

Preliminary Official Statement Dated September 2, 2025

New Money Issue: Book-Entry-Only

Rating: S&P Global Ratings: "AAA"

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



Town of Newtown, Connecticut \$15,710,000 General Obligation Bonds, Issue of 2025 (the "Bonds")

Dated: Date of Delivery

Due: Serially on September 15,
as detailed below:

The Bonds will bear interest payable on March 15, 2026 and semiannually thereafter on September 15 and March 15 in each year until maturity or earlier redemption. The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due (see "Security and Remedies" herein). The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company ("DTC"), or its nominee, as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2026	\$ 790,000	..%	..%	653234	2036	\$ 785,000	..%	..%	653234
2027	790,000	..%	..%	653234	2037	785,000	..%	..%	653234
2028	785,000	..%	..%	653234	2038	785,000	..%	..%	653234
2029	785,000	..%	..%	653234	2039	785,000	..%	..%	653234
2030	785,000	..%	..%	653234	2040	785,000	..%	..%	653234
2031	785,000	..%	..%	653234	2041	785,000	..%	..%	653234
2032	785,000	..%	..%	653234	2042	785,000	..%	..%	653234
2033	785,000	..%	..%	653234	2043	785,000	..%	..%	653234
2034	785,000	..%	..%	653234	2044	785,000	..%	..%	653234
2035	785,000	..%	..%	653234	2045	785,000	..%	..%	653234

Electronic bids via PARITY® for the Bonds will be received until 11:30 A.M. (E.T.) on Wednesday, September 10, 2025 at the office of Robinson & Cole LLP, One State Street, Hartford, CT 06103, as described in the Notice of Sale. (See Appendix D herein).

The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein.)

The Registrar, Certifying Agent, Transfer Agent, and Paying Agent will be U.S. Bank Trust Company, National Association of Hartford, Connecticut.

The Bonds are offered for delivery when, as, and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about September 24, 2025.

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

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

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

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as its opinion substantially in the form attached hereto as Appendix B) and makes no representation that it has independently verified the same.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

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

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will enter into a continuing disclosure agreement to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.

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Bond Issue Summary

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, September 10, 2025 at 11:30 A.M. (E.T.).
Location of Sale:	Office of Robinson & Cole LLP, One State Street, Hartford, CT 06103.
Issuer:	Town of Newtown, Connecticut (the “Town”).
Issue:	\$15,710,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	March 15, 2026 and semiannually thereafter on September 15 and March 15, in each year until maturity or earlier redemption.
Principal Due:	The Bonds are due serially, September 15, 2026 through September 15, 2045, as detailed in this Official Statement.
Authorization and Purpose:	The proceeds of the Bonds will be used to fund various general purpose and school projects authorized by the Town.
Redemption:	The Bonds are subject to redemption prior to maturity as described herein.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated “AAA” by S&P Global Ratings (“S&P”).
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will enter into a continuing disclosure agreement to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut will act as Municipal Advisor. Telephone (203) 283-1110.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made on or about September 24, 2025, against payment in Federal Funds.
Issuer Official:	Questions concerning the Town should be directed to Glenys R. Salas, Director of Finance, Town Hall, 3 Primrose Street, Newtown, Connecticut 06470, Telephone: (203) 270-4226 or Mr. Barry J. Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, Connecticut 06460, Telephone: (203) 283-1110.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Newtown, Connecticut (the “Town”), in connection with the original issuance and sale of \$15,710,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Town since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

The Bonds are being offered for sale by public bidding. A Notice of Sale dated September 2, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale for the terms and conditions of the bidding. (See Appendix D herein.)

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

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

Municipal Advisor

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as municipal advisor to the Town in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Consideration for Bond Holders

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Climate Change

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

Cybersecurity

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

To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Town has invested in disaster recovery systems. Any system or data in the cloud, or going to the cloud, such as Qubole Data Service (“QDS”) and Vision, is backed up by the cloud provider and QDS is responsible for running the system in case of a disaster. For other systems, such as the Police Department applications, the Town partners with NOVUS and other IT operation plans which leverages regular daily system backups. In the event of a cybersecurity incident, recovery from an earlier state for any enterprise application system is possible. The Town currently has a cybersecurity insurance policy. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact the Town’s financial operations and/or damage the Town’s digital networks and systems, and the costs of remedying any such damage could be substantial.

Description of the Bonds

The Bonds will be dated as of the date of delivery, September 24, 2025, and will mature in annual installments on September 15 in each of the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable on March 15, 2026 and semiannually thereafter on September 15 and March 15, in each year until maturity or earlier redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year and will be payable to the registered owners of the Bonds as of the close of business on the last business day of August and February, by check, mailed to the registered owners at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. The Bonds are subject to optional redemption prior to maturity as more fully described herein. The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of section 265(b) of the Internal Revenue Code of 1986, as amended.

Optional Redemption

The Bonds maturing on or before September 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2034 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on or after September 15, 2033 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Price</i>
September 15, 2033 and thereafter	100%

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

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

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Town Charter and certain bond resolutions adopted by the Town. The projects financed by the proceeds of the Bonds include:

<i>Project</i>	<i>Amount Authorized</i>	<i>This Issue: The Bonds</i>
Bridge Program (2025-2026).....	\$ 1,000,000	\$ 1,000,000
Irrigation Infrastructure Replacement	350,000	350,000
Repair/Maintain/Secure Fairfield Hills Buildings..	450,000	450,000
Public Works Boiler Replacement.....	310,000	310,000
Community Center Auxiliary Pool HVAC Unit.....	1,524,000	1,524,000
Renovations & Upgrades Edmond Town Hall.....	855,000	855,000
Library HVAC.....	4,600,000	4,600,000
FFH Water System Emergency Improvements.....	275,000	275,000
Rehabilitation of Water Wells 7 & 8.....	975,000	975,000
Head O'Meadow Roof Restoration.....	980,000	950,000
Middle School Redundant Boilers.....	230,000	230,000
High School Roof A, B and C Wings.....	4,300,000	4,191,000
<i>Total</i>	<i>\$ 15,849,000</i>	<i>\$ 15,710,000</i>

Book-Entry-Only Transfer System

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed

Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

DTC Practices

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

Replacement Bonds

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

Security and Remedies

The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

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

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

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

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

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

Availability of Continuing Disclosure Information

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form included in Appendix C to this Official Statement, to provide, or cause to be provided, in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (the “Rule”), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events within ten (10) business days of the occurrence of such events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement. The Underwriter’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to S&P Global Ratings ongoing disclosure in the form of the Annual Financial Report, Recommended and Adopted Budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town has previously undertaken in continuing disclosure agreements for the benefits of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

Bond Rating

The Bonds have been rated “AAA” by S&P Global Ratings (“S&P”). The Town furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P. No application was made to any other rating agencies for the purpose of obtaining ratings on the Bonds.

