1,516,144	(50,775,195)
Interest	2,247,066	-	-	-	(2,247,066)
Total	\$ 87,219,480	\$ 5,041,219	\$ 14,881,079	\$ 3,816,621	(63,480,561)
General revenues:					
Property taxes					61,991,516
Grants and contributions not restricted to specific programs					301,257
Income from investments					1,914,628
Other					496
Total general revenues					<u>64,207,897</u>
Change in net position					<u>727,336</u>
Net position - July 1, 2024, as previously reported					122,050,428
Cumulative effect of change in accounting principle					<u>(5,426,888)</u>
Net position - July 1, 2024, as restated					<u>116,623,540</u>
Net position - June 30, 2025					<u>\$ 117,350,876</u>

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

Town of New Fairfield, Connecticut

Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Capital Nonrecurring Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 1,162,115	\$ 2,125,831	\$ 1,262,477	\$ 7,008,020	\$ 11,558,443
Restricted cash	207,384	-	-	-	207,384
Investments	12,375,438	-	-	1,160,251	13,535,689
Receivables (net):					
Property taxes	822,795	-	-	-	822,795
Intergovernmental	21,000	-	1,142,763	536,104	1,699,867
Loans	-	-	-	1,206,314	1,206,314
Leases	-	5,321,687	-	-	5,321,687
Other	165,191	-	-	98,743	263,934
Due from other funds	1,210,271	147,156	-	60,274	1,417,701
Other	-	-	-	14,376	14,376
Total assets	\$ 15,964,194	\$ 7,594,674	\$ 2,405,240	\$ 10,084,082	\$ 36,048,190
<u>Liabilities</u>					
Accounts payable	\$ 502,362	\$ 22,465	\$ 1,786,099	\$ 441,019	\$ 2,751,945
Accrued payroll and related liabilities	206,744	183	-	32,296	239,223
Retainage payable	-	-	738,266	-	738,266
Due to other funds	147,156	22,524	-	1,030,757	1,200,437
Unearned revenue	-	78,894	-	531,004	609,898
Overpayments	25,833	-	-	-	25,833
Performance bonds	207,384	-	-	-	207,384
Total liabilities	1,089,479	124,066	2,524,365	2,035,076	5,772,986
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	822,795	-	-	-	822,795
Advance property tax collections	412,601	-	-	-	412,601
Lease related	-	4,738,380	-	-	4,738,380
Total deferred inflows of resources	1,235,396	4,738,380	-	-	5,973,776
<u>Fund Balances</u>					
Nonspendable	-	-	-	482	482
Restricted	-	-	-	2,728,582	2,728,582
Committed	356,465	2,457,016	706,771	5,200,578	8,720,830
Assigned	303,313	275,212	-	392,608	971,133
Unassigned	12,979,541	-	(825,896)	(273,244)	11,880,401
Total fund balances	13,639,319	2,732,228	(119,125)	8,049,006	24,301,428
Total liabilities, deferred inflows of resources and fund balances	\$ 15,964,194	\$ 7,594,674	\$ 2,405,240	\$ 10,084,082	\$ 36,048,190

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

(Continued)

Town of New Fairfield, Connecticut

Reconciliation of Fund Balances to Net Position of Governmental Activities
June 30, 2025

Amounts reported in the statement of net position (Exhibit A) are different from the governmental funds balance sheet due to:

Total fund balances (Exhibit C, Page 1)	\$ 24,301,428
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Capital assets are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	187,169,250
Current year additions (net of construction in progress)	8,068,862
Depreciation/amortization expense	(3,872,699)
Disposal of capital assets	(6,501,620)

Total	184,863,793
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Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Net OPEB asset	18,421
Deferred charge on refunding	86,798
Deferred outflows related to pensions	904,810
Deferred outflows related to OPEB	124,832

Total	1,134,861
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax - accrual basis change	822,795
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in the statement of net position	22,075
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Some liabilities and deferred inflows of resources, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(75,095,000)
Leases payable	(435,022)
Premium	(4,406,775)
Compensated absences	(5,875,667)
Net pension liability	(5,348,855)
Accrued interest payable	(684,775)
Deferred inflows related to pension	(451,839)
Deferred inflows related to OPEB	(1,496,143)

Total	(93,794,076)
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Net position (Exhibit A)	\$ 117,350,876
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(Concluded)

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

Town of New Fairfield, Connecticut
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

18

	General Fund	Capital Nonrecurring Fund	School Construction Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 61,993,618	\$ -	\$ -	\$ -	\$ -	\$ 61,993,618
Intergovernmental	12,364,802	-	1,142,763	-	3,998,775	17,506,340
Charges for services	1,780,122	548,196	-	-	2,712,901	5,041,219
Contributions	-	-	-	-	1,492,617	1,492,617
Income from investments	1,550,827	78,714	-	-	285,087	1,914,628
Other	496	-	-	-	-	496
Total revenues	77,689,865	626,910	1,142,763	-	8,489,380	87,948,918
Expenditures:						
Current:						
General government	4,536,847	24,774	-	-	243,488	4,805,109
Public safety	4,327,753	-	-	-	1,010	4,328,763
Public works	2,361,015	-	-	-	-	2,361,015
Health and welfare	604,786	-	-	-	93,459	698,245
Culture and recreation	583,494	-	-	-	579,951	1,163,445
Health insurance	1,913,365	-	-	-	-	1,913,365
Education	55,324,354	-	-	-	3,957,806	59,282,160
Debt service	7,038,488	-	-	-	1,045,000	8,083,488
Capital outlay	-	475,503	4,728,536	-	3,098,089	8,302,128
Total expenditures	76,690,102	500,277	4,728,536	-	9,018,803	90,937,718
Excess (deficiency) of revenues over expenditures	999,763	126,633	(3,585,773)	-	(529,423)	(2,988,800)
Other financing sources (uses):						
Issuance of debt	-	-	-	-	177,129	177,129
Transfers in	-	173,280	-	-	945,260	1,118,540
Transfers out	(769,577)	(225,683)	-	-	(123,280)	(1,118,540)
Net other financing sources (uses)	(769,577)	(52,403)	-	-	999,109	177,129
Net change in fund balances	230,186	74,230	(3,585,773)	-	469,686	(2,811,671)
Fund balances - July 1, 2024, as previously reported	13,409,133	2,657,998	3,466,648	417,727	7,161,593	27,113,099
Adjustment - change to/from major fund from/to nonmajor fund	-	-	-	(417,727)	417,727	-
Fund balances - July 1, 2024, as restated	13,409,133	2,657,998	3,466,648	-	7,579,320	27,113,099
Fund balances - June 30, 2025	\$ 13,639,319	\$ 2,732,228	\$ (119,125)	\$ -	\$ 8,049,006	\$ 24,301,428

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

Town of New Fairfield, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (2,811,671)</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital outlay	8,068,862
Depreciation/amortization expense	<u>(3,872,699)</u>
Total	<u>4,196,163</u>

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

Disposal of capital assets	<u>(6,501,620)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax - accrual basis change	<u>(2,102)</u>
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The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Leases	(177,129)
Principal payments:	
Bonds	5,465,000
Leases	<u>152,279</u>
Total	<u>5,440,150</u>

(Continued)

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

Town of New Fairfield, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

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

Change in/amortization of:	
Premium	\$ 354,853
Compensated absences	(171,136)
Net pension liability	1,454,724
Net OPEB asset	18,421
Net OPEB liability	151,967
Accrued interest payable	71,972
Deferred outflows of resources related to pension	(55,403)
Deferred inflows of resources related to pension	(1,196,530)
Deferred outflows of resources related to OPEB	(322,885)
Deferred inflows of resources related to OPEB	(106,416)
Deferred charges on refunding	<u>559,270</u>
Total	<u>758,837</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>(352,421)</u>
Change in net position (Exhibit B)	<u>\$ 727,336</u>
	(Concluded)

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

Town of New Fairfield, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2025

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 1,172,402
Accounts receivable	1,236
	<hr/>
Total current assets	1,173,638
	<hr/>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	174,753
Due to other funds	217,264
Claims payable	759,000
Unearned revenue	546
	<hr/>
Total current liabilities	1,151,563
	<hr/>
<u>Net Position</u>	
Unrestricted	\$ 22,075
	<hr/> <hr/>

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

Town of New Fairfield, Connecticut
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	Internal Service Fund
	Medical Insurance Fund
Operating revenues:	
Charges for services	\$ 9,241,749
Operating expenses:	
Claims	7,579,026
Administration	874,546
HSA contributions	564,334
Insurance	591,355
Wellness incentives	4,386
Total operating expenses	9,613,647
Operating income (loss)	(371,898)
Nonoperating revenues:	
Income from investments	19,477
Change in net position	(352,421)
Net position - July 1, 2024	374,496
Net position - June 30, 2025	\$ 22,075

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

Town of New Fairfield, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2025

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
Cash flows from (used in) operating activities:	
Cash received for charges	\$ 9,617,303
Cash paid for claims	(7,381,026)
Cash paid for administration	(874,546)
Cash paid for insurance and incentives	<u>(1,240,341)</u>
Net cash from (used in) operating activities	121,390
Cash flows from investing activities:	
Investment income	<u>19,477</u>
Net increase (decrease) in cash	140,867
Cash - July 1, 2024	<u>1,031,535</u>
Cash - June 30, 2025	<u><u>\$ 1,172,402</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (371,898)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(650)
Due from other funds	375,658
Increase (decrease) in:	
Accounts payable	(297,530)
Due to other funds	217,264
Claims payable	198,000
Unearned revenue	<u>546</u>
Net cash from (used in) operating activities	<u><u>\$ 121,390</u></u>

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

Town of New Fairfield, Connecticut

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

<u>Assets</u>	<u>Pension and OPEB Trust Funds</u>	<u>Custodial Fund</u>
Investments:		
Mutual funds:		
Money market	\$ 130,965	\$ -
Equity	13,818,694	-
Fixed income	16,721,383	-
Annuities	-	1,013,958
	<u>30,671,042</u>	<u>1,013,958</u>
Total assets		
	<u>30,671,042</u>	<u>1,013,958</u>
<u>Net Position</u>		
Restricted for:		
Pensions	26,177,988	-
OPEB	4,493,054	-
Organizations	-	1,013,958
	<u>\$ 30,671,042</u>	<u>\$ 1,013,958</u>
Total net position		
	<u>\$ 30,671,042</u>	<u>\$ 1,013,958</u>

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

Town of New Fairfield, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	<u>Pension and OPEB Trust Funds</u>	<u>Custodial Fund</u>
Additions:		
Contributions	<u>\$ 1,151,087</u>	<u>\$ 129,000</u>
Investment income (loss):		
Net change in fair value of investments	2,026,788	100
Interest and dividends	<u>853,194</u>	<u>37,682</u>
Total investment income (loss)	2,879,982	37,782
Less investment expense	<u>87,575</u>	<u>-</u>
Net investment income (loss)	<u>2,792,407</u>	<u>37,782</u>
Total additions	<u>3,943,494</u>	<u>166,782</u>
Deductions:		
Benefits	1,067,104	85,072
Administration	<u>72,827</u>	<u>-</u>
Total deductions	<u>1,139,931</u>	<u>85,072</u>
Change in net position	2,803,563	81,710
Net position - July 1, 2024	<u>27,867,479</u>	<u>932,248</u>
Net position - June 30, 2025	<u><u>\$ 30,671,042</u></u>	<u><u>\$ 1,013,958</u></u>

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

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2025****History and organization**

The Town of New Fairfield, Connecticut (“Town”) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system. The elected Board of Finance is the budget making authority and supervises the town financial matters.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and, therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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.

B. Measurement focus, basis of accounting and financial statement presentation

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected during the current fiscal period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and certain other long-term liabilities, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, charges, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Nonrecurring Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.
School Construction Fund	Accounts for resources to be used for the approved school construction projects.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Capital Project Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent Funds	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Internal Service Fund	Accounts for risk financing activities for medical and dental insurance benefits.
Pension Trust Funds	Accounts for the activities of the Town of New Fairfield Retirement Plan and New Fairfield Board of Education Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.
OPEB Trust Funds	Accounts for the activities of the OPEB Plan which accumulates resources for OPEB benefits.
Custodial Funds	Accounts for monies held on behalf of students and for the volunteer firemen awards program.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s internal service fund are charges to Town departments for medical and dental insurance premiums.

For purposes of measuring the collective net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension and OPEB plans, the Connecticut Municipal Employees Retirement System (“MERS”), the Connecticut State Teachers’ Retirement System (“TRS”), and the Connecticut State Retiree Health Insurance Plan (“RHIP”) have been determined on the same basis as they are reported by the Town’s pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes, the Town considers cash equivalents as money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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

The Town's pension and OPEB funds have adopted a formal investment policy that defines allowable investments, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The investment guidelines are as follows:

Asset Class	Target Allocation		
	Pension		
	Town	Education	OPEB
Equity	50.00%	35.00%	50.00%
Fixed income	50.00%	65.00%	50.00%
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

c. Method used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town uses laddered certificates of deposit to reduce custodial risk credit.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables

a. Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

b. Property taxes and other receivables

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

In the fund financial and government-wide financial statements, all trade, property tax and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 5.00% to 24.50% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

c. Leases receivable

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

Discount rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Restricted assets

The restricted assets for the Town are restricted for endowments and performance bonds. The trust agreement restricts the expenditure of the income from investment only for the designated purpose. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Land is considered inexhaustible and, therefore, not depreciated. All land is capitalized. Construction in progress has not been put into service yet and, therefore, is not depreciated. Capital assets of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Intangible right-to-use leased assets	Lease term	\$ 20,000
Intangible right-to-use subscription assets	Subscription term	20,000
Land improvements	15-30	20,000
Buildings and improvements	50	20,000
Machinery and equipment	5-20	5,000
Vehicles	5-20	5,000
Infrastructure	50	100,000

5. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2025****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the refunded or refunding debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are more likely than not to be paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

7. Long-term liabilities

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

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

8. Lease liabilities

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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 term. Subsequently, the lease liability is reduced by the principal portion of payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

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

The Town monitors changes in circumstances that would require a remeasurement of its lease 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.

9. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Finance.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrances).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The Board of Finance shall propose annual budgets that provide for first accumulating and thereafter maintaining an unassigned fund balance of not less than two months (16.67%) of total operating expenditures. Certain circumstances may justify significantly higher minimum target levels. Annually, the Board of Finance shall monitor and modify the minimum fund balance requirements. In the event the unassigned fund balance becomes greater than two months (16.67%), the excess may be used for purposes described in the policy.

10. Use of estimates

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**11. Reclassification**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Donor-restricted endowments**

The Town has received certain endowments for the improvement and betterment of the New Fairfield library. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Library Board or the applicable Trustee and is included in restricted fund balance.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

B. Capital projects authorization

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
High school project	\$ 84,220,000	\$ 79,632,802	\$ 4,587,198
Consolidated Early Learning Academy project	29,190,000	29,690,098	(500,098)
Total	<u>\$ 113,410,000</u>	<u>\$ 109,322,900</u>	<u>\$ 4,087,100</u>

The deficit will be eliminated by transferring unexpended funds from the high school project.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

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

Bank balance	\$ 23,335,218
Uninsured and uncollateralized	\$ 11,719,465
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	1,519,738
Total amount subject to custodial credit risk	\$ 13,239,203

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	6-10 Years
Mutual funds:					
Money market	\$ 130,965	\$ -	\$ 130,965	\$ -	\$ -
Equity	13,818,694	13,818,694	-	-	-
Fixed income	16,721,383	-	813,059	15,908,324	-
Certificates of deposit	7,120,026	-	4,681,351	2,438,675	-
Negotiable certificates of deposit	2,709,485	-	2,709,485	-	-
Pooled fixed income	3,706,178	-	3,706,178	-	-
Annuities	1,013,958	-	-	-	1,013,958
Total	45,220,689	\$ 13,818,694	\$ 12,041,038	\$ 18,346,999	\$ 1,013,958
Less fiduciary funds	(31,685,000)				
Other funds	\$ 13,535,689				

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Cash and investments (continued)

b. The Town had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Unobservable Inputs Level 3
<u>Investments by fair value level</u>			
Mutual funds:			
Money market	\$ 130,965	\$ 130,965	\$ -
Equity	13,818,694	13,818,694	-
Fixed income	16,721,383	16,721,383	-
Negotiable certificates of deposit	2,709,485	2,709,485	-
Annuities	1,013,958	-	1,013,958
Total investments by fair value level	<u>34,394,485</u>	<u>\$ 33,380,527</u>	<u>\$ 1,013,958</u>
<u>Other investments</u>			
Certificates of deposit	7,120,026		
Pooled fixed income	<u>3,706,178</u>		
Total other investments	<u>10,826,204</u>		
Total investments	<u>\$ 45,220,689</u>		

Level 1: Quoted prices for identical investments in active markets.

Level 3: Unobservable inputs. Carrying value or fair value of the underlying assets as available.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's and AM Best (annuities) as follows:

Type of Investment	Ratings			
	AAA	A	Unrated	Total
Mutual funds:				
Money market	\$ -	\$ -	\$ 130,965	\$ 130,965
Fixed income	-	-	16,721,383	16,721,383
Negotiable certificates of deposit	-	-	2,709,485	2,709,485
Pooled fixed income	3,706,178	-	-	3,706,178
Annuities	-	1,013,958	-	1,013,958
Total	<u>\$ 3,706,178</u>	<u>\$ 1,013,958</u>	<u>\$ 19,561,833</u>	<u>\$ 24,281,969</u>

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Cash and investments (continued)

The following Town investment is held by the counterparty's trust department or agent but not in the Town's name and, therefore, is subject to custodial credit risk:

<u>Type of Investment</u>	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
Negotiable certificates of deposit	<u>\$ 2,709,485</u>	<u>\$ 500,000</u>	<u>\$ 2,209,485</u>

B. Receivables

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

	<u>Property Taxes</u>			<u>CDBG Loans</u>
	<u>Taxes</u>	<u>Interest and Lien Fees</u>	<u>Total</u>	
Current portion	<u>\$ 411,040</u>	<u>\$ 18,319</u>	<u>\$ 429,359</u>	<u>\$ 88,000</u>
Long-term portion	324,800	228,636	553,436	1,186,514
Less allowance for uncollectibles	<u>(100,000)</u>	<u>(60,000)</u>	<u>(160,000)</u>	<u>(68,200)</u>
Net long-term portion	<u>224,800</u>	<u>168,636</u>	<u>393,436</u>	<u>1,118,314</u>
Totals (net)	<u>\$ 635,840</u>	<u>\$ 186,955</u>	<u>\$ 822,795</u>	<u>\$ 1,206,314</u>

2. Leases receivable

The Town reports the following lease balances and activity:

<u>Description</u>	<u>Number of Agreements</u>	<u>Original Term (Years)</u>	<u>Receivable</u>	<u>Deferred Inflows of Resources</u>	<u>Revenue</u>	<u>Interest Revenue</u>
Cell towers	7	12-25	\$ 5,321,687	<u>\$ 4,738,380</u>	<u>\$ 404,323</u>	<u>\$ 140,726</u>
Less: current portion			<u>(308,095)</u>			
Long-term portion			<u>\$ 5,013,592</u>			

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
General fund:			
Capital nonrecurring fund	N/A	\$ -	\$ 147,156
School lunch fund	N/A	105,000	-
Education grants fund	N/A	145,022	-
Small cities fund	N/A	4,375	-
Dog registration fund	N/A	375	-
Recreation programs fund	N/A	10,231	-
Education user surcharges fund	N/A	261,943	-
Drop off center fund	N/A	63,278	-
School projects fund	N/A	245,061	-
Town capital projects fund	N/A	158,764	-
Medical insurance fund	N/A	216,222	-
Total general fund		<u>1,210,271</u>	<u>147,156</u>
Capital nonrecurring fund:			
General fund	N/A	147,156	-
Recreation programs fund	N/A	-	3,224
Town capital projects fund	N/A	-	19,300
Total capital nonrecurring fund		<u>147,156</u>	<u>22,524</u>
Other governmental funds:			
School lunch fund	General fund	-	105,000
Education grants fund	General fund	-	145,022
Education grants fund	Medical insurance fund	1,042	-
Small cities fund	General fund	-	4,375
Dog registration fund	General fund	-	375
Recreation programs fund	General fund	-	10,231
Recreation programs fund	Capital nonrecurring fund	3,224	-
Recreation programs fund	Education user surcharges fund	-	36,708
Education user surcharges fund	General fund	-	261,943
Education user surcharges fund	Recreation programs fund	36,708	-
Drop off center fund	General fund	-	63,278
School projects fund	General fund	-	245,061
Town capital projects fund	General fund	-	158,764
Town capital projects fund	Capital nonrecurring fund	19,300	-
Total other governmental funds		<u>60,274</u>	<u>1,030,757</u>
Total governmental funds		<u>1,417,701</u>	<u>1,200,437</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Interfund accounts (continued)

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Internal service fund:			
Medical insurance fund	General fund	\$ -	\$ 216,222
Medical insurance fund	Education grants fund	-	1,042
Total internal service fund		-	217,264
Total		<u>\$ 1,417,701</u>	<u>\$ 1,417,701</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:			
Capital nonrecurring fund	N/A	\$ -	\$ 50,000
Education capital nonrecurring fund	N/A	-	719,577
Total general fund		-	769,577
Capital nonrecurring fund:			
General fund	N/A	50,000	-
Recreation programs fund	N/A	123,280	-
Fire company reserve fund	N/A	-	225,683
Total capital nonrecurring fund		173,280	225,683
Other governmental funds			
Recreation programs fund	Capital nonrecurring fund	-	123,280
Fire company reserve fund	Capital nonrecurring fund	225,683	-
Education capital nonrecurring fund	General fund	719,577	-
Total other governmental funds		945,260	123,280
Total governmental funds		<u>\$ 1,118,540</u>	<u>\$ 1,118,540</u>

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects funds and various programs and activities in other funds.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 6,960,476	\$ 24,918	\$ -	\$ 6,985,394
Construction in progress	109,251,342	6,992,310	1,602,333	114,641,319
Total capital assets, not being depreciated/amortized	<u>116,211,818</u>	<u>7,017,228</u>	<u>1,602,333</u>	<u>121,626,713</u>
Capital assets, being depreciated/ amortized:				
Intangible right-to-use assets:				
Leases - machinery and equipment	580,491	177,129	-	757,620
Land improvements	7,262,105	419,403	51,559	7,629,949
Buildings and improvements	77,042,301	1,692,605	14,667,098	64,067,808
Vehicles	8,626,597	-	127,135	8,499,462
Machinery and equipment	3,366,922	213,886	270,902	3,309,906
Infrastructure	45,381,166	150,944	20,819	45,511,291
Total capital assets, being depreciated/ amortized	<u>142,259,582</u>	<u>2,653,967</u>	<u>15,137,513</u>	<u>129,776,036</u>
Total capital assets	<u>258,471,400</u>	<u>9,671,195</u>	<u>16,739,846</u>	<u>251,402,749</u>
Less accumulated depreciation/ amortization for:				
Intangible right-to-use assets:				
Leases - machinery and equipment	179,702	167,958	-	347,660
Land improvements	3,341,953	308,490	17,521	3,632,922
Buildings and improvements	35,295,235	2,288,532	8,224,087	29,359,680
Vehicles	6,144,018	477,509	127,135	6,494,392
Machinery and equipment	2,397,168	153,557	266,734	2,283,991
Infrastructure	23,944,074	476,653	416	24,420,311
Total accumulated depreciation/amortization	<u>71,302,150</u>	<u>3,872,699</u>	<u>8,635,893</u>	<u>66,538,956</u>
Total capital assets, being depreciated/ amortized, net	<u>70,957,432</u>	<u>(1,218,732)</u>	<u>6,501,620</u>	<u>63,237,080</u>
Capital assets, net	<u>\$ 187,169,250</u>	<u>\$ 5,798,496</u>	<u>\$ 8,103,953</u>	<u>\$ 184,863,793</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Capital assets (continued)

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

General government	\$ 65,140
Public safety	473,090
Public works	962,864
Culture and recreation	90,757
Education	<u>2,280,848</u>
Total depreciation/amortization expense	<u><u>\$ 3,872,699</u></u>

E. Construction commitments

The Town has the following construction contract commitments:

High School project	\$ 559,019
Consolidated Early Learning Academy project	<u>147,752</u>
Total	<u><u>\$ 706,771</u></u>

Town of New Fairfield, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Changes in long-term liabilities

Bonds are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Refunding bond	\$ 863,000	2016	06/30/30	2.00-4.00%	\$ 644,000	\$ -	\$ 107,000	\$ 537,000	\$ 108,000	\$ 429,000
Refunding bond	1,116,000	2017	07/15/30	3.00-4.00%	293,000	-	-	293,000	-	293,000
Total general purpose	1,979,000				937,000	-	107,000	830,000	108,000	722,000
School bonds:										
Refunding bond	7,857,000	2016	06/30/30	2.00-4.00%	6,556,000	-	1,318,000	5,238,000	1,327,000	3,911,000
Refunding bond	6,639,000	2017	07/15/30	3.00-4.00%	1,742,000	-	-	1,742,000	-	1,742,000
Improvement bond	8,000,000	2020	03/15/40	2.00-4.00%	6,400,000	-	400,000	6,000,000	400,000	5,600,000
Improvement bond	25,000,000	2021	04/23/41	2.00-4.00%	21,460,000	-	1,260,000	20,200,000	1,260,000	18,940,000
Improvement bond	35,000,000	2022	03/01/42	2.60-4.00%	31,925,000	-	1,775,000	30,150,000	1,775,000	28,375,000
Improvement bond	12,000,000	2023	04/01/43	4.00-5.00%	11,540,000	-	605,000	10,935,000	605,000	10,330,000
Total school bonds	94,496,000				79,623,000	-	5,358,000	74,265,000	5,367,000	68,898,000
Total bonds	96,475,000				80,560,000	-	5,465,000	75,095,000	5,475,000	69,620,000

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024 (as restated)	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-Term Portion
Leases payable	\$ 757,620				\$ 410,172	\$ 177,129	\$ 152,279	\$ 435,022	\$ 178,257	\$ 256,765
Total long-term debt	<u>\$97,232,620</u>				80,970,172	177,129	5,617,279	75,530,022	5,653,257	69,876,765
Premium					4,761,628	-	354,853	4,406,775	-	4,406,775
Total long-term debt and related liabilities					85,731,800	177,129	5,972,132	79,936,797	5,653,257	74,283,540
Compensated absences (net change)					5,704,531	171,136	-	5,875,667	1,526,680	4,348,987
45 Net pension liability					6,803,579	2,685,193	4,139,917	5,348,855	-	5,348,855
Net OPEB liability					151,967	394,450	546,417	-	-	-
Total long-term liabilities					<u>\$98,391,877</u>	<u>\$3,427,908</u>	<u>\$ 10,658,466</u>	<u>\$91,161,319</u>	<u>\$7,179,937</u>	<u>\$83,981,382</u>

All long-term liabilities are generally liquidated by the general fund.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Changes in long-term liabilities (continued)

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

Year Ended June 30	Bond Principal	Total Interest
2026	\$ 5,475,000	\$ 2,375,888
2027	5,490,000	2,148,038
2028	5,465,000	1,927,513
2029	5,465,000	1,707,363
2030	5,445,000	1,500,113
2031	4,710,000	1,321,938
2032	4,040,000	1,183,488
2033	4,040,000	1,072,838
2034	4,045,000	961,988
2035	4,050,000	850,838
2036	4,050,000	746,388
2037	4,050,000	639,963
2038	4,045,000	532,450
2039	4,045,000	423,990
2040	4,045,000	314,445
2041	3,645,000	203,815
2042	2,380,000	101,900
2043	610,000	24,400
Total	<u>\$ 75,095,000</u>	<u>\$ 18,037,356</u>

3. Statutory debt limitations

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

	Debt Limitation	Net Indebtedness	Balance
General Purpose	\$ 133,092,655	\$ 830,000	\$ 132,262,655
Schools	266,185,310	74,265,000	191,920,310
Sewers	221,821,091	-	221,821,091
Urban Renewal	192,244,946	-	192,244,946
Pension Deficit	177,456,873	-	177,456,873

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

\$ 414,066,037

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Changes in long-term liabilities (continued)**4. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

Schools	\$ 10,000
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5. Leases

Lease agreements are summarized as follows:

Description	Number of Agreements	Original Term (years)	Interest Rate*	Original Amount	Balance
Education copiers	1	5	4.50%	\$ 545,173	\$ 272,748
Police tasers	1	5	2.51%	35,318	21,714
Education offices	1	3	4.50%	123,248	96,517
Education postage	1	5	4.50%	26,179	21,394
Recording system	1	5	4.50%	27,702	22,649
Total				\$ 757,620	\$ 435,022

*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

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

Year Ended June 30	Principal	Interest
2026	\$ 178,257	\$ 19,144
2027	186,158	11,263
2028	58,855	3,030
2029	11,752	529
Totals	\$ 435,022	\$ 33,966

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Fund balances and restricted net position

Fund balances are composed of the following:

	General Fund	Capital Nonrecurring Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Library operations	\$ -	\$ -	\$ -	\$ 482	\$ 482
Restricted:					
Cemetery operations	-	-	-	3,045	3,045
Cafeteria operations *	-	-	-	984,799	984,799
School activities	-	-	-	168	168
Housing rehabilitation programs	-	-	-	1,521,960	1,521,960
Library operations	-	-	-	16,962	16,962
Public safety - police	-	-	-	83,297	83,297
Social services programs	-	-	-	68,102	68,102
Document preservation fees *	-	-	-	21,854	21,854
Water operations *	-	-	-	28,395	28,395
Total restricted	-	-	-	2,728,582	2,728,582
Committed:					
Public safety programs	-	-	-	8,185	8,185
Construction contracts	-	-	706,771	-	706,771
Approved projects	-	2,457,016	-	4,089	2,461,105
Education nonlapsing	356,465	-	-	-	356,465
Education programs	-	-	-	679,047	679,047
Education approved projects	-	-	-	601,361	601,361
Library operations	-	-	-	1,517,241	1,517,241
Fire department capital projects	-	-	-	1,013,933	1,013,933
School activities	-	-	-	581,290	581,290
Culture and recreation programs	-	-	-	413,463	413,463
ARPA funded projects	-	-	-	381,969	381,969
Total committed	356,465	2,457,016	706,771	5,200,578	8,720,830
Assigned:					
Public safety	3,022	-	-	-	3,022
Public works	210,488	-	-	-	210,488
Health and welfare	3,935	-	-	-	3,935
Education	85,868	-	-	-	85,868
Lease receivable	-	275,212	-	-	275,212
Debt service	-	-	-	392,608	392,608
Total assigned	303,313	275,212	-	392,608	971,133
Unassigned	12,979,541	-	(825,896)	(273,244)	11,880,401
Total	\$13,639,319	\$2,732,228	\$ (119,125)	\$ 8,049,006	\$ 24,301,428

*The amount of net position restricted by enabling legislation totaled:

\$ 1,035,048General fund encumbrances total: \$ 303,313

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

H. Deficit fund balance

The following funds had deficit fund balances at year end:

Special revenue funds:	
Drop off center fund	\$ 38,034
Capital project funds:	
School projects fund	235,210

The deficits will be eliminated by future charges for services and transfers from the general fund.