Generally, the rating agencies base their rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s outstanding bonds and notes, including this issue.

The Town expects to furnish to S&P information and materials that it may request. However, the Town may issue short-term or other debt for which a rating is not requested.

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Tax Matters

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

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

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

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

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

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II. The Issuer



Connecticut

Description of the Municipality

Located in Fairfield County in southwestern Connecticut, Newtown, established in 1711, is about sixty miles from New York City. It covers an area of 60.4 square miles, making it the fifth largest town, area-wise, in the State. The Town is bordered on the south by Easton and Redding, on the north by Bridgeport and Southbury, on the east by Oxford and Monroe, and on the west by Bethel and Brookfield. Newtown is traversed by Interstate 84, U.S. Routes 6 and 302, and Connecticut Routes 25 and 34.

Government Organization

Newtown operates under a Charter adopted in 1961 and most recently revised in 2022. Under the Charter the First Selectman acts as the Town's Chief Executive and Administrative Officer and a twelve-member Legislative Council acts as the legislative body, with the exception of those items specifically enumerated on which other Town bodies are authorized to act. Fiscal matters are administered under a Board of Finance comprised of six members and an appointed Finance Director.

Principal Municipal Officials

Office	Name	Manner of Selection	Length Of Service
First Selectman.....	Arthur Jeffrey Capeci	Elected	2 years
Finance Director.....	Glenys R. Salas	Appointed	1 year
Superintendent of Schools.....	Anne Uberti	Appointed	1 year
Tax Collector.....	Erin Rosario	Appointed	2 years
Assessor.....	Sarah Carey	Appointed	< 1 year
Town Clerk.....	Debbie A. Halstead	Elected	18 years
Economic and Community Dev. Director.....	John Voket	Appointed	2 years
Director of Public Works.....	Frederick Hurley	Appointed	36 years
Controller.....	Mathew Azevedo	Appointed	1 year

Municipal Services

Police: The Newtown Police Department (the “Police Department”) has an authorized strength of forty-four officers supported by three civilian employees. Canine Control is operated by two full-time employees and three part-time employees under the administration of the Police Department.

Fire: The Newtown Fire Department (the “Fire Department”) operates with approximately two hundred volunteers who are reached by tone-activated radio communications from a central communications headquarters located in Police Headquarters. The Fire Department functions twenty-four hours a day, and is equipped with nine pumpers, three aerial ladders, three rescue trucks, two brush trucks, two mini-pumpers, and six tankers operating from six fire stations.

Ambulance: Ambulatory service is maintained by fifty-five Emergency Medical Technicians whom the communications center contacts. The equipment consists of four ambulances and a non-transporter SUV. All of the staff have been qualified by the State as Emergency Medical Technicians. The Town and Newtown Volunteer Ambulance Association share the cost of a contract to have Nuvance Health Net provide a certified Medic stationed at the Town’s garage twenty-four hours a day.

Public Works Department: The Public Works Department (the “Department”) is staffed by forty-five full-time employees who maintain Town roads, bridges and buildings. The Department operates or manages contracts for the operation of a water and wastewater treatment plant and collection system and a solid-waste transfer station (See “Solid Waste” herein for additional information). The Department services and maintains Town vehicles and provides basic engineering for new road construction, old road reconstruction and drainage improvements. The Department manages capital construction/reconstruction projects and oversees a variety of contract services provided to the Town.

Health District: The Health District works to promote and protect the physical and environmental well-being of the citizens of the Newtown Health District through direct services, wellness and promotion programs and active support of community efforts. The Health District is staffed by five full-time employees, who enforce the requirements of the Connecticut Public Health Code and the Newtown Sanitary Code to help ensure a clean and healthy environment. Collaboration with community partners is an essential part of the Health District’s operation, whose services include plan review, permitting and inspection of septic systems and water supply wells, licensing and inspection of food service establishments, review of building permits, daycare inspections, investigation of complaints, and abatement of violations, local and regional public health emergency preparedness, and general health education.

Water and Sewer Authority: The Water and Sewer Authority (the “WSA”) has constructed and operates a centralized wastewater treatment system comprising twenty-two miles of collection pipes, four pump stations and a 932,000-gallon-per-day treatment plant. The system, funded by a combination of 2% loans and grants from the State of Connecticut’s Clean Water Fund, became fully operational in September 1997. A second collection system connecting to the City of Danbury’s Waste Water Treatment Plant was completed in 2001. This system has 150,000 gallons of treatment capacity served by three miles of collection piping and a pump station. The entire system is operated and maintained by Veolia Water Contract Operations USA, Inc. of Paramus, New Jersey (the “Veolia”) under contract to the Town. Veolia is an experienced contract operator in Connecticut operating several water and wastewater plants of various sizes statewide. Operating and maintenance expenses for the system are paid on the basis of usage with the State of Connecticut as the largest customer.

The WSA operates a potable water system on the former State of Connecticut Fairfield Hills Hospital campus comprising three producing wells, a 1,000,000-gallon storage facility, and three miles of distribution system. The entire system is operated and maintained by Veolia under contract to the Town. As with wastewater, operating and maintenance expenses for the system will be paid on the basis of usage with the State of Connecticut as the largest customer.

Solid Waste: The Town is one of fourteen member towns that constitute the Housatonic Resources Recovery Authority (the “HRRRA”), which has legal authority under Connecticut State Statutes to contract for long-term garbage disposal and recyclable recovery services. The HRRRA has a long-term contract with Oak Ridge Transfer Stations, LLC (formally known as Winter Brothers Transfer Stations of CT, LLC) of Danbury, CT to provide transfer and disposal of municipal solid waste and processing and marketing recyclables with a parallel contract with the Town. This contract has been in effect since January 11, 2018 for both services. For Fiscal Year 2025-26 the processing fee for municipal solid waste is \$96.01 per ton and \$70.83 per ton for recyclables. Five private independent haulers collect solid waste while two firms are contracted by the Town for curbside pickup of recyclables in the Town. This latter service will be ending December 31, 2025. Residents will then use the Town transfer station or private haulers for that service.