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town is a member of 2 public entity risk pools established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should the pool be unable to do so.

The Liability-Automobile-Property risk sharing pool provides coverage for general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town.

The Workers' Compensation risk sharing pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Risk management (continued)

The pools' retention, excess insurance, and Town's coverage limits are as follows:

Pool	Pool Retention	Pool Excess Insurance	Town Coverage Limit
Liability	\$ 1,500,000	\$ 11,000,000	\$ 1,000,000
Property	4,000,000	500,000,000	1,000,000
Boiler and machinery	1,000,000	100% in excess of insurance	
Workers' compensation	1,000,000	100% in excess of insurance	1,000,000

The Town and Board of Education self-insures its employees for medical and dental claims through the aggregate use of an internal service fund. Maximum liability to the Board of Education per covered participant is \$250,000 and an aggregate stop loss of 120% of the projected premiums. The Board of Education retains an insurance policy for employee claims in excess of these limits. A third party administers the plan for which the Board of Education pays an administrative fee. The plan is funded monthly by employer contributions.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for medical and dental claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Internal Service Fund is funded by the General Fund based on estimated cost of claim payments based on employee census, historical cost estimates of the amounts needed to pay prior and current year claims and administration. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The following is a summary of changes in claims liability during the year:

Fiscal Year	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2023-2024	\$ 519,000	\$ 6,669,818	\$ 6,627,818	\$ 561,000
2024-2025	561,000	7,579,026	7,381,026	759,000

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Commitments and litigation

The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of certain cases is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

V. Pensions and other post-employment benefit plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town is the administrator of two single employer public employee retirement systems, the Town Plan and the Education Plan ("Plans") established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the Connecticut State Teachers' Retirement System). The Plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial statements as a pension trust fund. The plan does not issue a separate report. The plan provides retirement benefits through a single employer noncontributory defined benefit plan. Management of the plan rests with the Town Treasurer. There is an advisory committee that provides input and consists of one member from each of the boards of finance, selectmen and education, the finance director and one member of the public.

b. Plan membership

The memberships in the plans as of the date indicated are comprised of the following:

	<u>July 1, 2024</u> <u>Town</u>	<u>July 1, 2024</u> <u>Education</u>
Active members	43	86
Terminated employees entitled to benefits	22	66
Retirees, disabled employees, and beneficiaries receiving benefits	<u>38</u>	<u>64</u>
Total	<u><u>103</u></u>	<u><u>216</u></u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

2. Benefit provisions

The benefit provision for each plan are as follows:

Provision	Town	Education
Normal retirement age	Age 65	Age 65 or 10 years of service
Benefit calculation	1.00% of final average earnings before January 1, 1991 and 2.00% after that date	Paraprofessionals: 1.00% of average compensation Secretaries: 1.75% of average compensation All others: 2.00% of average compensation, except for Building and Grounds Director is 3.00%
Final average compensation	Highest average gross compensation received during any 3 consecutive calendar years	Average of last 5 years compensation
Early retirement age	Age 62	
Early retirement service requirement		Ten years before normal retirement date
Early retirement amount	Normal pension accrued, actuarially reduced by number of months retirement preceded normal retirement date.	Normal pension accrued, reduced by 6 2/3% for each year up to 5 years and 3 1/3% for each year between 5 and 10 years before normal retirement date
Vesting - service	100% after 5 years	100% after 5 years

3. Contributions

Required contributions to the plans are as follows:

	Town	Education
Employer:		
Town's average contribution rate	15.79% of pensionable wages	13.91% of pensionable wages
Employees:		
Employee contributions	None required	None required

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

4. Investments

a. Investment policy and rate of return

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance. 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.

Best estimates of arithmetic real rates of return for each major asset class are included in the pension plans' target asset allocation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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 following was the Board's adopted asset allocation policy and long-term expected real rate of return:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
	Town	Education	Town	Education
U.S. large cap equity	22.00%	15.00%	5.39%	5.39%
U.S. small cap equity	8.00%	6.00%	7.17%	7.17%
Emerging markets equity	10.00%	7.00%	8.78%	8.78%
International equity	10.00%	7.00%	7.24%	7.24%
U.S. core fixed income	50.00%	65.00%	2.35%	2.35%
Total/weighted average	<u>100.00%</u>	<u>100.00%</u>	4.09%	3.64%
Long-term inflation expectation			<u>2.75%</u>	<u>2.50%</u>
Portfolio nominal mean rate			<u>6.84%</u>	<u>6.14%</u>
Long-term expected rate of return			<u>6.75%</u>	<u>6.25%</u>
Annual money-weighted rate of return			<u>Town</u>	<u>Education</u>
The annual money-weighted rate of return on pension plan investments (net of pension plan investment expense) was:			<u>10.40%</u>	<u>9.02%</u>

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

b. Concentrations

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

5. Net pension liability

The components of the net pension liability are as follows:

	Town	Education
Total pension liability	\$ 15,515,653	\$ 14,265,248
Plan fiduciary net position	13,647,647	12,530,341
Net pension liability	<u>\$ 1,868,006</u>	<u>\$ 1,734,907</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.96%</u>	<u>87.84%</u>

6. Actuarial methods and significant assumptions

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

	Town	Education
Valuation date	July 1, 2024	July 1, 2024
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	6.75%	6.25%
Asset valuation method	Fair value	Fair value
Inflation	2.75%	2.50%
Salary increases	Varied by age range	Varied by age range
Cost of living adjustments	None	None
Mortality rates	PubG-2010 mortality table with generational projection of future improvements per the MP-2021 ultimate scale	PubG-2010 mortality table with generational projection of future improvements per the MP-2021 ultimate scale

7. Changes from prior year

a. Changes in assumptions

There were no changes in assumptions.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)**b. Changes in benefit terms**

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was as follows:

	Town	Education
Discount rate	6.75%	6.25%

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

9. Changes in the net pension liability

The Town and Education's net pension liability was measured at June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as dated below. The changes in net pension liability were as follows:

Valuation date: July 1, 2024	Increase (Decrease)		
Town	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2024	\$14,826,694	\$12,386,740	\$2,439,954
Service cost	300,401	-	300,401
Interest	1,002,828	-	1,002,828
Differences between expected and actual experience	(64,538)	-	(64,538)
Contributions - employer	-	527,739	(527,739)
Net investment income (loss)	-	1,307,799	(1,307,799)
Benefit payments, including refunds of member contributions	(549,732)	(549,732)	-
Administration	-	(24,899)	24,899
Net change	688,959	1,260,907	(571,948)
Balance at June 30, 2025	\$15,515,653	\$13,647,647	\$1,868,006

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

Valuation date: July 1, 2024	Increase (Decrease)		
Education	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2024	\$13,912,934	\$11,445,025	\$2,467,909
Service cost	255,244	-	255,244
Interest	871,960	-	871,960
Differences between expected and actual experience	(334,579)	-	(334,579)
Contributions - employer	-	509,054	(509,054)
Net investment income (loss)	-	1,052,485	(1,052,485)
Benefit payments, including refunds of member contributions	(440,311)	(440,311)	-
Administration	-	(35,912)	35,912
Net change	352,314	1,085,316	(733,002)
Balance at June 30, 2025	<u>\$14,265,248</u>	<u>\$12,530,341</u>	<u>\$1,734,907</u>

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

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

Plan	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town	<u>6.75%</u>	<u>\$ 3,589,024</u>	<u>\$ 1,868,006</u>	<u>\$ 398,344</u>
Education	<u>6.25%</u>	<u>\$ 3,281,367</u>	<u>\$ 1,734,907</u>	<u>\$ 428,219</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

11. Pension expense and deferred outflows and inflows of resources

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

<u>Town</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ 7,393	\$ 46,913	\$ (39,520)
Changes in assumptions	-	6,364	(6,364)
Net difference between projected and actual earnings on pension plan investments	-	135,307	(135,307)
Total	<u>\$ 7,393</u>	<u>\$ 188,584</u>	<u>\$ (181,191)</u>

<u>Pension Expense</u>	
The plan recognized pension expense of:	<u>\$ 484,734</u>

<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ 59,093	\$ 182,498	\$ (123,405)
Net difference between projected and actual earnings on pension plan investments	68,275	-	68,275
Total	<u>\$ 127,368</u>	<u>\$ 182,498</u>	<u>\$ (55,130)</u>

<u>Pension Expense</u>	
The plan recognized pension expense of:	<u>\$ 471,205</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years for both plans. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which were as follows:

<u>Plan</u>	<u>Years</u>
Town	3.30
Education	2.20

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Town pension plans (continued)

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

Year Ended		
June 30	Town	Education
2026	\$ 308,205	\$ 255,014
2027	(223,170)	(138,165)
2028	(171,542)	(104,795)
2028	<u>(94,684)</u>	<u>(67,184)</u>
Total	<u>\$ (181,191)</u>	<u>\$ (55,130)</u>

B. Connecticut municipal employees' retirement system**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions

Normal retirement	
General employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut municipal employees' retirement system (continued)

Pre-retirement death benefit amount	Lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.
Cost of living increases	A 5 year phase-out of the Cost-Of-Living-Adjustment (COLA) floor from the existing 2.5% to 0.0%, which reduces the floor by 0.5% each year for future retirees, beginning July 1, 2025, reducing to 0.0% on July 1, 2029.
	Subject to the COLA floors outlined above, for years in which inflation (as measured by the CPI-W) increases by 2.0% or less, the MERS COLA will track inflation directly. For those years in which inflation increases by 2.0% or more, the COLA will be 60.0% of the inflation rate up to 6.0%, and 75.0% of the inflation rate in excess of 6.0% with a maximum COLA of 7.5%.

3. Contributions

Contributions are established by the Statues as follows:

Employer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, deferred outflows of resources and deferred inflows of resources and pension expense

The Town reported the following relative to the plan:

Measurement date	June 30, 2024
Valuation date	June 30, 2024
Proportionate share of the collective net pension liability	\$ 1,745,942
Police officers with social security sub plan:	
Town percentage of total plan participating employers expected payroll	1.585638%
Increase (decrease) from prior year	(0.062896%)

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut municipal employees' retirement system (continued)

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Difference between expected and actual experience	\$ 224,219	\$ -	\$ 224,219
Change of assumptions	180,431	-	180,431
Changes in proportional share	138,755	48,992	89,763
Net difference between projected and actual earnings on pension plan investments	-	31,765	(31,765)
Contributions subsequent to measurement date	226,644	-	226,644
Total	\$ 770,049	\$ 80,757	689,292
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year			(226,644)
Net amortized amount of deferred inflows and outflows			\$ 462,648
Pension Expense			
The plan recognized pension expense of:			\$ 374,236

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Changes in proportional share and differences between expected and actual results are amortized over the average remaining service period of active and inactive employees which was 5.21 years.

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

Year Ended June 30	
2026	\$ 191,176
2027	247,282
2028	27,982
2029	(6,229)
2030	2,437
Total	\$ 462,648

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut municipal employees' retirement system (continued)

5. Actuarial assumptions

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

Valuation date	June 30, 2024	
Investment rate of return	7.00%	
Inflation	2.50%	
Salary increases	3.50-9.50%, including inflation	
Cost of living adjustments	Retired prior to January 1, 2002 who have reached age 65	3.25%
	Retired prior to January 1, 2002 who have not reached age 65	2.50%
	Retired after December 31, 2001 regardless of age	2.55%
	Retirement date July 1, 2025 to June 30, 2026	2.50%
	Retirement date July 1, 2026 to June 30, 2027	2.30%
	Retirement date July 1, 2027 to June 30, 2028	2.10%
	July 1, 2028 and after	2.00%
Mortality rates	The Pub-2010 mortality tables for healthy retiree, disabled retiree, contingent annuitant, active employee set-forward one year (except active employees) and projected generationally with scale MP-2021	

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2022.

Long-term expected rate of return

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut municipal employees' retirement system (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

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

6. Discount rate

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

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

The following presents the Town's proportional share of the collective net pension liability of MERS, calculated using the discount rate, as well as what the collective 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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town's proportional share of the net pension liability	7.00%	\$ 2,506,036	\$ 1,745,942	\$1,114,734

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2025****B. Connecticut municipal employees' retirement system (continued)****8. Plan fiduciary net position**

The net pension liability, pension expense and deferred outflows and inflows of resources presented in this report have been determined based on CMERS' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts. CMERS is included in the State of Connecticut's ACFR as a pension trust fund.

9. Future plan changes

Beginning July 1, 2025, the benefit formula multiplier will increase to 2.2% (1.7% for social security covered eligible participants) based on the following eligibility:

- General employees: Beginning for service at age 60 with at least 30 years of service.
- Police and fire: Beginning for service at age 55 with at least 27 years of service.

Beginning July 1, 2025, a Deferred Retirement Option Plan (DROP), capped at 5 years of participation in the program, will be offered based on the following eligibility:

- General employees: at age 60 with 30 years of service OR at age 62 with 5 years of service.
- Police and fire: at age 55 with 25 years of service; at age 57 with 5 years of service; or at any age with 30 years of service.
- Upon entering DROP, the member contribution rate is reduced to half. After 24 months of DROP participation, the member contribution rate is reduced to 0%.
- Beginning annually at the 2nd anniversary of the member's DROP entry, the DROP account is credited with interest at a rate not to exceed 4%. Interest is also credited at the 3rd, 4th, and 5th anniversary date of DROP entry.
- Pension amount will not increase with annual COLAs while participating in DROP. Once the member exits DROP, future COLAs will be determined based on the provisions in effect at the time the member entered the DROP.