Employee Relations and Collective Bargaining

Municipal Employees ¹

	2024-25	2023-24	2022-23	2021-22	2020-21
General Government.....	165	168	165	171	164
Board of Education.....	752	790	806	813	809
Total.....	917	958	971	984	973

¹ Budgeted full-time employees.

Source: Town of Newtown, Finance Department.

Employees Bargaining Organizations

	Positions Covered	Current Contract Expiration Date
Board of Education Groups		
Newtown Federation of Teachers.....	425	6/30/2026
Newtown Association of School Administrators.....	18	6/30/2027
Newtown School Custodian and Maintenance Association.....	54	6/30/2026
Newtown Federation of Educational Personnel.....	54	6/30/2026
Newtown Paraeducators Association.....	136	6/30/2025 ¹
Local 1303 of Council #4, AFSCME (Nurses).....	15	6/30/2027
Non-bargaining Employees.....	88	N/A
Total Board of Education Employees.....	790	
General Government Groups		
Nutmeg Independent Labor Union - Highway.....	37	6/30/2025 ¹
Nutmeg Independent Labor Union – Dispatch/Clerical.....	9	6/30/2028
Nutmeg Independent Labor Union - Police.....	45	6/30/2028
Nutmeg Independent Labor Union - Park and Recreation.....	10	6/30/2027
Nutmeg Independent Labor Union - Town Employees.....	31	6/30/2026
Non-bargaining Employees.....	36	N/A
Total General Government Employees.....	168	
Total Board of Education & General Government Employees...	958	

¹ Currently in negotiation.

Source: Town of Newtown, Finance Department.

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject the arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration, in assessing the financial capability of a municipality, there is an irrebuttable presumption that 15% of the municipality's budget reserve (a budget reserve of 5% or less for teacher's contracts) is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living (over the preceding three years for teacher's contracts), existing employment conditions of the employee group and similar groups, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Education System

The Newtown public schools provide a full educational program for approximately 3,953 students from pre-kindergarten through the 12th grade of high school. There is also a specially funded preschool program for students with certain handicaps and an active continuing education program.

School Facilities

School	Grades	Date of Construction (Additions, Remodeling)	Number of Classrooms	10/1/2024 Enrollment	Rated Capacity
Elementary Schools:					
Hawley	K-4	1921 (1997)	24	290	550
Sandy Hook.....	K-4	2016	23	348 ¹	464
Middle Gate	K-4	1964 (1993)	26	428	580
Head O'Meadow.....	K-4	1977	22	331	513
Reed Intermediate School	5-6	2002	46	581	1,100
Middle School	7-8	1951 (1987)	53	590	1,077
High School ¹	9-12	1970 (2010)	70	1,269	2,022
Total.....			264	3,837 ²	6,306

¹ Includes 76 Pre-K students at the Sandy Hook School.

² Does not include N.C.P., P.A.L. or R.I.S.E. (32) or Out of District Students (39)

Source: Town of Newtown, Superintendent of Schools.

School Enrollment and Projections

School Year	Grades Pre-K-4	Historical			Total Enrollment
		Grades 5-6	Grades 7-8	Grades 9-12 High School	
2015-16	1,357	701	812	1,684	4,554
2016-17	1,331	659	750	1,682	4,422
2017-18	1,385	648	712	1,624	4,369
2018-19	1,388	624	681	1,575	4,268
2019-20	1,395	560	680	1,516	4,151
2020-21	1,353	582	623	1,441	3,999
2021-22	1,442	578	582	1,398	4,000
2022-23	1,444	577	607	1,325	3,953
2023-24	1,377	581	610	1,277	3,845
2024-25	1,397	581	590	1,269	3,837
School Year	Grades Pre-K-4	Projected ^{1,2}			Total Enrollment
		Grades 5-6	Grades 7-8	Grades 9-12 High School	
2025-26	1,490	604	627	1,210	3,931
2026-27	1,480	648	621	1,225	3,974
2027-28	1,474	609	607	1,245	3,935
2028-29	1,598	629	629	1,229	4,085

¹ Based on enrollment reports. Peter Prowda PHD, Education Consultant.

² Does not include N.C.P., P.A.L. or R.I.S.E. or Out of District Students.

Source: Town of Newtown, Superintendent of Schools.

III. Economic and Demographic Information Population and Density

Actual			
Year	Population	% Increase	Density ¹
2023 ²	27,384	0.8%	453.4
2020	27,173	-1.4%	449.9
2010	27,560	10.1%	456.3
2000	25,031	20.5%	414.4
1990	20,779	8.8%	344.0
1980	19,107	12.8%	316.3
1970	16,942	49.0%	280.5

¹ Per square mile: 60.4 square miles.

² U.S. Census Bureau: American Community Survey 2019-2023.

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

Age Distribution of the Population

Age	Town of Newtown		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,025	3.7%	181,240	5.0%
5 to 9 years	1,992	7.3	195,390	5.4
10 to 14 years	1,733	6.3	217,297	6.0
15 to 19 years	2,070	7.6	238,145	6.6
20 to 24 years	1,653	6.0	233,423	6.5
25 to 34 years	2,342	8.6	449,771	12.5
35 to 44 years	3,228	11.8	451,461	12.5
45 to 54 years	3,839	14.0	462,543	12.9
55 to 59 years	2,160	7.9	260,758	7.2
60 to 64 years	2,232	8.2	257,548	7.2
65 to 74 years	3,020	11.0	376,023	10.4
75 to 84 years	1,428	5.2	187,378	5.2
85 years and over	662	2.4	87,371	2.4
Total.....	27,384	100.0%	3,598,348	100.0%
Median Age (Years) 2023.....	44.2		41.2	
Median Age (Years) 2010 ¹	45.1		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2019-2023.

Income Distribution

Income	Town of Newtown		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	85	1.1%	22,973	2.5%
10,000 - 14,999.....	68	0.9	12,547	1.4
15,000 - 24,999.....	108	1.5	29,893	3.3
25,000 - 34,999.....	110	1.5	35,598	3.9
35,000 - 49,999.....	193	2.6	61,793	6.7
50,000 - 74,999.....	538	7.3	108,046	11.8
75,000 - 99,999.....	555	7.5	108,216	11.8
100,000 - 149,999.....	1,484	20.0	185,242	20.2
150,000 - 199,999.....	857	11.6	128,574	14.0
200,000 and over.....	3,411	46.0	224,258	24.5
Total.....	7,409	100.0%	917,140	100.0%

Source: American Community Survey 2019-2023.

Income Levels

	Town of Newtown	State of Connecticut
Per Capita Income, 2023.....	\$ 68,799	\$ 54,409
Per Capita Income, 2010.....	\$ 47,221	\$ 36,775
Median Family Income, 2023.....	\$ 182,008	\$ 120,011
Median Family Income, 2010	\$ 118,958	\$ 84,170

Source: American Community Survey 2019-2023.

Educational Attainment (Years of School Completed Age 25 and Over)

	Town of Newtown		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	259	1.4%	101,530	4.0%
9th to 12th grade, no diploma.....	530	2.8	118,019	4.7
High School graduate.....	3,783	20.0	647,094	25.5
Some college, no degree.....	2,400	12.7	410,591	16.2
Associate's degree	1,377	7.3	193,216	7.6
Bachelor's degree.....	5,854	31.0	581,935	23.0
Graduate or professional degree.....	4,708	24.9	480,468	19.0
Total.....	18,911	100.0%	2,532,853	100.0%
Total High School Graduate or Higher (%).....		95.8%		91.3%
Total Bachelor's Degree or Higher (%).....		55.9%		41.9%

Source: American Community Survey 2019-2023.

Employment Data

	Town of Newtown		Percentage Unemployed		
Period	Employed	Unemployed	Town of Newtown	Danbury Labor Market	State of Connecticut
June 2025.....	14,517	440	2.9	3.2	3.4
Annual Average					
2024.....	13,813	439	3.1	3.1	3.5
2023.....	13,619	478	3.4	3.4	3.7
2022.....	13,582	475	3.4	3.5	4.1
2021.....	12,487	706	5.4	5.6	6.6
2020.....	12,940	792	5.8	6.5	7.3
2019.....	13,808	421	3.0	3.1	3.7
2018.....	13,842	502	3.5	3.5	4.2
2017.....	13,937	563	3.9	3.9	4.7
2016.....	13,463	638	4.4	4.3	5.3
2015.....	13,748	616	4.3	4.5	5.6

Source: State of Connecticut, Department of Labor.

Employment by Industry

Sector	Town of Newtown		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	70	0.5%	7,261	0.4%
Construction.....	846	6.1	112,821	6.1
Manufacturing.....	1,690	12.1	195,355	10.6
Wholesale trade.....	266	1.9	37,294	2.0
Retail trade.....	1,217	8.7	192,535	10.5
Transportation warehousing, and utilities.....	581	4.2	84,571	4.6
Information.....	518	3.7	36,631	2.0
Finance, insurance, real estate, and leasing....	1,157	8.3	162,724	8.9
Professional, scientific, management, administrative, and waste management.....	2,040	14.7	223,982	12.2
Education, health and social services.....	3,163	22.7	490,839	26.7
Arts, entertainment, recreation, accommodation and food services.....	1,189	8.5	145,445	7.9
Other services (except public admin.).....	671	4.8	78,662	4.3
Public Administration.....	504	3.6	67,335	3.7
Total Labor Force, Employed.....	13,912	100.0%	1,835,455	100.0%

Source: American Community Survey 2019-2023.

Major Employers

Employer	Type of Business	Approximate Number of Employees
Town of Newtown.....	Municipality	917
State of CT Department of Corrections....	Correctional facility	369
Athena Healthcare LLC of Newtown.....	Assisted Living	205
Caraluzzi's Newtown Market.....	Supermarket	190
Newtown Savings Bank.....	Financial institution	174
Spectrum.....	Cable company	160
Curtis Packaging Corp.....	Manufacturing	127
Eversource.....	Utility	100
Maplewood of Newtown.....	Senior living	100

Source: Town of Newtown, Community Development Office.

Commute to Work

	Town of Newtown		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	10,225	74.6%	1,271,480	70.6%
Car pools	603	4.4	138,268	7.7
Used public transportation	50	0.4	61,239	3.4
Walked	48	0.3	44,756	2.5
Used other means	112	0.8	26,695	1.5
Worked at home	2,677	19.5	258,466	14.4
Total	13,715	100.0%	1,800,904	100.0%
Mean travel time to work (minutes)	32.6	—	26.6	

Source: American Community Survey 2019-2023.

Building Permits

Calendar Year	Residential		Comm./Industrial		All Other ¹		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2025 ²	6	\$ 4,623,000	2	\$ 6,515,000	810	\$ 24,685,145	818	\$ 35,823,145
2024	21	8,170,000	2	1,075,000	2,001	40,637,803	2,024	49,882,803
2023	23	9,120,700	2	2,300,000	1,997	40,491,205	2,022	51,911,905
2022	29	12,615,000	7	4,537,000	2,155	48,115,608	2,191	65,267,608
2021	71	25,132,000	9	5,566,000	2,457	38,266,000	2,537	68,964,000
2020	42	12,781,915	14	10,289,000	1,950	30,038,419	2,006	53,109,334
2019	17	4,047,705	65	6,503,183	1,914	44,144,455	1,996	54,695,343
2018	18	5,141,285	4	13,696,928	1,395	18,456,609	1,417	37,294,822
2017	23	6,546,810	4	1,376,482	1,372	24,062,530	1,399	31,985,822
2016	14	4,305,652	5	4,952,397	1,994	29,782,915	2,013	39,040,964

¹ Includes additions, alterations, pools, etc.

² As of May 30, 2025.

Source: Town of Newtown, Building Official.