C. Connecticut state teachers' retirement system**1. Plan description**

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Connecticut state teachers' retirement system (continued)**2. Benefit provisions**

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Connecticut state teachers' retirement system (continued)

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their pensionable wages.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

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

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>71,715,806</u>
Total	<u>\$ 71,715,806</u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	
	<u>\$ 7,068,902</u>

The collective net pension liability was measured as of June 30, 2024, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2024.

5. Actuarial assumptions

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

Valuation date	June 30, 2024
Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases are as follows:

Teachers who retired prior to September 1, 1992	Pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum
Teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%
Teachers who were members of the Teachers' Retirement System after July 1, 2007	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Long-term expected rate of return

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Connecticut state teachers' retirement system (continued)

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.20%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
Total	<u>100.00%</u>	

6. Discount rate

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

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

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town	\$ 1,868,006	\$ 7,393	\$ 188,584	\$ 484,734
Education	1,734,907	127,368	182,498	471,205
MERS	<u>1,745,942</u>	<u>770,049</u>	<u>80,757</u>	<u>374,236</u>
Total	<u>\$ 5,348,855</u>	<u>\$ 904,810</u>	<u>\$ 451,839</u>	<u>\$1,330,175</u>

E. Other post-employment benefit plan (“OPEB”)

1. Plan description

a. Plan administration

The Town is the administrator of a single-employer defined benefit plan established and administered by the Town to provide post-employment benefits, other than pensions, for certain employees and retirees. The plan is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial statement as an OPEB trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Finance through union agreements or other action of the Board.

The Board of Finance serves as the OPEB board and has delegated certain administrative activities and oversight to the first selectman pursuant to a declaration of trust.

b. Plan membership

The following employees are covered by the benefit terms:

Valuation date: July 1, 2023

Active members	266
Retirees and beneficiaries receiving benefits	<u>20</u>
Total	<u>286</u>

2. Benefit provisions

Group	Benefit
Teachers and Administrators	Age 60 with 20 years of service or 35 years of service
Custodian (Education)	Age 60 with 10 years of service or at age 62 with 5 years of service
Police	25 years of service under the MERS pension plan

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Other post-employment benefits (“OPEB”) (continued)

State Statutes require that retired teachers be covered under the Town’s plan until the teacher is eligible to obtain benefits under the State plan. The employees and TRS pay 100% of the benefit.

3. Contributions

Required contributions to the plan are as follows:

Employer:

Town's average contribution rate	0.48% of pensionable wages
Town contributions	\$114,294

Employees:

Employee contributions	None required
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Retirees:

Teachers and administrators	100.00%
Custodians and paraprofessionals	100.00%
Police	75% of the premium shall be paid by the Town from the employee's premium account (50% if the premium account is exhausted)

4. Investments

a. Investment policy and rate of return

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance. 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.

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

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Other post-employment benefits (“OPEB”) (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. equity market	37.00%	5.48%
International equity	13.00%	7.24%
U.S. core fixed income	<u>50.00%</u>	<u>2.35%</u>
Total/weighted average	<u>100.00%</u>	3.73%
Long-term inflation		<u>2.50%</u>
Portfolio nominal mean return		<u>6.23%</u>
Long-term expected rate of return		<u>6.25%</u>

Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments (net of investment expense) was: 10.34%

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

b. Concentrations

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

5. Net OPEB liability (asset)

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

Total OPEB liability	\$ 4,474,633
Plan fiduciary net position	<u>4,493,054</u>
Net OPEB liability (asset)	<u>\$ (18,421)</u>
Plan fiduciary net position as a percentage of total OPEB liability (asset)	<u>100.41%</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Other post-employment benefits (“OPEB”) (continued)

6. Actuarial methods and significant assumptions

The total OPEB liability for the plan was determined using the actuarial assumptions noted below rolled forward to the measurement date of June 30, 2025.

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.25%
Salary increases	Graded by service for teachers; 4.00% for all others
Inflation	2.50%
Healthcare trend rate	6.50% - 3.90% over 49 years
Mortality	
Teachers and administrators	PubT-2010 mortality table with generational projection of future improvements per the MP-2021 ultimate scale
Education non-certified	PubG-2010 mortality table with generational projection per the MP-2021 ultimate scale
Police	PubG-2010 mortality table with generational projection per the MP-2021 ultimate scale

7. Changes from prior year

a. Changes in assumptions

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the OPEB liability was 6.25%.

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 the 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 net OPEB liability.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Other post-employment benefits (“OPEB”) (continued)

9. Changes in the net OPEB liability (asset)

<u>Valuation date: July 1, 2023</u>	<u>Increase (Decrease)</u>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at July 1, 2024	\$ 4,187,681	\$ 4,035,714	\$ 151,967
Service cost	98,499	-	98,499
Interest	265,514	-	265,514
Contributions - employer	-	114,294	(114,294)
Net investment income (loss)	-	432,123	(432,123)
Benefit payments, including refunds of member contributions	(77,061)	(77,061)	-
Administration	-	(12,016)	12,016
Net change	286,952	457,340	(170,388)
Balance at June 30, 2025	<u>\$ 4,474,633</u>	<u>\$ 4,493,054</u>	<u>\$ (18,421)</u>

10. Sensitivity of the OPEB liability (asset) to changes in the discount rate

The following presents the net OPEB liability (asset) of the Town, calculated using the current discount rate, as well as what the Town’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>6.25%</u>	<u>\$ 329,104</u>	<u>\$ (18,421)</u>	<u>\$(331,036)</u>

11. Sensitivity of the OPEB liability (asset) to changes in the healthcare cost trend rate

The following presents the net OPEB liability (asset) of the Town, calculated using the current healthcare cost trend rates, as well as what the Town’s net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>Current Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>6.30% decreasing to 3.90%</u>	<u>\$(490,017)</u>	<u>\$ (18,421)</u>	<u>\$ 530,713</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Other post-employment benefits (“OPEB”) (continued)**12. OPEB expense and deferred outflows and inflows of resources related to OPEB**

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

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ 1,057,838	\$ (1,057,838)
Changes in assumptions	124,832	346,846	(222,014)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>91,459</u>	<u>(91,459)</u>
Total	<u>\$ 124,832</u>	<u>\$ 1,496,143</u>	<u>\$ (1,371,311)</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of:			<u>\$ (508,948)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 10.20 years.

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

<u>Year Ended June 30</u>	
2026	\$ (298,302)
2027	(348,069)
2028	(206,753)
2029	(175,143)
2030	(140,381)
Thereafter	<u>(202,663)</u>
Total	<u>\$(1,371,311)</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Connecticut state teachers' retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits to retired teachers and administrators of public schools. Eligibility is as follows:

Group	Benefit
Teachers and Administrators	Age 60 with 20 years of service or 35 years of service
Custodian (Education)	Age 60 with 10 years of service or at age 62 with 5 years of service
Police	25 years of service under the MERS pension plan

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer.

The subsidy amounts are set by State statutes as follows:

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State pays for 1/3 of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Employees/retirees

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

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

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

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

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>14,711,377</u>
Total	<u>\$ 14,711,377</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 98,971</u>

The collective net OPEB liability was measured as of June 30, 2024, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

5. Actuarial assumptions

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

Valuation date	June 30, 2024
Investment rate of return	3.75%
Discount rate	3.93%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

The changes in assumptions were as follows:

Assumption	From	To
Discount rate	3.64%	3.93%

- Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.

Long-term expected rate of return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents (treasuries). As of June 30, 2024, the expected 10-year geometric rate of return is 1.26% and the long-term real rate of return was 3.75%.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2025****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****6. Discount rate**

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.93%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a OPEB trust fund.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Town Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
<u>Assets</u>				
Investments:				
Mutual funds:				
Money market	\$ 64,030	\$ 52,094	\$ 14,841	\$ 130,965
Equity	7,018,166	4,504,209	2,296,319	13,818,694
Fixed income	6,565,451	7,974,038	2,181,894	16,721,383
Total assets	<u>13,647,647</u>	<u>12,530,341</u>	<u>4,493,054</u>	<u>30,671,042</u>
<u>Net Position</u>				
Restricted for:				
Pensions	13,647,647	12,530,341	-	26,177,988
OPEB	-	-	4,493,054	4,493,054
Total net position	<u>\$ 13,647,647</u>	<u>\$ 12,530,341</u>	<u>\$ 4,493,054</u>	<u>\$ 30,671,042</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Pension and other post-employment benefit plan statements (continued)

Pension and OPEB Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Town Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
Additions:				
Employer contributions	\$ 527,739	\$ 509,054	\$ 114,294	\$ 1,151,087
Investment income (loss):				
Net change in fair value of investments	994,636	711,803	320,349	2,026,788
Interest and dividends	351,405	378,133	123,656	853,194
Total investment income (loss)	1,346,041	1,089,936	444,005	2,879,982
Less investment expense	38,242	37,451	11,882	87,575
Net investment income (loss)	1,307,799	1,052,485	432,123	2,792,407
Total additions	1,835,538	1,561,539	546,417	3,943,494
Deductions:				
Benefits	549,732	440,311	77,061	1,067,104
Administration	24,899	35,912	12,016	72,827
Total deductions	574,631	476,223	89,077	1,139,931
Change in net position	1,260,907	1,085,316	457,340	2,803,563
Net position - July 1, 2024	12,386,740	11,445,025	4,035,714	27,867,479
Net position - June 30, 2025	<u>\$13,647,647</u>	<u>\$12,530,341</u>	<u>\$ 4,493,054</u>	<u>\$ 30,671,042</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

VI. Restatement and prior period adjustments**A. Restatement: change within reporting entity**

The American Rescue Plan Act fund was reclassified from a major fund to other governmental funds.

B. Prior period adjustments

The Town implemented the provisions of GASB Statement No. 101, "*Compensated Absences*" for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the Town now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the Town has reported a cumulative effect of change in accounting principle to the July 1, 2024 net position of governmental activities as follows:

	Governmental Activities
Net position as previously reported at June 30, 2024	\$ 122,050,428
Change in accounting principle for compensated absences	<u>(5,426,888)</u>
Net position as restated at July 1, 2024	<u><u>\$ 116,623,540</u></u>

VII. Recently issued GASB pronouncements

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve the management's discussion and analysis, budgetary reporting, and other key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal year ending June 30, 2026.

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Budgetary Comparison Schedules
<hr/>	
<u>Pension Plans</u> Town Education Connecticut Municipal Employees' Retirement System Connecticut State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u> Town Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Revenues:					
Property taxes:					
Property taxes	\$ 60,988,302	\$ 61,338,302	\$ 350,000	\$ 61,045,501	\$ (292,801)
Supplemental motor vehicle taxes	525,000	525,000	-	609,451	84,451
Interest and lien fees	200,000	200,000	-	303,105	103,105
Telephone line access	20,000	20,000	-	35,561	15,561
Total property taxes	61,733,302	62,083,302	350,000	61,993,618	(89,684)
Intergovernmental:					
Town aid	271,360	271,360	-	271,360	-
PILOT - State owned property	17,430	17,430	-	17,430	-
Veterans exemption	15,356	15,356	-	14,900	(456)
FEMA grant	-	-	-	4,073	4,073
DEEP grant	-	-	-	3,000	3,000
Local capital improvement program	116,761	116,761	-	113,973	(2,788)
Emergency management performance grant	7,362	7,362	-	27,877	20,515
Municipal revenue sharing	1,149	1,149	-	1,149	-
Motor vehicle reimbursement	448,977	448,977	-	448,977	-
Elderly grant	-	-	-	2,112	2,112
Municipal stabilization grant	265,666	265,666	-	265,666	-
Education cost sharing	3,481,120	3,481,120	-	3,451,412	(29,708)
Special education	575,000	575,000	-	575,000	-
Total intergovernmental	5,200,181	5,200,181	-	5,196,929	(3,252)
Charges for services:					
Judicial	2,000	2,000	-	1,200	(800)
Health	30,000	30,000	-	45,200	15,200
Zoning board of appeals	12,000	12,000	-	6,708	(5,292)
Zoning	37,000	37,000	-	30,500	(6,500)
Building	252,000	252,000	-	368,796	116,796
Inland wetlands	5,500	5,500	-	7,182	1,682
Environmental enforcement	7,500	7,500	-	3,638	(3,862)
Public work fees	1,000	1,000	-	3,900	2,900
Fire marshal fees	5,000	5,000	-	9,985	4,985
Other licenses and permits	10,000	10,000	-	10,525	525
Real estate conveyance	225,000	225,000	-	300,773	75,773
Town clerk receipts	85,000	85,000	-	86,151	1,151
Police private duty	32,000	32,000	-	26,515	(5,485)
EMS/Paramedic billings	275,000	275,000	-	327,529	52,529
Student tuition	550,000	550,000	-	482,542	(67,458)
Senior center recreation fees	20,000	20,000	-	27,721	7,721
Town engineer	10,000	10,000	-	1,187	(8,813)
CIRMA equity distribution	-	-	-	40,070	40,070
Total charges for services	1,559,000	1,559,000	-	1,780,122	221,122

(Continued)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Income from investments	\$ 900,000	\$ 1,500,000	\$ 600,000	\$ 1,550,827	\$ 50,827
Other revenues	7,000	7,000	-	496	(6,504)
Total revenues	69,399,483	70,349,483	950,000	70,521,992	172,509
Other financing sources:					
Appropriation of fund balance	-	600,000	600,000	-	(600,000)
Cancellation of prior year encumbrances	-	-	-	7,514	7,514
Total other financing sources	-	600,000	600,000	7,514	(592,486)
Total revenues and other financing sources	\$ 69,399,483	\$ 70,949,483	\$ 1,550,000	\$ 70,529,506	\$ (419,977)

(Concluded)