Housing Unit Inventory and Vacancy Rates

Housing Units	Town of Newtown		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached	8,658	86.9%	901,187	58.7%
1-unit, attached	424	4.3	95,202	6.2
2 units	123	1.2	118,295	7.7
3 or 4 units	172	1.7	126,755	8.3
5 to 9 units	138	1.4	76,750	5.0
10 to 19 units	129	1.3	55,290	3.6
20 or more units	223	2.2	150,986	9.8
Mobile home	98	1.0	10,967	0.7
Boat, RV, van, etc.	-	-	617	0.0
Total Inventory.....	9,965	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Newtown		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	130	1.6%	22,174	2.5%
\$50,000 to \$99,000.....	28	0.3	15,116	1.7
\$100,000 to \$149,999.....	63	0.8	38,832	4.4
\$150,000 to \$199,000.....	105	1.3	77,152	8.8
\$200,000 to \$299,999.....	670	8.1	233,824	26.6
\$300,000 to \$499,999.....	3,430	41.4	319,703	36.3
\$500,000 or more.....	3,850	46.5	173,643	19.7
\$1,000,000 or more.....	257	3.1	59,468	6.8
Total.....	8,276	100.0%	880,444	100.0%
Median Value.....	\$491,600		\$343,200	

Source: American Community Survey 2019-2023.

Age Distribution of Housing

Year Built	Town of Newtown		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,000	10.0%	313,434	20.4%
1940 to 1969.....	2,994	30.0	516,528	33.6
1970 to 1979.....	1,654	16.6	210,611	13.7
1980 to 1989.....	1,021	10.2	197,533	12.9
1990 to 1999.....	1,789	18.0	116,617	7.6
2000 or 2009.....	978	9.8	108,430	7.1
2010 or later.....	529	5.3	72,896	4.7
Total Housing Units.....	9,965	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Breakdown of Land Use

Type	Acres	Percent
Residential.....	19,155	48.0%
Institutional.....	399	1.0
Commercial/industrial.....	1,197	3.0
Parks, Open Space/Recreational.....	3,193	8.0
Vacant Land.....	3,591	9.0
Other.....	12,373	31.0
Total	39,908	100.0%

Source: Town of Newtown, Planning Department.

IV. Tax Base Data

Property Tax Assessment

Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation. The Town completed its last general revaluation for the assessment year commencing October 1, 2022. The next revaluation will commence October 1, 2026.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Connecticut General Statutes Section 12-71e, as amended, provides that for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. Any municipality or district may establish a mill rate for motor vehicles that is equal to or lower than 32.46 mills, including zero mills. Such mill rate for motor vehicles may be different from the mill rate for real property and personal property, provided the mill rate for motor vehicles is lower than the mill rate for real property and personal property. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2024 assessment year (the fiscal year ending June 30, 2026) is 28.81 mills.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

All personal property (commercial furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision to date.

Property Tax Levy and Collection

Connecticut General Statutes Section 4-66l, as amended (“Section 4-66l”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

Property Tax Collections

<i>Fiscal Year</i>	<i>Grand List</i>	<i>Tax Rate</i>	<i>Adjusted</i>	<i>Percent of</i>	<i>Percent of</i>	<i>Percent of</i>
<i>Ended 6/30</i>	<i>10/1</i>	<i>(in Mills)</i>	<i>Annual Levy</i>	<i>Annual Levy</i>	<i>Annual Levy</i>	<i>Annual Levy</i>
				<i>Collected</i>	<i>Uncollected</i>	<i>Uncollected</i>
				<i>At End of</i>	<i>at End of</i>	<i>As of</i>
				<i>Fiscal Year</i>	<i>Fiscal Year</i>	<i>6/30/2025</i>
2026 ^{1,2}	2024	28.81	\$ 126,787,014	In Collection		
2025	2023	26.97	119,614,368	99.0%	1.0%	1.0%
2024	2022	26.24	116,749,756	98.1	1.9	0.5
2023	2021	34.67	114,640,612	99.1	0.9	0.3
2022	2020	34.65	111,254,895	99.4	0.6	0.1
2021	2019	34.76	110,528,964	99.4	0.6	0.1
2020	2018	34.77	110,123,259	99.3	0.7	0.1
2019	2017	34.24	107,554,562	99.3	0.7	0.1
2018	2016	33.87	104,415,578	99.3	0.7	0.1
2017	2015	33.60	102,847,280	99.3	0.7	0.1

¹ Budgetary basis and subject to audit.

² Initial annual levy.

Source: Town of Newtown, Tax Collector

Property Taxes Receivable

	<i>Current Year</i>	
<i>Fiscal Year</i>	<i>Taxes</i>	<i>Total Taxes</i>
<i>Ended June 30</i>	<i>Receivable</i>	<i>Receivable</i>
2025 ¹	\$ 1,223,525	\$ 3,412,815
2024	1,717,068	3,820,799
2023	993,970	2,773,557
2022	718,869	2,376,318
2021	278,201	2,264,057
2020	725,054	2,175,375
2019	727,734	2,092,358
2018	674,363	1,889,742
2017	650,416	1,842,210
2016	674,543	1,744,243

¹ Budgetary basis and subject to audit.

Source: Town of Newtown, Tax Collector

Principal Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource	Utility	\$ 61,095,630	1.35%
E&A/I&G Sandhill Plaza Ltd Partnership...	Shopping center	14,852,790	0.33
Newtown Shopping Village L.P.....	Shopping Center	10,920,690	0.24
CT Toddy Hill Road RE.....	Nursing Home	11,966,053	0.26
Iroquois Gas Transmission System.....	Utility	11,375,740	0.25
Aquarion Water Company.....	Water company	9,657,010	0.21
Covered Bridge Newtown LLC.....	Apartments	9,815,570	0.22
Farrell Communities at Sandy Hook.....	Apartments	8,586,875	0.19
Advanced Fusion Systems.....	Manufacturing	9,461,630	0.21
Newtown Shopping Village L.P.....	Shopping Center	8,402,940	0.19
Total.....		\$ 156,134,928	3.45%

¹ Net Taxable Grand List October 1, 2024 of \$4,521,514,000.

Source: Town of Newtown, Assessor's Office

Comparative Assessed Valuations of Taxable Property (000's)

Grand List As Of 10/1	Residential Real Property (%)	Commercial & Industrial Real Property (%)	Other Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List (000's)	Exemptions, Veterans Relief and Disabled (000's)	Net Taxable Grand List (000's)	Percent Change
2024 ¹	80.0	7.1	1.6	4.6	6.7	\$ 4,572,067	\$ 50,553	\$ 4,521,514	-0.4%
2023	79.4	7.2	1.7	4.3	7.5	4,591,265	50,878	4,540,387	0.4
2022	79.3	7.1	1.8	4.1	7.8	4,578,306	55,112	4,523,194	33.8
2021	74.1	9.1	1.7	5.2	9.9	3,430,195	50,098	3,380,097	3.4
2020	75.7	8.9	1.8	5.5	8.1	3,320,950	52,153	3,268,797	1.6
2019	76.1	8.8	2.0	5.3	7.8	3,262,876	46,870	3,216,006	0.8
2018	76.5	8.8	2.0	5.0	7.8	3,239,945	49,974	3,189,971	1.0
2017	77.2	8.5	2.1	4.4	7.8	3,199,469	41,490	3,157,979	1.5
2016	77.6	8.2	2.1	4.4	7.7	3,164,405	52,998	3,111,407	1.0
2015	78.2	7.9	2.3	4.0	7.6	3,121,682	40,811	3,080,871	0.2

¹ Budgetary basis and subject to audit.

Note: Date of last general revaluation, 10/1/22.

Source: Assessor's Office, Town of Newtown.

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V. Debt Summary
Long-Term Bonded Debt
As of September 24, 2025
(Pro Forma)

Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding	Date of Maturity
06/29/2006	Drinking Water Fund (DWSRF PLO 200402-C).....	2.32	\$ 171,738	\$ 3,525	12/31/2025
02/18/2015	Refunding (general purpose).....	2.375–5.00	5,196,000	456,200	08/15/2027
02/18/2015	Refunding (school).....	2.375–5.00	12,424,000	948,800	08/15/2027
03/15/2016	General Purpose.....	2.00–4.00	9,490,000	950,000	03/15/2027
03/15/2016	School.....	2.00–4.00	2,510,000	250,000	03/15/2027
03/15/2017	General Purpose.....	2.00–4.00	2,400,000	1,310,000	03/15/2037
03/15/2017	School.....	2.00–4.00	2,408,000	1,287,000	03/15/2037
03/15/2017	Sewers ¹	2.00–4.00	282,000	168,000	03/15/2037
02/27/2018	General Purpose.....	2.00–5.00	9,485,000	475,000	02/15/2038
02/27/2018	School.....	2.00–5.00	3,515,000	175,000	02/15/2038
03/07/2019	General Purpose.....	2.00–5.00	9,488,000	6,890,000	03/01/2039
03/07/2019	School.....	2.00–5.00	912,000	630,000	03/01/2039
03/26/2019	Refunding (general purpose).....	3.00–5.00	176,000	2,886,000	08/15/2026
03/26/2019	Refunding (school).....	3.00–5.00	6,574,000	24,000	08/15/2031
04/14/2020	General Purpose-Series A.....	3.00–5.00	7,845,000	5,975,000	03/15/2040
04/14/2020	School-Series A.....	3.00–5.00	3,655,000	2,775,000	03/15/2040
06/09/2020	Refunding (general purpose)-Taxable Bonds...	1.00–2.50	6,085,000	2,430,000	08/15/2035
06/09/2020	Refunding (school)-Taxable Bonds.....	1.00–2.50	4,365,000	4,015,000	08/15/2035
06/09/2020	Refunding (sewers)-Taxable Bonds ¹	1.00–2.50	1,465,000	975,000	08/15/2033
03/01/2021	General Purpose.....	2.00–5.00	6,970,000	6,325,000	03/15/2041
03/01/2021	School.....	2.00–5.00	840,000	240,000	03/15/2041
03/01/2021	Sewers ¹	2.00–5.00	915,000	765,000	03/15/2041
03/16/2022	General Purpose.....	3.00–5.00	6,950,000	5,910,000	03/15/2042
03/16/2022	School.....	3.00–5.00	1,480,000	1,245,000	03/15/2042
03/21/2023	General Purpose.....	4.00–5.00	2,150,000	1,934,000	03/15/2043
03/21/2023	School.....	4.00–5.00	3,910,000	3,516,000	03/15/2043
05/24/2023	General Purpose.....	4.00–5.00	9,228,000	8,139,000	08/15/2036
05/24/2023	School.....	4.00–5.00	4,282,000	2,681,000	08/15/2036
04/02/2024	General Purpose.....	4.00–5.00	3,725,000	3,535,000	04/01/2044
04/02/2024	School.....	4.00–5.00	5,475,000	5,205,000	04/01/2044
Sub-total.....			\$ 134,371,738	\$ 72,118,525	
<u>This Issue</u>					
09/24/2025	General Purpose.....	<i>tbd</i>	\$ 10,339,000	\$ 10,339,000	09/15/2045
09/24/2025	School.....	<i>tbd</i>	5,371,000	5,371,000	09/15/2045
Total This Issue.....			\$ 15,710,000	\$ 15,710,000	
Grand Total.....			\$ 150,081,738	\$ 87,828,525	

¹ Sewer debt is self-supporting.

Short Term Debt
As of September 24, 2025
(Pro-Forma)

The Town has no short-term debt outstanding.

State of Connecticut Clean Water Fund Program

The Town is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs, except for combined sewer overflow correction and phosphorus removal projects (50% grant and 50% loan) and denitrification projects (30% grant and 70% loan).

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the "Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (the "Interim Funding Obligation"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of each municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date (the "Project Loan Obligation"). The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may, on or after ten (10) years from the date of any Project Loan Obligation, prepay their loans at any time prior to maturity without penalty.

As of the date of this Official Statement, the Town does not have any Clean Water Fund project loan obligations outstanding reflected in the Town's "Debt Summary" herein.

Drinking Water State Revolving Fund Program

The Town is a participant in the State of Connecticut's Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance to the Town through loans bearing interest at a rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the State of Connecticut as determined by the State Bond Commission.

Loans to each municipality are made pursuant to a Project Loan Agreement. Each municipality is obligated to repay the Interim Funding Obligation. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

As of the date of this Official Statement, the Town has approximately \$3,525 of Drinking Water Fund project loan obligations outstanding reflected in the Town's "Debt Summary" herein.