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget over (under)	Actual	Variance with Final Budget
	Original	Final	Final Budget		
General government:					
Board of selectmen	\$ 206,512	\$ 206,512	\$ -	\$ 200,553	\$ 5,959
Town clerk	236,794	242,263	5,469	241,864	399
Probate	11,445	11,445	-	11,444	1
Registrar of voters	141,257	146,614	5,357	145,806	808
Finance	307,680	299,769	(7,911)	296,632	3,137
Board of finance	94,133	85,710	(8,423)	85,702	8
Treasurer	51,542	42,753	(8,789)	42,753	-
Assessor	191,359	191,359	-	187,097	4,262
Tax collector	218,895	218,895	-	218,482	413
Board of assessment appeals	1,350	2,389	1,039	2,389	-
Unclassified payroll and benefits	1,495,542	1,471,449	(24,093)	1,436,605	34,844
Professional services	130,000	230,283	100,283	230,283	-
Intergovernmental agencies	274,790	274,236	(554)	271,094	3,142
General insurance	217,000	217,000	-	197,045	19,955
Business machines	428,246	428,246	-	386,907	41,339
Housing opportunities committee	2,658	2,658	-	1,436	1,222
Human resources	34,994	37,994	3,000	35,642	2,352
Planning commission	2,750	2,750	-	719	2,031
Zoning commission	75,783	75,783	-	73,762	2,021
Zoning board of appeals	13,307	13,307	-	9,305	4,002
Economic development	5,608	5,608	-	1,844	3,764
Utilities	416,800	463,762	46,962	453,251	10,511
Permanent building committee	2,100	2,100	-	656	1,444
General land use	1,300	1,300	-	676	624
Historical properties commission	100	100	-	-	100
Commission of the youth	100	100	-	-	100
Total general government	4,562,045	4,674,385	112,340	4,531,947	142,438
Public safety and protection:					
Police	2,533,128	2,484,128	(49,000)	2,312,592	171,536
Communications center	403,394	394,171	(9,223)	393,646	525
Fire companies	254,405	254,393	(12)	246,582	7,811
Ambulance/paramedic/EMT	1,077,035	1,077,047	12	1,077,047	-
Fire marshal	82,108	64,042	(18,066)	58,122	5,920
Building inspector	164,562	164,562	-	158,211	6,351
Office of emergency management	59,633	26,496	(33,137)	21,899	4,597
Animal control	57,278	60,037	2,759	59,380	657
Total public safety and protection	4,631,543	4,524,876	(106,667)	4,327,479	197,397
Public works	2,509,228	2,509,228	-	2,506,883	2,345

(Continued)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Health and welfare:					
Health department	\$ 319,065	\$ 314,019	\$ (5,046)	\$ 288,369	\$ 25,650
Inland/wetlands	3,678	3,678	-	1,548	2,130
WPCA	1,527	900	(627)	460	440
Social services	123,380	123,380	-	116,697	6,683
Senior services	222,002	222,002	-	191,829	30,173
Ball pond advisory committee	8,458	8,458	-	7,572	886
Commission on aging	2,307	2,307	-	996	1,311
Total health and welfare	680,417	674,744	(5,673)	607,471	67,273
Culture and recreation:					
Recreation	81,731	81,731	-	80,253	1,478
Library	518,998	518,998	-	503,241	15,757
Total culture and recreation	600,729	600,729	-	583,494	17,235
Health insurance	963,365	1,913,365	950,000	1,913,365	-
Total Town expenditures	13,947,327	14,897,327	950,000	14,470,639	426,688
Education:					
Education operating	42,242,231	42,242,231	-	42,242,231	-
Health insurance	5,936,635	5,936,635	-	5,936,635	-
Total education	48,178,866	48,178,866	-	48,178,866	-
Debt service:					
Town	130,380	130,380	-	130,380	-
School	6,908,108	6,908,108	-	6,908,108	-
Total debt service	7,038,488	7,038,488	-	7,038,488	-
Total expenditures	69,164,681	70,114,681	950,000	69,687,993	426,688
Other financing uses:					
Transfers out:					
Education nonlapsing fund	65,225	65,225	-	65,225	-
Capital nonrecurring fund	50,000	50,000	-	50,000	-
Education capital nonrecurring fund	119,577	719,577	600,000	719,577	-
Total other financing uses	234,802	834,802	600,000	834,802	-
Total expenditures and other financing uses	\$69,399,483	\$70,949,483	\$ 1,550,000	\$70,522,795	\$ 426,688

(Concluded)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2025

A. Budgetary procedures

Only the General Fund has a legally adopted annual budget. The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary basis - RSI-1	\$70,521,992	\$ 69,687,993
State teachers' pension on behalf amount	7,068,902	7,068,902
State teachers' OPEB on behalf amount	98,971	98,971
Prior year encumbrances liquidated in the current year	-	137,549
Current year encumbrances charged to budgetary expenditures	<u>-</u>	<u>(303,313)</u>
GAAP basis - Exhibit D	<u>\$77,689,865</u>	<u>\$ 76,690,102</u>

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI-1) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds and those specifically re-appropriated by the Board of Finance.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations. A Town Meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$20,000, Town Meeting approval.

(Continued)

Town of New Fairfield, Connecticut

Required Supplementary Information

Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2025

B. Budget results

1. Budgetary revenues

Differences - original budget to final budget:

Additional appropriations from revenues were made during the year as follows:	<u>\$ 950,000</u>
Property tax revenue budget was increased to fund the increase in the health insurance budget	350,000
Income from investments budget was increased to fund the increase in the health insurance budget	600,000
Appropriation of fund balance budget was increased to fund an additional transfer out to the education capital nonrecurring fund	<u>600,000</u>
Total additional appropriations	<u>\$ 1,550,000</u>

Differences - final to actual:

Property tax revenues were less than the budget substantially due to:	<u>\$ (89,684)</u>
Property taxes were under budget due to the budget transfer noted above by:	(292,801)
Interest and lien fees received were in excess of the budget due to higher than expected prior year tax collections by:	103,105
Charges for services were in excess of budget substantially due to:	<u>\$ 221,122</u>
Building was in excess of the budget due to conservative budgeting by:	116,796
Real estate conveyance were in excess of the budget due to continued increased property sale transactions by:	75,773
EMS/paramedic billings were in excess of the budget due to the increase in service calls by:	52,529
Tuition was lower than the budget due to decreased enrollment by:	(67,458)

2. Budgetary expenditures

Differences - original budget to final budget:

Professional services budget was increased due to higher than anticipated legal costs, primarily related to personnel matters	100,283
The health insurance budget was increased due to the increase in claims expense from the medical insurance fund	950,000

Differences - final to actual:

The police department unexpended balance was primarily due to lower resident trooper costs than expected	171,536
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(Concluded)

Town of New Fairfield, Connecticut

Required Supplementary Information

Town Retirement Plan
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 300,401	\$ 309,887	\$ 282,536	\$ 269,909	\$ 248,277	\$ 246,882	\$ 232,331	\$ 240,578	\$ 240,804	\$ 231,435
Interest	1,002,828	953,161	907,919	842,051	767,816	683,805	642,043	608,734	569,692	529,748
Differences between expected and actual experience	(64,538)	16,633	(13,524)	292,216	43,962	215,449	(62,415)	(159,690)	(54,626)	(9,127)
Changes in assumptions	-	-	(44,542)	-	380,501	358,813	-	-	-	-
Benefit payments, including refunds of member contributions	(549,732)	(519,539)	(460,404)	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)
Net change in total pension liability	688,959	760,142	671,985	982,014	1,135,983	1,284,671	616,178	509,369	581,543	566,046
Total pension liability - July 1	14,826,694	14,066,552	13,394,567	12,412,553	11,276,570	9,991,899	9,375,721	8,866,352	8,284,809	7,718,763
Total pension liability - June 30 (a)	<u>\$ 15,515,653</u>	<u>\$ 14,826,694</u>	<u>\$ 14,066,552</u>	<u>\$ 13,394,567</u>	<u>\$ 12,412,553</u>	<u>\$ 11,276,570</u>	<u>\$ 9,991,899</u>	<u>\$ 9,375,721</u>	<u>\$ 8,866,352</u>	<u>\$ 8,284,809</u>
Plan fiduciary net position:										
Contributions - employer	\$ 527,739	\$ 481,543	\$ 447,876	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 331,000	\$ 302,287
Net investment income (loss)	1,307,799	1,117,939	908,251	(1,857,636)	2,512,405	361,390	477,547	554,733	839,279	(49,451)
Benefit payments, including refunds of member contributions	(549,732)	(519,539)	(460,404)	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)
Administration	(24,899)	(27,361)	(21,052)	(27,759)	(21,372)	(29,872)	(27,411)	(26,472)	(25,295)	(26,319)
Net change in plan fiduciary net position	1,260,907	1,052,582	874,671	(1,865,148)	2,576,692	428,250	583,305	689,724	970,657	40,507
Plan fiduciary net position - July 1	12,386,740	11,334,158	10,459,487	12,324,635	9,747,943	9,319,693	8,736,388	8,046,664	7,076,007	7,035,500
Plan fiduciary net position - June 30 (b)	<u>\$ 13,647,647</u>	<u>\$ 12,386,740</u>	<u>\$ 11,334,158</u>	<u>\$ 10,459,487</u>	<u>\$ 12,324,635</u>	<u>\$ 9,747,943</u>	<u>\$ 9,319,693</u>	<u>\$ 8,736,388</u>	<u>\$ 8,046,664</u>	<u>\$ 7,076,007</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 1,868,006</u>	<u>\$ 2,439,954</u>	<u>\$ 2,732,394</u>	<u>\$ 2,935,080</u>	<u>\$ 87,918</u>	<u>\$ 1,528,627</u>	<u>\$ 672,206</u>	<u>\$ 639,333</u>	<u>\$ 819,688</u>	<u>\$ 1,208,802</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.96%</u>	<u>83.54%</u>	<u>80.58%</u>	<u>78.09%</u>	<u>99.29%</u>	<u>86.44%</u>	<u>93.27%</u>	<u>93.18%</u>	<u>90.76%</u>	<u>85.41%</u>
Covered payroll	<u>\$ 3,342,101</u>	<u>\$ 3,077,445</u>	<u>\$ 3,021,770</u>	<u>\$ 2,805,155</u>	<u>\$ 2,805,853</u>	<u>\$ 2,556,512</u>	<u>\$ 2,618,836</u>	<u>\$ 2,637,481</u>	<u>\$ 2,583,479</u>	<u>\$ 2,272,414</u>
Net pension liability as a percentage of covered payroll	<u>55.89%</u>	<u>79.29%</u>	<u>90.42%</u>	<u>104.63%</u>	<u>3.13%</u>	<u>59.79%</u>	<u>25.67%</u>	<u>24.24%</u>	<u>31.73%</u>	<u>53.19%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>10.40%</u>	<u>9.70%</u>	<u>8.52%</u>	<u>(14.83%)</u>	<u>25.18%</u>	<u>3.80%</u>	<u>5.37%</u>	<u>6.73%</u>	<u>11.64%</u>	<u>(0.69%)</u>

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 527,739	\$ 481,543	\$ 447,876	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 330,339	\$ 302,287
Contributions in relation to the actuarially determined contribution	<u>527,739</u>	<u>481,543</u>	<u>447,876</u>	<u>442,409</u>	<u>390,232</u>	<u>317,010</u>	<u>328,950</u>	<u>341,716</u>	<u>331,000</u>	<u>302,287</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661</u>	<u>\$ -</u>
Covered payroll	<u>\$ 3,342,101</u>	<u>\$ 3,077,445</u>	<u>\$ 3,021,770</u>	<u>\$ 2,805,155</u>	<u>\$ 2,805,853</u>	<u>\$ 2,566,512</u>	<u>\$ 2,618,836</u>	<u>\$ 2,637,481</u>	<u>\$ 2,583,479</u>	<u>\$ 2,272,414</u>
Contributions as a percentage of covered payroll	<u>15.79%</u>	<u>15.65%</u>	<u>14.82%</u>	<u>15.77%</u>	<u>13.91%</u>	<u>12.35%</u>	<u>12.56%</u>	<u>12.96%</u>	<u>12.81%</u>	<u>13.30%</u>

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation rate	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increases	2.75% - 4.25%	2.75% - 4.25%	2.75% - 4.25%	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age
Investment rate of return (net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Mortality rate	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2019 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA

Town of New Fairfield, Connecticut

Required Supplementary Information

Education Retirement Plan
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 255,244	\$ 312,361	\$ 323,424	\$ 330,431	\$ 305,874	\$ 282,374	\$ 248,907	\$ 266,475	\$ 260,859	\$ 253,449
Interest	871,960	817,817	767,497	729,820	663,921	575,690	549,885	502,912	456,879	428,185
Differences between expected and actual experience	(334,579)	206,829	139,298	(137,019)	(103,432)	384,125	(167,262)	211,570	180,147	(106,835)
Changes of benefit terms	-	-	-	-	61,035	54,519	-	-	-	-
Changes in assumptions	-	-	(56,552)	-	391,222	367,354	-	-	-	-
Benefit payments, including refunds of member contributions	(440,311)	(387,668)	(328,231)	(298,990)	(278,906)	(272,927)	(231,904)	(192,331)	(142,399)	(102,250)
Net change in total pension liability	352,314	949,339	845,436	624,242	1,039,714	1,391,135	399,626	788,626	755,486	472,549
Total pension liability - July 1	13,912,934	12,963,595	12,118,159	11,493,917	10,454,203	9,063,068	8,663,442	7,874,816	7,119,330	6,646,781
Total pension liability - June 30 (a)	<u>\$14,265,248</u>	<u>\$13,912,934</u>	<u>\$12,963,595</u>	<u>\$12,118,159</u>	<u>\$11,493,917</u>	<u>\$10,454,203</u>	<u>\$9,063,068</u>	<u>\$8,663,442</u>	<u>\$7,874,816</u>	<u>\$7,119,330</u>
Plan fiduciary net position:										
Contributions - employer	\$ 509,054	\$ 491,980	\$ 460,638	\$ 480,963	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 294,000
Net investment income (loss)	1,052,485	848,336	629,809	(1,573,344)	1,848,101	429,289	484,373	407,759	628,852	42,982
Benefit payments, including refunds of member contributions	(440,311)	(387,668)	(328,231)	(298,990)	(278,906)	(272,927)	(231,904)	(192,331)	(142,399)	(102,250)
Administration	(35,912)	(30,170)	(25,771)	(34,764)	(22,243)	(31,386)	(30,354)	(30,011)	(28,456)	(29,541)
Net change in plan fiduciary net position	1,085,316	922,478	736,445	(1,426,135)	1,954,534	437,514	550,866	496,877	740,641	205,191
Plan fiduciary net position - July 1	11,445,025	10,522,547	9,786,102	11,212,237	9,257,703	8,820,189	8,269,323	7,772,446	7,031,805	6,826,614
Plan fiduciary net position - June 30 (b)	<u>\$12,530,341</u>	<u>\$11,445,025</u>	<u>\$10,522,547</u>	<u>\$ 9,786,102</u>	<u>\$11,212,237</u>	<u>\$ 9,257,703</u>	<u>\$8,820,189</u>	<u>\$8,269,323</u>	<u>\$7,772,446</u>	<u>\$7,031,805</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 1,734,907</u>	<u>\$ 2,467,909</u>	<u>\$ 2,441,048</u>	<u>\$ 2,332,057</u>	<u>\$ 281,680</u>	<u>\$ 1,196,500</u>	<u>\$ 242,879</u>	<u>\$ 394,119</u>	<u>\$ 102,370</u>	<u>\$ 87,525</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.84%</u>	<u>82.26%</u>	<u>81.17%</u>	<u>80.76%</u>	<u>97.55%</u>	<u>88.55%</u>	<u>97.32%</u>	<u>95.45%</u>	<u>98.70%</u>	<u>98.77%</u>
Covered payroll	<u>\$ 3,659,857</u>	<u>\$ 3,723,591</u>	<u>\$ 3,761,115</u>	<u>\$ 4,046,343</u>	<u>\$ 4,057,509</u>	<u>\$ 3,788,160</u>	<u>\$3,880,750</u>	<u>\$3,847,329</u>	<u>\$3,713,678</u>	<u>\$3,402,645</u>
Net pension liability as a percentage of covered payroll	<u>47.40%</u>	<u>66.28%</u>	<u>64.90%</u>	<u>57.63%</u>	<u>6.94%</u>	<u>31.59%</u>	<u>6.26%</u>	<u>10.24%</u>	<u>2.76%</u>	<u>2.57%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>9.02%</u>	<u>7.86%</u>	<u>6.26%</u>	<u>(13.67%)</u>	<u>19.44%</u>	<u>4.79%</u>	<u>5.77%</u>	<u>5.14%</u>	<u>8.80%</u>	<u>0.62%</u>

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 509,054	\$ 491,980	\$ 460,638	\$ 478,613	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 293,885
Contributions in relation to the actuarially determined contribution	<u>509,054</u>	<u>491,980</u>	<u>460,638</u>	<u>480,963</u>	<u>407,582</u>	<u>312,538</u>	<u>328,751</u>	<u>311,460</u>	<u>282,644</u>	<u>294,000</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>
Covered payroll	<u>\$ 3,659,857</u>	<u>\$ 3,723,591</u>	<u>\$ 3,761,115</u>	<u>\$ 4,046,343</u>	<u>\$ 4,057,509</u>	<u>\$ 3,788,160</u>	<u>\$ 3,880,750</u>	<u>\$ 3,847,329</u>	<u>\$ 3,713,678</u>	<u>\$ 3,402,645</u>
Contributions as a percentage of covered payroll	<u>13.91%</u>	<u>13.21%</u>	<u>12.25%</u>	<u>11.89%</u>	<u>10.05%</u>	<u>8.25%</u>	<u>8.47%</u>	<u>8.10%</u>	<u>7.61%</u>	<u>8.64%</u>

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	None	None	None	None	The normal retirement benefit formula for the Building and Grounds Director increased to 3.00%.	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increases	2.75% - 4.25%	2.75% - 4.25%	2.75% - 4.25%	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age
Investment rate of return (net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Mortality rate	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2019 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA

Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension liability for the police and fire with social security sub plan	<u>1.585638%</u>	<u>1.648534%</u>	<u>1.654917%</u>	<u>1.206742%</u>	<u>0.980499%</u>	<u>1.410684%</u>	<u>1.036541%</u>	<u>1.243463%</u>	<u>1.243463%</u>	<u>1.907770%</u>
Town's proportionate share of the collective net pension (asset) liability	<u>\$ 1,745,942</u>	<u>\$ 1,895,716</u>	<u>\$ 1,721,633</u>	<u>\$ 608,190</u>	<u>\$ 809,140</u>	<u>\$ 1,027,877</u>	<u>\$ 704,217</u>	<u>\$ 497,180</u>	<u>\$ 581,330</u>	<u>\$ 364,345</u>
Town's covered payroll	<u>\$ 919,342</u>	<u>\$ 883,516</u>	<u>\$ 863,490</u>	<u>\$ 563,911</u>	<u>\$ 436,190</u>	<u>\$ 626,548</u>	<u>\$ 587,139</u>	<u>\$ 575,825</u>	<u>\$ 575,825</u>	<u>\$ 535,550</u>
Town's proportionate share of the collective net pension (asset) liability as a percentage of its covered payroll	<u>189.91%</u>	<u>214.56%</u>	<u>199.38%</u>	<u>107.85%</u>	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>	<u>68.03%</u>
Total plan fiduciary net position as a percentage of the collective total pension liability	<u>72.85%</u>	<u>69.54%</u>	<u>68.71%</u>	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>92.72%</u>	<u>92.72%</u>
<u>Schedule of Contributions</u>										
Contractually required contribution	\$ 200,000	\$ 206,650	\$ 186,049	\$ 151,557	\$ 87,017	\$ 120,684	\$ 122,028	\$ 115,305	\$ 96,336	\$ 89,597
Contributions in relation to the contractually required contribution	<u>200,000</u>	<u>206,650</u>	<u>186,049</u>	<u>151,557</u>	<u>87,017</u>	<u>\$ 120,684</u>	<u>122,028</u>	<u>115,305</u>	<u>96,336</u>	<u>89,597</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 810,373</u>	<u>\$ 894,202</u>	<u>\$ 805,058</u>	<u>\$ 675,087</u>	<u>\$ 415,356</u>	<u>\$ 604,932</u>	<u>\$ 712,364</u>	<u>\$ 673,117</u>	<u>\$ 575,828</u>	<u>\$ 535,547</u>
Contributions as a percentage of covered payroll	<u>24.68%</u>	<u>23.11%</u>	<u>23.11%</u>	<u>22.45%</u>	<u>20.95%</u>	<u>19.95%</u>	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None	
The actuarially determined contribution rates are calculated as of	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	
Actuarial methods and assumptions used to determine contribution rates:											
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	
Remaining amortization period	23.4-23.5 years	18 years	18 years	19 years	19 years	21 years	21 years	23 years	23 years	25 years	
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	
Salary increases	3.50%-9.50%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	
Cost-of-living adjustments	After January 1, 2002, 2.55% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	
Social security wage base	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	
Mortality rate	The Pub-2010 Mortality Tables for health retiree, disabled retiree, contingent annuitant and active employee set-forward one year (except active employees) and projected generationally with scale MP-2021.	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

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Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>71,715,806</u>	<u>79,901,803</u>	<u>90,575,744</u>	<u>73,399,301</u>	<u>92,674,894</u>	<u>82,278,348</u>	<u>63,441,386</u>	<u>65,802,792</u>	<u>69,422,450</u>	<u>52,643,952</u>
Total	<u>\$ 71,715,806</u>	<u>\$ 79,901,803</u>	<u>\$ 90,575,744</u>	<u>\$ 73,399,301</u>	<u>\$ 92,674,894</u>	<u>\$ 82,278,348</u>	<u>\$ 63,441,386</u>	<u>\$ 65,802,792</u>	<u>\$ 69,422,450</u>	<u>\$ 52,643,952</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>62.68%</u>	<u>58.39%</u>	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>
<u>Schedule of Contributions</u>										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	Restoration of 25% wear down of benefits of Plan N to vested members as of June 30, 2019	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	25.9 years	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of New Fairfield, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Last Nine Years (1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Schedule of Changes in Net OPEB Liability and Related Ratios									
Total OPEB liability:									
Service cost	\$ 98,499	\$ 105,139	\$ 94,171	\$ 116,263	\$ 124,022	\$ 133,859	\$ 128,672	\$ 120,401	\$ 156,832
Interest	265,514	275,226	261,328	333,242	326,407	406,924	393,398	567,511	541,926
Differences between expected and actual experience	-	(152,627)	-	(1,101,773)	-	(795,491)	-	(2,752,549)	-
Changes in assumptions	-	(239,560)	171,345	(85,831)	-	(448,327)	-	310,963	-
Benefit payments, including refunds of member contributions	(77,061)	(195,000)	(432,296)	(349,839)	(317,273)	(332,244)	(306,490)	(312,296)	(281,859)
Net change in total OPEB liability	286,952	(206,822)	94,548	(1,087,938)	133,156	(1,035,279)	215,580	(2,065,970)	416,899
Total OPEB liability - July 1	4,187,681	4,394,503	4,299,955	5,387,893	5,254,737	6,290,016	6,074,436	8,140,406	7,723,507
Total OPEB liability - June 30 (a)	<u>\$ 4,474,633</u>	<u>\$ 4,187,681</u>	<u>\$ 4,394,503</u>	<u>\$ 4,299,955</u>	<u>\$ 5,387,893</u>	<u>\$ 5,254,737</u>	<u>\$ 6,290,016</u>	<u>\$ 6,074,436</u>	<u>\$ 8,140,406</u>
Plan fiduciary net position:									
Contributions - employer	\$ 114,294	\$ 144,209	\$ 131,293	\$ 349,839	\$ 317,273	\$ 364,224	\$ 339,921	\$ 569,331	\$ 569,816
Net investment income (loss)	432,123	388,311	292,463	(579,606)	830,956	125,739	189,859	170,077	243,849
Benefit payments, including refunds of member contributions	(77,061)	(195,000)	(432,296)	(349,839)	(317,273)	(332,244)	(306,490)	(312,296)	(281,859)
Administration	(12,016)	(19,550)	(5,425)	(17,475)	(5,050)	(22,608)	(19,997)	(4,000)	(15,607)
Net change in plan fiduciary net position	457,340	317,970	(13,965)	(597,081)	825,906	135,111	203,293	423,112	516,199
Plan fiduciary net position - July 1	4,035,714	3,717,744	3,731,709	4,328,790	3,502,884	3,367,773	3,164,480	2,741,368	2,225,169
Plan fiduciary net position - June 30 (b)	<u>\$ 4,493,054</u>	<u>\$ 4,035,714</u>	<u>\$ 3,717,744</u>	<u>\$ 3,731,709</u>	<u>\$ 4,328,790</u>	<u>\$ 3,502,884</u>	<u>\$ 3,367,773</u>	<u>\$ 3,164,480</u>	<u>\$ 2,741,368</u>
Net OPEB liability (asset) - June 30 (a)-(b)	<u>\$ (18,421)</u>	<u>\$ 151,967</u>	<u>\$ 676,759</u>	<u>\$ 568,246</u>	<u>\$ 1,059,103</u>	<u>\$ 1,751,853</u>	<u>\$ 2,922,243</u>	<u>\$ 2,909,956</u>	<u>\$ 5,399,038</u>
Plan fiduciary net position as a percentage of the total OPEB liability	100.41%	96.37%	84.60%	86.78%	80.34%	66.66%	53.54%	52.10%	33.68%
Covered payroll	<u>\$23,908,015</u>	<u>\$21,465,407</u>	<u>\$21,465,407</u>	<u>\$22,093,911</u>	<u>\$22,093,911</u>	<u>\$16,454,309</u>	<u>\$16,454,309</u>	<u>\$16,830,444</u>	<u>\$16,830,444</u>
Net OPEB liability (asset) as a percentage of covered payroll	<u>(0.08%)</u>	<u>0.71%</u>	<u>3.15%</u>	<u>2.57%</u>	<u>4.79%</u>	<u>10.65%</u>	<u>17.76%</u>	<u>17.29%</u>	<u>32.08%</u>
Schedule of Investment Returns									
Annual money weighted rate of return, net of investment expense	<u>10.34%</u>	<u>10.11%</u>	<u>7.77%</u>	<u>(13.42%)</u>	<u>23.73%</u>	<u>3.71%</u>	<u>5.84%</u>	<u>5.72%</u>	<u>10.03%</u>

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

Town of New Fairfield, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 114,209	\$ 144,209	\$ 131,293	\$ 300,623	\$ 266,503	\$ 338,986	\$ 339,921	\$ 540,373	\$ 508,352	\$ 571,103
Contributions in relation to the actuarially determined contribution	114,294	144,209	131,293	349,839	317,273	364,224	339,921	569,331	569,816	571,386
Contribution excess (deficiency)	\$ 85	\$ -	\$ -	\$ 49,216	\$ 50,770	\$ 25,238	\$ -	\$ 28,958	\$ 61,464	\$ 283
Covered payroll	\$ 23,908,015	\$ 21,465,407	\$ 21,465,407	\$ 22,093,911	\$ 22,093,911	\$ 16,454,309	\$ 16,454,309	\$ 16,830,444	\$ 16,830,444	\$ 16,805,190
Contributions as a percentage of covered payroll	0.48%	0.67%	0.61%	1.58%	1.44%	2.21%	2.07%	3.38%	3.39%	3.40%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015	July 1, 2015	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation rate	2.50%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.00%
Medical trend rate	6.50% decreasing to 3.90% in 2072	5.20% decreasing to 4.20% in 2073	5.20% decreasing to 4.20% in 2073	6.20% - 4.20% over 55 years	6.20% - 4.20% over 55 years	5.20% - 4.60% over 60 years	5.20% - 4.60% over 60 years	5.20% - 4.60% over 60 years	5.20% - 4.60% over 60 years	6.70% - 4.60% over 72 years
Investment rate of return (net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.50%	6.50%	7.00%	7.00%	7.00%
Mortality rate	Teachers and administrators: PubT-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2021 ultimate scale.	Teachers and administrators: PubT-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2019 ultimate scale.	Teachers and administrators: PubT-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2019 ultimate scale.	Teachers and administrators: RPH-2014 White collar Mortality table projected to the year 2020 using the BB improvement scale.	Teachers and administrators: RPH-2014 White collar Mortality table projected to the year 2020 using the BB improvement scale.	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA.	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA.	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA.	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA.	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA.
	Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.	Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.	Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale.	Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale.					
	Police: PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	Police: PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.	Police: PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.	Police: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale.	Police: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale.					

Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Eight Years (3)

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>								
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>14,711,377</u>	<u>7,485,702</u>	<u>7,932,358</u>	<u>7,996,719</u>	<u>13,822,464</u>	<u>12,831,774</u>	<u>12,682,334</u>	<u>16,936,880</u>
Total	<u>\$ 14,711,377</u>	<u>\$ 7,485,702</u>	<u>\$ 7,932,358</u>	<u>\$ 7,996,719</u>	<u>\$ 13,822,464</u>	<u>\$ 12,831,774</u>	<u>\$ 12,682,334</u>	<u>\$ 16,936,880</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>7.40%</u>	<u>11.92%</u>	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>								
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net OPEB liability.

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

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Eight Years (1)

	2025	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016

Actuarial methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health and welfare, culture and recreation, health insurance, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

For reporting in accordance with generally accepted accounting principles, the general fund includes certain funds that are required to be reported as part of the general fund under the requirements of GASB 54.

Fund	Function
Education Nonlapsing	The education nonlapsing fund is used to account for the amounts transferred from the unexpended balance of the education budget in accordance with State Statutes. State Statutes allow for up to 2% of the education operating budget annually to be transferred to the fund upon approval by the Board of Education.