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**Annual Bonded Debt Maturity Schedule
As of September 24, 2025
(Pro Forma)**

Fiscal Year Ending	Principal Payments	Interest Payments ¹	Total Payments	This Issue The Bonds	Total Principal	Cumulative Principal Retired
2026 ²	\$ 3,673,525	\$ 1,482,055	\$ 5,155,580	\$ -	\$ 3,673,525	4.2%
2027	7,135,000	2,399,140	9,534,140	790,000	7,925,000	13.2%
2028	6,375,000	2,148,857	8,523,857	790,000	7,165,000	21.4%
2029	5,675,000	1,911,905	7,586,905	785,000	6,460,000	28.7%
2030	5,625,000	1,677,465	7,302,465	785,000	6,410,000	36.0%
2031	5,630,000	1,468,445	7,098,445	785,000	6,415,000	43.3%
2032	4,940,000	1,272,788	6,212,788	785,000	5,725,000	49.8%
2033	4,485,000	1,101,800	5,586,800	785,000	5,270,000	55.8%
2034	4,400,000	943,688	5,343,688	785,000	5,185,000	61.7%
2035	4,115,000	787,275	4,902,275	785,000	4,900,000	67.3%
2036	4,080,000	642,650	4,722,650	785,000	4,865,000	72.9%
2037	3,615,000	516,388	4,131,388	785,000	4,400,000	77.9%
2038	3,385,000	409,663	3,794,663	785,000	4,170,000	82.6%
2039	2,735,000	301,975	3,036,975	785,000	3,520,000	86.6%
2040	2,215,000	214,850	2,429,850	785,000	3,000,000	90.0%
2041	1,635,000	143,900	1,778,900	785,000	2,420,000	92.8%
2042	1,180,000	91,800	1,271,800	785,000	1,965,000	95.0%
2043	760,000	48,800	808,800	785,000	1,545,000	96.8%
2044	460,000	18,400	478,400	785,000	1,245,000	98.2%
2045	-	-	-	785,000	785,000	99.1%
2046	-	-	-	785,000	785,000	100.0%
Total	\$ 72,118,525	\$ 17,581,844	\$ 89,700,369	\$ 15,710,000	\$ 87,828,525	

¹ Does not include interest on this issue.

² Excludes principal payments of \$3,761,752 and interest payments of \$1,172,676 made from July 1, 2025 through September 24, 2025.

Overlapping/Underlying Debt

The Town has neither overlapping nor underlying debt.

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

Debt Statement
As of September 24, 2025
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 57,554,200
Schools (Includes this issue).....	28,362,800
Sewers	1,911,525
Total Long-Term Debt.....	87,828,525

Short-Term Debt:

Outstanding Bond Anticipation Notes	-
Direct Debt.....	87,828,525

Overlapping / Underlying Debt..... -

Overall Debt..... 87,828,525

Less: State school construction grants receivable as of 6/30/2025 -

Self-supporting sewer debt (1,908,000)

Overall Net Debt..... \$ 85,920,525

Current Debt Ratios
As of September 24, 2025
(Pro Forma)

Population ¹	27,173
Net Taxable Grand List (10/1/24)	\$ 4,521,514,000
Estimated Full Value (70%).....	\$ 6,459,305,714
Equalized Net Taxable Grand List (10/1/23) ²	\$ 7,869,933,491
Income per Capita ¹	\$ 68,799

	Total Long Term Debt:	Direct Debt:	Overall Net Debt:
	\$87,828,525	\$87,828,525	\$85,920,525
Per Capita.....	\$3,232.20	\$3,232.20	\$3,161.98
Ratio to Net Taxable Grand List.....	1.94%	1.94%	1.90%
Ratio to Estimated Full Value.....	1.36%	1.36%	1.33%
Ratio to Equalized Net Taxable Grand List.....	1.12%	1.12%	1.09%
Debt per Capita to Money Income per Capita 2023.....	4.70%	4.70%	4.60%

¹ 2019–2023 American Community Survey.

² State of Connecticut, Office of Policy and Management.

Temporary Financing

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

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

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

Authority to Incur Debt

Special appropriations for capital improvements during the budget year may be initiated by the First Selectman with the approval of the Board of Selectmen or by the Legislative Council. Special appropriations shall be accompanied by a recommendation of the Board of Finance concerning whether or not such appropriation should be made. The Legislative Council may approve special and emergency appropriations, in an amount not in excess of \$1,500,000 for any one purpose during a fiscal year. The amount shall be cumulative during the fiscal year as to all appropriations allocated to such purpose. The total of special and emergency appropriations made by the Legislative Council for all purposes during a fiscal year shall not exceed an amount equal to one mill on the most recently completed grand list. The Legislative Council shall recommend to a Town referendum all special and emergency appropriations that equal or exceed the Legislative Council's authority. All special appropriations must indicate a method of financing the appropriations.

A referendum is also required if a petition signed by five percent (5%) of the Resident Electors is filed within seven (7) days of the day on which the Legislative Council acted.

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**Statement of Statutory Debt Limitation
As of September 24, 2025
(Pro Forma)**

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2024	\$ 117,087,656
Total tax collections, Borough of Newtown	228,595
Tax relief for elderly.....	-
BASE FOR DEBT LIMITATION COMPUTATION	<u>\$ 117,316,251</u>

Debt Limitation:	General Purposes	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total
2 1/4 times base.....	\$ 263,961,565	-	-	-	-	\$ 263,961,565
4 1/2 times base.....	-	\$ 527,923,130	-	-	-	527,923,130
3 3/4 times base.....	-	-	\$ 439,935,941	-	-	439,935,941
3 1/4 times base.....	-	-	-	\$ 381,277,816	-	381,277,816
3 times base.....	-	-	-	-	\$ 351,948,753	351,948,753
Total Debt Limitation	<u>\$ 263,961,565</u>	<u>\$ 527,923,130</u>	<u>\$ 439,935,941</u>	<u>\$ 381,277,816</u>	<u>\$ 351,948,753</u>	<u>\$ 1,965,047,204</u>
Less Indebtedness:						
Bonds & CWF PLOs (Outstanding) ¹	47,215,200	22,991,800	1,911,525	-	-	72,118,525
The Bonds (This Issue).....	10,339,000	5,371,000	-	-	-	15,710,000
Underlying Debt.....	-	-	-	-	-	-
Authorized But Unissued Debt.....	300,000	139,000	-	-	-	439,000
Total Indebtedness	<u>57,854,200</u>	<u>28,501,800</u>	<u>1,911,525</u>	<u>-</u>	<u>-</u>	<u>88,267,525</u>
Less: School Grants Receivable.....	-	-	-	-	-	-
Less: Self-Supporting Sewer Debt.....	-	-	1,908,000	-	-	1,908,000
Net Debt for Calculation of Debt Limit....	<u>57,854,200</u>	<u>28,501,800</u>	<u>3,525</u>	<u>-</u>	<u>-</u>	<u>86,359,525</u>
Debt Limitation in Excess of						
Outstanding And Authorized Debt	<u>\$ 206,107,365</u>	<u>\$ 499,421,330</u>	<u>\$ 439,932,416</u>	<u>\$ 381,277,816</u>	<u>\$ 351,948,753</u>	<u>\$ 1,878,687,679</u>

¹ Sewer assessment debt in the amount of \$1,908,000 and water debt in the amount of \$3,525 is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$821,213,757.