Town of New Fairfield, Connecticut

General Fund
Combining Balance Sheet
June 30, 2025

	<u>General Fund</u>	<u>Education Nonlapsing Fund</u>	<u>Eliminations</u>	<u>Total</u>
<u>Assets</u>				
Cash	\$ 1,162,115	\$ -	\$ -	\$ 1,162,115
Restricted cash	207,384	-	-	207,384
Investments	12,375,438	-	-	12,375,438
Receivables (net):				
Property taxes	822,795	-	-	822,795
Intergovernmental	21,000	-	-	21,000
Other	165,191	-	-	165,191
Due from other funds	<u>1,210,271</u>	<u>356,465</u>	<u>(356,465)</u>	<u>1,210,271</u>
Total assets	<u>\$ 15,964,194</u>	<u>\$ 356,465</u>	<u>\$ (356,465)</u>	<u>\$ 15,964,194</u>
<u>Liabilities</u>				
Accounts payable	\$ 502,362	\$ -	\$ -	\$ 502,362
Accrued payroll and related liabilities	206,744	-	-	206,744
Due to other funds	503,621	-	(356,465)	147,156
Overpayments	25,833	-	-	25,833
Performance bonds	<u>207,384</u>	<u>-</u>	<u>-</u>	<u>207,384</u>
Total liabilities	<u>1,445,944</u>	<u>-</u>	<u>(356,465)</u>	<u>1,089,479</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property taxes	822,795	-	-	822,795
Advance property tax collections	<u>412,601</u>	<u>-</u>	<u>-</u>	<u>412,601</u>
Total deferred inflows of resources	<u>1,235,396</u>	<u>-</u>	<u>-</u>	<u>1,235,396</u>
<u>Fund Balances</u>				
Committed	-	356,465	-	356,465
Assigned	303,313	-	-	303,313
Unassigned	<u>12,979,541</u>	<u>-</u>	<u>-</u>	<u>12,979,541</u>
Total fund balances	<u>13,282,854</u>	<u>356,465</u>	<u>-</u>	<u>13,639,319</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,964,194</u>	<u>\$ 356,465</u>	<u>\$ (356,465)</u>	<u>\$ 15,964,194</u>

Town of New Fairfield, Connecticut

General Fund
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Education Nonlapsing</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Property taxes	\$ 61,993,618	\$ -	\$ -	\$ 61,993,618
Intergovernmental	12,364,802	-	-	12,364,802
Charges for services	1,780,122	-	-	1,780,122
Income from investments	1,550,827	-	-	1,550,827
Other	496	-	-	496
	<u>77,689,865</u>	<u>-</u>	<u>-</u>	<u>77,689,865</u>
Total revenues				
Expenditures:				
Current:				
General government	4,536,847	-	-	4,536,847
Public safety	4,327,753	-	-	4,327,753
Public works	2,361,015	-	-	2,361,015
Health and welfare	604,786	-	-	604,786
Culture and recreation	583,494	-	-	583,494
Health insurance	1,913,365	-	-	1,913,365
Education	55,324,354	-	-	55,324,354
Debt service	7,038,488	-	-	7,038,488
	<u>76,690,102</u>	<u>-</u>	<u>-</u>	<u>76,690,102</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>999,763</u>	<u>-</u>	<u>-</u>	<u>999,763</u>
Other financing sources (uses):				
Transfers in	-	146,696	(146,696)	-
Transfers out	(916,273)	-	146,696	(769,577)
	<u>(916,273)</u>	<u>146,696</u>	<u>-</u>	<u>(769,577)</u>
Net other financing sources (uses)				
Net change in fund balances	83,490	146,696	-	230,186
Fund balances - July 1, 2024	<u>13,199,364</u>	<u>209,769</u>	<u>-</u>	<u>13,409,133</u>
Fund balances - June 30, 2025	<u>\$ 13,282,854</u>	<u>\$ 356,465</u>	<u>\$ -</u>	<u>\$ 13,639,319</u>

Town of New Fairfield, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2025

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Grand List Year	Uncollected Taxes July 1, 2024	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2025
			Additions	Deductions			Taxes	Interest and Liens	Total	
2008	\$ 4,337	\$ -	\$ -	\$ 4,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009	3,862	-	-	-	-	3,862	-	-	-	3,862
2010	3,974	-	-	-	-	3,974	-	-	-	3,974
2011	4,091	-	-	-	-	4,091	-	-	-	4,091
2012	4,433	-	-	-	-	4,433	-	-	-	4,433
2013	4,577	-	-	-	-	4,577	-	-	-	4,577
2014	4,842	-	-	-	-	4,842	-	-	-	4,842
2015	7,131	-	-	-	-	7,131	1,400	363	1,763	5,731
2016	7,285	-	-	-	-	7,285	1,461	666	2,127	5,824
2017	9,115	-	-	-	-	9,115	3,013	2,363	5,376	6,102
2018	11,372	-	-	-	-	11,372	3,057	3,187	6,244	8,315
2019	16,611	-	159	107	-	16,663	3,664	3,086	6,750	12,999
2020	33,415	-	1,117	335	699	33,498	17,760	9,090	26,850	15,738
2021	145,316	-	1,283	2,179	3,686	140,734	90,318	-	90,318	50,416
2022	<u>471,707</u>	<u>-</u>	<u>9,122</u>	<u>21,782</u>	<u>9,347</u>	<u>449,700</u>	<u>291,479</u>	<u>-</u>	<u>291,479</u>	<u>158,221</u>
Subtotal	732,068	-	11,681	28,740	13,732	701,277	412,152	18,755	430,907	289,125
2023	<u>-</u>	<u>61,809,338</u>	<u>69,955</u>	<u>192,444</u>	<u>8,008</u>	<u>61,678,841</u>	<u>61,232,126</u>	<u>166,798</u>	<u>61,398,924</u>	<u>446,715</u>
Totals	<u>\$ 732,068</u>	<u>\$ 61,809,338</u>	<u>\$ 81,636</u>	<u>\$ 221,184</u>	<u>\$ 21,740</u>	<u>\$ 62,380,118</u>	<u>\$ 61,644,278</u>	<u>\$ 185,553</u>	<u>\$ 61,829,831</u>	735,840
								Interest and liens receivable		246,955
								Allowance for doubtful accounts		<u>(160,000)</u>
								Taxes, interest and liens receivable (net)		<u>\$ 822,795</u>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
School Lunch Fund	Sale of meals and grants	Cafeteria operations
Education Grants Fund	Federal and state grants and fees	Education programs
School Activity Fund	Activity fees and contributions	Student activity funds and school scholarships
Drug Enforcement Fund	Fees	Health and welfare programs
Small Cities Fund	Grant and program income	Community development program
Dog Registration Fund	Fees	Public safety programs
Library Fund	Grants, fees and contributions	Library programs
Social Services Fund	Contributions	Social service programs
Groovin' in New Fairfield Fund	Fees and contributions	Recreation programs
Miscellaneous Grants Fund	Grants and fees	Various town programs
Municipal Water System Fund	Fees	Water system operations
Beaver Bog Cemetery Fund	Fees	Cemetery operations
Senior Center Fund	Fees and contributions	Senior center programs
Commission for the Youth Fund	Fees	Recreation programs
Recreation Programs Fund	Fees and contributions	Recreation programs
Education User Surcharges Fund	Fees	Pay for play programs
Hidden Valley Fund	Fees	Hidden valley operations
Drop Off Center Fund	Fees	Drop off center operations

Debt Service Fund

The debt service fund is used to account for and report resources for the payment of future debt service payments funded by the operating budget.

Other Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Fire Company Reserve Fund	Town budget and income from investments	Fire department capital purchases
Education Capital Nonrecurring Fund	Town budget	School capital purchases
School Projects Fund	Bonds and grants	School improvements
Town Center Beautification Fund	Grants	Town Center Beautification projects
Town Capital Projects Fund	Grants	Town improvements
American Rescue Plan Act Fund	Grants	Capital purchases

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

Fund	Funding Source	Function
Library Fund	Contributions and fees	Established for the support and benefit of the Town's library

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2025

Special Revenue Funds

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	School Lunch Fund	Education Grants Fund	School Activity Fund	Drug Enforcement Fund	Small Cities Fund	Dog Registration Fund	Library Fund	Social Services Fund
<u>Assets</u>								
Cash	\$ 1,073,127	\$ 234,673	\$ 497,958	\$ 83,297	\$ 321,322	\$ 14,775	\$ 1,452,004	\$ 68,102
Investments	-	-	83,500	-	-	-	65,237	-
Receivables (net):								
Intergovernmental	45,981	53,894	-	-	-	-	-	-
Loans	-	-	-	-	1,206,314	-	-	-
Other	-	34,560	-	-	-	-	-	-
Due from other funds	-	1,042	-	-	-	-	-	-
Other	14,376	-	-	-	-	-	-	-
Total assets	<u>\$ 1,133,484</u>	<u>\$ 324,169</u>	<u>\$ 581,458</u>	<u>\$ 83,297</u>	<u>\$ 1,527,636</u>	<u>\$ 14,775</u>	<u>\$ 1,517,241</u>	<u>\$ 68,102</u>
<u>Liabilities</u>								
Accounts payable	\$ 41,608	\$ 517	\$ -	\$ -	\$ 1,301	\$ 6,215	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-
Due to other funds	105,000	145,022	-	-	4,375	375	-	-
Unearned revenue	2,077	6,220	-	-	-	-	-	-
Total liabilities	<u>148,685</u>	<u>151,759</u>	<u>-</u>	<u>-</u>	<u>5,676</u>	<u>6,590</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	984,799	-	168	83,297	1,521,960	-	-	68,102
Committed	-	172,410	581,290	-	-	8,185	1,517,241	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>984,799</u>	<u>172,410</u>	<u>581,458</u>	<u>83,297</u>	<u>1,521,960</u>	<u>8,185</u>	<u>1,517,241</u>	<u>68,102</u>
Total liabilities and fund balances	<u>\$ 1,133,484</u>	<u>\$ 324,169</u>	<u>\$ 581,458</u>	<u>\$ 83,297</u>	<u>\$ 1,527,636</u>	<u>\$ 14,775</u>	<u>\$ 1,517,241</u>	<u>\$ 68,102</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2025

Special Revenue Funds

	Groovin' in New Fairfield Fund	Miscellaneous Grants Fund	Municipal Water System Fund	Beaver Bog Cemetery Fund	Senior Center Fund	Commission for the Youth Fund	Recreation Programs Fund
<u>Assets</u>							
Cash	\$ 10,637	\$ 42,122	\$ 28,395	\$ 3,045	\$ 53,717	\$ 10,287	\$ 643,692
Investments	-	-	-	-	-	-	-
Receivables (net):							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other	-	-	-	-	111	-	605
Due from other funds	-	-	-	-	-	-	3,224
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 10,637</u>	<u>\$ 42,122</u>	<u>\$ 28,395</u>	<u>\$ 3,045</u>	<u>\$ 53,828</u>	<u>\$ 10,287</u>	<u>\$ 647,521</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,518
Accrued payroll and related liabilities	-	-	-	-	-	-	30,857
Due to other funds	-	-	-	-	-	-	46,939
Unearned revenue	-	20,268	-	-	3,146	-	217,134
Total liabilities	<u>-</u>	<u>20,268</u>	<u>-</u>	<u>-</u>	<u>3,146</u>	<u>-</u>	<u>323,448</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	21,854	28,395	3,045	-	-	-
Committed	10,637	-	-	-	50,682	10,287	324,073
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>10,637</u>	<u>21,854</u>	<u>28,395</u>	<u>3,045</u>	<u>50,682</u>	<u>10,287</u>	<u>324,073</u>
Total liabilities and fund balances	<u>\$ 10,637</u>	<u>\$ 42,122</u>	<u>\$ 28,395</u>	<u>\$ 3,045</u>	<u>\$ 53,828</u>	<u>\$ 10,287</u>	<u>\$ 647,521</u>

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Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2025

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	Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund	Total	Debt Service Fund	Fire Company Reserve Fund	Education Capital Nonrecurring Fund
<u>Assets</u>							
Cash	\$ 677,501	\$ 17,784	\$ 53,526	\$ 5,285,964	\$ 392,608	\$ 2,419	\$ 627,112
Investments	-	-	-	148,737	-	1,011,514	-
Receivables (net):							
Intergovernmental	-	-	-	99,875	-	-	-
Loans	-	-	-	1,206,314	-	-	-
Other	62,555	-	912	98,743	-	-	-
Due from other funds	36,708	-	-	40,974	-	-	-
Other	-	-	-	14,376	-	-	-
Total assets	\$ 776,764	\$ 17,784	\$ 54,438	\$ 6,894,983	\$ 392,608	\$ 1,013,933	\$ 627,112
<u>Liabilities</u>							
Accounts payable	\$ 8,184	\$ -	\$ 28,303	\$ 114,646	\$ -	\$ -	\$ 25,751
Accrued payroll and related liabilities	-	-	891	31,748	-	-	-
Due to other funds	261,943	-	63,278	626,932	-	-	-
Unearned revenue	-	-	-	248,845	-	-	-
Total liabilities	270,127	-	92,472	1,022,171	-	-	25,751
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	2,711,620	-	-	-
Committed	506,637	17,784	-	3,199,226	-	1,013,933	601,361
Assigned	-	-	-	-	392,608	-	-
Unassigned	-	-	(38,034)	(38,034)	-	-	-
Total fund balances	506,637	17,784	(38,034)	5,872,812	392,608	1,013,933	601,361
Total liabilities and fund balances	\$ 776,764	\$ 17,784	\$ 54,438	\$ 6,894,983	\$ 392,608	\$ 1,013,933	\$ 627,112

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2025

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	Capital Projects Funds				Total	Permanent Fund	Total Other Governmental Funds
	School Projects Fund	Town Center Beautification Fund	Town Capital Projects Fund	American Rescue Plan Act Fund		Library Fund	
<u>Assets</u>							
Cash	\$ 9,851	\$ 33,947	\$ -	\$ 638,675	\$ 1,312,004	\$ 17,444	\$ 7,008,020
Investments	-	-	-	-	1,011,514	-	1,160,251
Receivables (net):							
Intergovernmental	-	-	436,229	-	436,229	-	536,104
Loans	-	-	-	-	-	-	1,206,314
Other	-	-	-	-	-	-	98,743
Due from other funds	-	-	19,300	-	19,300	-	60,274
Other	-	-	-	-	-	-	14,376
Total assets	<u>\$ 9,851</u>	<u>\$ 33,947</u>	<u>\$ 455,529</u>	<u>\$ 638,675</u>	<u>\$ 2,779,047</u>	<u>\$ 17,444</u>	<u>\$ 10,084,082</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 296,765	\$ 3,857	\$ 326,373	\$ -	\$ 441,019
Accrued payroll and related liabilities	-	-	-	548	548	-	32,296
Due to other funds	245,061	-	158,764	-	403,825	-	1,030,757
Unearned revenue	-	29,858	-	252,301	282,159	-	531,004
Total liabilities	<u>245,061</u>	<u>29,858</u>	<u>455,529</u>	<u>256,706</u>	<u>1,012,905</u>	<u>-</u>	<u>2,035,076</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	482	482
Restricted	-	-	-	-	-	16,962	2,728,582
Committed	-	4,089	-	381,969	2,001,352	-	5,200,578
Assigned	-	-	-	-	-	-	392,608
Unassigned	(235,210)	-	-	-	(235,210)	-	(273,244)
Total fund balances	<u>(235,210)</u>	<u>4,089</u>	<u>-</u>	<u>381,969</u>	<u>1,766,142</u>	<u>17,444</u>	<u>8,049,006</u>
Total liabilities and fund balances	<u>\$ 9,851</u>	<u>\$ 33,947</u>	<u>\$ 455,529</u>	<u>\$ 638,675</u>	<u>\$ 2,779,047</u>	<u>\$ 17,444</u>	<u>\$ 10,084,082</u>

(Concluded)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

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Special Revenue Funds

	School Lunch Fund	Education Grants Fund	School Activity Fund	Drug Enforcement Fund	Small Cities Fund	Dog Registration Fund	Library Fund	Social Services Fund
Revenues:								
Intergovernmental	\$ 354,095	\$ 1,364,947	\$ -	\$ -	\$ -	\$ -	\$ 2,024	\$ -
Charges for services	712,883	169,846	702,179	-	-	4,024	58,993	-
Contributions	-	3,000	-	19,793	-	-	1,429,063	19,112
Income from investments	59,855	-	1,502	-	8,430	-	21,639	-
Total revenues	<u>1,126,833</u>	<u>1,537,793</u>	<u>703,681</u>	<u>19,793</u>	<u>8,430</u>	<u>4,024</u>	<u>1,511,719</u>	<u>19,112</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,010	-	-
Health and welfare	-	-	-	-	2,954	-	-	14,542
Culture and recreation	-	-	-	-	-	-	78,037	-
Education	1,107,592	1,576,938	704,646	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,107,592</u>	<u>1,576,938</u>	<u>704,646</u>	<u>-</u>	<u>2,954</u>	<u>1,010</u>	<u>78,037</u>	<u>14,542</u>
Excess (deficiency) of revenues over expenditures	<u>19,241</u>	<u>(39,145)</u>	<u>(965)</u>	<u>19,793</u>	<u>5,476</u>	<u>3,014</u>	<u>1,433,682</u>	<u>4,570</u>
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>19,241</u>	<u>(39,145)</u>	<u>(965)</u>	<u>19,793</u>	<u>5,476</u>	<u>3,014</u>	<u>1,433,682</u>	<u>4,570</u>
Fund balances - July 1, 2024, as previously	965,558	211,555	582,423	63,504	1,516,484	5,171	83,559	63,532
Adjustment - change to/from major fund from/to nonmajor fund	-	-	-	-	-	-	-	-
Fund balances - July 1, 2024, as restated	<u>965,558</u>	<u>211,555</u>	<u>582,423</u>	<u>63,504</u>	<u>1,516,484</u>	<u>5,171</u>	<u>83,559</u>	<u>63,532</u>
Fund balances - June 30, 2025	<u>\$ 984,799</u>	<u>\$ 172,410</u>	<u>\$581,458</u>	<u>\$ 83,297</u>	<u>\$ 1,521,960</u>	<u>\$ 8,185</u>	<u>\$ 1,517,241</u>	<u>\$68,102</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds						
	Groovin' in New Fairfield Fund	Miscellaneous Grants Fund	Municipal Water System Fund	Beaver Bog Cemetery Fund	Senior Center Fund	Commission for the Youth Fund	Recreation Programs Fund
Revenues:							
Intergovernmental	\$ -	\$ 23,121	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	5,837	11,131	-	-	41,614	-	513,503
Contributions	-	-	-	-	9,479	-	1,300
Income from investments	-	-	44	-	-	-	39,239
Total revenues	<u>5,837</u>	<u>34,252</u>	<u>44</u>	<u>-</u>	<u>51,093</u>	<u>-</u>	<u>554,042</u>
Expenditures:							
Current:							
General government	-	31,538	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	75,963	-	-
Culture and recreation	4,067	-	-	-	-	-	488,847
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>4,067</u>	<u>31,538</u>	<u>-</u>	<u>-</u>	<u>75,963</u>	<u>-</u>	<u>488,847</u>
Excess (deficiency) of revenues over expenditures	<u>1,770</u>	<u>2,714</u>	<u>44</u>	<u>-</u>	<u>(24,870)</u>	<u>-</u>	<u>65,195</u>
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(123,280)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,280)</u>
Net change in fund balances	<u>1,770</u>	<u>2,714</u>	<u>44</u>	<u>-</u>	<u>(24,870)</u>	<u>-</u>	<u>(58,085)</u>
Fund balances - July 1, 2024, as previously reported	8,867	19,140	28,351	3,045	75,552	10,287	382,158
Adjustment - change to/from major fund from/to nonmajor fund	-	-	-	-	-	-	-
Fund balances - July 1, 2024, as restated	<u>8,867</u>	<u>19,140</u>	<u>28,351</u>	<u>3,045</u>	<u>75,552</u>	<u>10,287</u>	<u>382,158</u>
Fund balances - June 30, 2025	<u>\$ 10,637</u>	<u>\$ 21,854</u>	<u>\$ 28,395</u>	<u>\$ 3,045</u>	<u>\$ 50,682</u>	<u>\$ 10,287</u>	<u>\$ 324,073</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds			Total	Debt Service Fund	Capital Projects Funds	
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund		Debt Service Fund	Fire Company Reserve Fund	Education Capital Nonrecurring Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,744,187	\$ -	\$ -	\$ -
Charges for services	274,767	-	218,124	2,712,901	-	-	-
Contributions	-	-	-	1,481,747	-	-	-
Income from investments	27,827	-	-	158,536	-	36,703	-
Total revenues	302,594	-	218,124	6,097,371	-	36,703	-
Expenditures:							
Current:							
General government	-	-	193,904	225,442	-	-	-
Public safety	-	-	-	1,010	-	-	-
Health and welfare	-	-	-	93,459	-	-	-
Culture and recreation	-	-	-	570,951	-	-	-
Education	568,630	-	-	3,957,806	-	-	-
Debt service	-	-	-	-	1,045,000	-	-
Capital outlay	-	-	-	-	177,129	-	568,668
Total expenditures	568,630	-	193,904	4,848,668	1,222,129	-	568,668
Excess (deficiency) of revenues over expenditures	(266,036)	-	24,220	1,248,703	(1,222,129)	36,703	(568,668)
Other financing sources (uses):							
Issuance of debt	-	-	-	-	177,129	-	-
Transfers in	-	-	-	-	-	225,683	719,577
Transfers out	-	-	-	(123,280)	-	-	-
Net other financing sources (uses)	-	-	-	(123,280)	177,129	225,683	719,577
Net change in fund balances	(266,036)	-	24,220	1,125,423	(1,045,000)	262,386	150,909
Fund balances - July 1, 2024, as previously reported	772,673	17,784	(62,254)	4,747,389	1,437,608	751,547	450,452
Adjustment - change to/from major fund from/to nonmajor fund	-	-	-	-	-	-	-
Fund balances - July 1, 2024, as restated	772,673	17,784	(62,254)	4,747,389	1,437,608	751,547	450,452
Fund balances - June 30, 2025	\$ 506,637	\$ 17,784	\$ (38,034)	\$ 5,872,812	\$ 392,608	\$ 1,013,933	\$ 601,361

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Capital Projects Funds				Total	Permanent Fund	Total Other Governmental Funds
	School Projects Fund	Town Center Beautification Fund	Town Capital Projects Fund	American Rescue Plan Act Fund		Library Fund	
Revenues:							
Intergovernmental	\$ 9,851	\$ -	\$ 443,437	\$ 1,801,300	\$ 2,254,588	\$ -	\$ 3,998,775
Charges for services	-	-	-	-	-	-	2,712,901
Contributions	-	-	-	-	-	10,870	1,492,617
Income from investments	-	-	-	89,843	126,546	5	285,087
Total revenues	9,851	-	443,437	1,891,143	2,381,134	10,875	8,489,380
Expenditures:							
Current:							
General government	-	-	-	18,046	18,046	-	243,488
Public safety	-	-	-	-	-	-	1,010
Health and welfare	-	-	-	-	-	-	93,459
Culture and recreation	-	-	-	-	-	9,000	579,951
Education	-	-	-	-	-	-	3,957,806
Debt service	-	-	-	-	-	-	1,045,000
Capital outlay	-	-	443,437	1,908,855	2,920,960	-	3,098,089
Total expenditures	-	-	443,437	1,926,901	2,939,006	9,000	9,018,803
Excess (deficiency) of revenues over expenditures	9,851	-	-	(35,758)	(557,872)	1,875	(529,423)
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	177,129
Transfers in	-	-	-	-	945,260	-	945,260
Transfers out	-	-	-	-	-	-	(123,280)
Net other financing sources (uses)	-	-	-	-	945,260	-	999,109
Net change in fund balances	9,851	-	-	(35,758)	387,388	1,875	469,686
Fund balances - July 1, 2024, as previously reported	(245,061)	4,089	-	-	961,027	15,569	7,161,593
Adjustment - change to/from major fund from/to nonmajor fund	-	-	-	417,727	417,727	-	417,727
Fund balances - July 1, 2024, as restated	(245,061)	4,089	-	417,727	1,378,754	15,569	7,579,320
Fund balances - June 30, 2025	<u>\$(235,210)</u>	<u>\$ 4,089</u>	<u>\$ -</u>	<u>\$ 381,969</u>	<u>\$ 1,766,142</u>	<u>\$ 17,444</u>	<u>\$ 8,049,006</u>

(Concluded)

Trend Information

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

Table	Description
Financial Trends (Tables 1-2)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time
Debt Capacity (Table 3)	This schedule presents information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the fiscal year.

Town of New Fairfield, Connecticut
General Fund
Revenues, Expenditures and Changes in Fund Balances
(Budgetary Basis)
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Property taxes	\$ 61,993,618	\$ 59,219,021	\$ 55,086,491	\$ 52,354,937	\$ 50,084,131	\$ 49,407,965	\$ 48,895,776	\$ 47,562,514	\$ 45,541,688	\$ 45,050,139
Intergovernmental	5,196,929	5,194,766	5,066,834	4,475,897	4,706,386	4,585,282	13,013,176	13,169,118	13,154,176	9,601,063
Charges for services	1,780,122	1,569,310	1,621,782	1,762,028	2,017,501	1,429,653	1,576,051	1,383,899	1,301,381	1,292,389
Income from investments	1,550,827	1,910,695	1,378,985	54,966	109,177	391,860	455,447	310,890	215,853	185,908
Other	496	1,870	24,641	21,008	65,212	21,912	94,851	106,581	1,102,680	1,142,991
Total revenues	70,521,992	67,895,662	63,178,733	58,668,836	56,982,407	55,836,672	64,035,301	62,533,002	61,315,778	57,272,490
Expenditures:										
Current:										
General government	4,531,947	4,238,943	4,061,022	3,758,005	3,676,785	3,246,478	3,307,562	3,234,467	3,283,843	3,168,220
Public safety	4,327,479	4,334,235	4,088,640	4,067,778	3,861,622	3,961,188	3,727,937	3,299,238	3,034,285	2,872,417
Public works	2,506,883	2,395,639	2,362,902	2,299,926	2,234,061	2,259,078	2,848,963	1,503,777	2,222,795	2,256,466
Health and welfare	607,471	620,064	584,179	564,925	544,133	546,774	528,441	485,938	484,576	483,457
Culture and recreation	583,494	566,405	564,753	553,244	550,399	567,162	540,056	608,424	1,069,129	1,150,447
Health insurance	1,913,365	1,012,365	2,554,636	6,050,000	6,129,200	6,000,000	6,100,000	5,952,952	6,160,641	6,493,287
Education	48,178,866	46,188,269	42,964,122	36,241,880	35,725,534	34,662,195	40,898,230	41,805,563	40,499,752	36,936,252
Debt service	7,038,488	6,365,593	5,302,751	3,841,896	2,637,830	2,283,175	2,444,606	2,422,133	2,797,942	3,014,311
Capital outlay	-	-	-	-	-	-	-	-	589,748	40,000
Total expenditures	69,687,993	65,721,513	62,483,005	57,377,654	55,359,564	53,526,050	60,395,795	59,312,492	60,142,711	56,414,857
Excess (deficiency) of revenues over expenditures	833,999	2,174,149	695,728	1,291,182	1,622,843	2,310,622	3,639,506	3,220,510	1,173,067	857,633
Other financing sources (uses):										
Premium	-	-	-	-	-	-	-	-	711,786	129,219
Cancellation of prior year encumbrances	7,514	32,986	25,384	328,882	64,571	75,568	-	-	-	-
Sale of assets	-	22,950	4,000	-	150,850	-	8,550	-	-	2,000
Transfers in	-	-	-	-	50,000	35,275	-	-	-	-
Transfers out	(834,802)	(500,675)	(758,174)	(1,179,516)	(1,692,441)	(1,428,444)	(1,203,200)	(3,035,808)	(810,853)	(1,113,893)
Net other financing sources (uses)	(827,288)	(444,739)	(728,790)	(850,634)	(1,427,020)	(1,317,601)	(1,194,650)	(3,035,808)	(99,067)	(982,674)
Net change in fund balance	\$ 6,711	\$ 1,729,410	\$ (33,062)	\$ 440,548	\$ 195,823	\$ 993,021	\$ 2,444,856	\$ 184,702	\$ 1,074,000	\$ (125,041)
Debt service as a percentage of expenditures	10.10%	9.69%	8.49%	6.70%	4.76%	4.27%	4.05%	4.08%	4.65%	5.34%

Source: Current and prior year financial statements.

Town of New Fairfield, Connecticut
Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1)(3) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2016	2014	28.53	\$ 42,697,417	\$ 42,408,968	99.32%
2017	2015	28.68	42,454,363	42,218,482	99.44%
2018	2016	29.82	47,366,920	47,069,562	99.37%
2019	2017	30.58	49,094,849	48,815,138	99.43%
2020	2018	30.90	49,401,107	49,045,598	99.28%
2021	2019	30.58	49,913,144	49,630,740	99.43%
2022	2020	31.49	51,936,978	51,713,005	99.57%
2023	2021	32.47	54,960,761	54,631,441	99.40%
2024	2022	34.90	59,206,413	58,734,706	99.20%
2025	2023	36.52	61,678,841	61,232,126	99.28%

Source: Tax Collector

Notes:

- (1) There are no overlapping tax rates.
- (2) Tax levy is per \$1,000 of the assessed value of taxable property.
- (3) Motor vehicle tax rate is capped at 32.46 beginning in fiscal year 2023.

Town of New Fairfield, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2025
(Unaudited)

Base:

Total tax collections (including interest and lien fees) for prior year \$ 59,152,291

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$133,092,655	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	266,185,310	-	-	-
3 3/4 times base	-	-	221,821,091	-	-
3 1/4 times base	-	-	-	192,244,946	-
3 times base	-	-	-	-	177,456,873
Total debt limitation	133,092,655	266,185,310	221,821,091	192,244,946	177,456,873
Indebtedness:					
Bonds payable	830,000	74,265,000	-	-	-
Debt limitation in excess of outstanding debt	<u>\$132,262,655</u>	<u>\$ 191,920,310</u>	<u>\$221,821,091</u>	<u>\$ 192,244,946</u>	<u>\$ 177,456,873</u>

The total of the above net indebtedness amounts to: \$ 75,095,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 414,066,037

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.