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**Authorized but Unissued Debt
As of September 24, 2025
(Pro Forma)**

Project	Amount Authorized	Bonds			New Money / (Paydowns)	This Issue: The Bonds	Authorized
		Previously Issued	Grants Received	But Unissued			
Bridge Program (2025-2026).....	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	
Irrigation Infrastructure Replacement	350,000	-	-	350,000	350,000	-	
Repair/Maintain/Secure Fairfield Hills Buildings..	450,000	-	-	450,000	450,000	-	
Public Works Boiler Replacement.....	310,000	-	-	310,000	310,000	-	
Community Center Auxiliary Pool HVAC Unit.....	1,524,000	-	-	1,524,000	1,524,000	-	
Renovations & Upgrades Edmond Town Hall.....	855,000	-	-	855,000	855,000	-	
Library HVAC.....	4,600,000	-	-	4,600,000	4,600,000	-	
FFH Water System Emergency Improvements.....	275,000	-	-	275,000	275,000	-	
Rehabilitation of Water Wells 7 & 8.....	975,000	-	-	975,000	975,000	-	
Head O'Meadow Roof Restoration.....	980,000	-	-	950,000	950,000	30,000	
Middle School Redundant Boilers	230,000	-	-	230,000	230,000	-	
High School Roof A, B and C Wings	4,300,000	-	-	4,191,000	4,191,000	109,000	
Community Center Pool Deck.....	300,000	-	-	-	-	300,000	
Total	\$ 16,149,000	\$ -	\$ -	\$ 15,710,000	\$ 15,710,000	\$ 439,000	

**Ratio of Annual Debt Service to
Total General Fund Expenditures**

Fiscal Year	Debt Service	Total Debt Service as Ratio Expenditures and to Total Expenditures	
		Transfers Out	and Transfers Out
2024 ¹	\$ 9,799,232	\$ 132,595,791	7.39%
2023	9,900,011	141,578,682	6.99
2022	10,023,251	134,044,730	7.48
2021	9,633,542	133,700,046	7.21
2020	9,528,598	132,448,366	7.19
2019	9,262,057	129,215,932	7.17
2018	8,980,715	124,407,814	7.22
2017	9,311,065	121,756,095	7.65

¹ Budgetary basis and subject to audit.

Source: Annual Audited Financial Statements.

VI. Financial Information

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2021 through 2024 have been derived from audited financial statements. The projected actuals for 2024–25 and the adopted budget for 2025-26 are provided by the Town. The financial information presented herein is the responsibility of the Town’s management (Appendix A – “Excerpts from the Town’s 2024 Annual Financial Report” was taken from the Annual Comprehensive Financial Report of the Town for the fiscal year ended June 30, 2024).

General Fund Revenues, Expenditures and Changes in Fund Balance

	Adopted Budget 2025-26 ¹	Projected Actual 2024-25 ¹	Actual 2023-24	Actual 2022-23	Actual 2021-22	Actual 2020-21
Revenues:						
Property Taxes	\$ 129,107,980	\$ 122,973,155	\$ 117,594,378	\$ 115,851,960	\$ 112,948,485	\$ 111,665,782
Intergovernmental ²	6,963,734	7,033,390	22,629,664	21,267,937	18,655,284	18,112,576
Charges for Services	2,624,959	2,549,628	2,321,942	2,354,431	3,114,966	3,063,005
Investment Income	2,200,000	2,119,317	2,651,125	1,662,504	(379,306)	79,203
Other	267,937	114,033	175,959	268,472	271,548	291,784
Total Revenues	141,164,610	134,789,524	145,373,068	141,405,304	134,610,977	133,212,350
Expenditures:						
General government	12,489,487	10,864,219	5,009,663	4,875,714	4,580,321	4,673,546
Public Safety	9,755,752	8,889,148	11,376,842	10,907,400	10,595,464	10,414,415
Health & Welfare	1,520,510	1,650,517	2,080,354	1,979,177	1,939,758	1,793,570
Land Use	764,157	715,653	840,029	873,410	857,705	823,306
Public Works	11,471,576	10,875,393	12,230,740	11,447,378	10,794,006	9,561,329
Parks and Recreation	3,960,250	3,843,493	3,969,240	3,909,272	3,766,746	3,681,620
Education ²	91,744,644	87,409,066	98,810,939	93,881,551	89,400,751	88,550,934
Debt Service	9,695,416	9,445,158	9,954,269	9,900,011	10,023,251	9,633,542
Capital Outlay	-	977,200	470,465	441,835	834,007	1,099,146
Contingency	-	-	-	-	-	-
Total Expenditures	141,401,792	134,669,847	144,742,541	138,215,748	132,792,009	130,231,408
Revenues over (under) expenditures	(237,182)	119,676	630,527	3,189,556	1,818,968	2,980,942
Other Financing Sources Uses:						
Issuance of Debt	-	-	13,510,000	-	-	-
Premium on Issuance of Debt	-	-	1,864,436	-	-	-
Payments to Escrow Agent	-	-	(15,240,079)	-	-	-
Capital Lease Financing	-	-	-	-	58,506	-
Use of Fund Balance ³	-	-	-	-	-	-
Operating Transfers In	446,700	300,000	307,207	495,000	260,164	250,000
Operating Transfers (Out)	(209,518)	(598,208)	(1,765,003)	(3,362,934)	(1,252,721)	(3,468,638)
Total other Financing Sources (uses)	237,182	(298,208)	(1,323,439)	(2,867,934)	(934,051)	(3,218,638)
Revenues and other financing sources over (under) expenditures and other financing (uses)	-	(178,532)	(692,912)	321,622	884,917	(237,696)
Fund Balance, Beginning	17,393,275	17,571,807	18,264,719	17,943,097	17,058,180	17,295,876
Fund Balance, Ending	\$ 17,393,275	\$ 17,393,275	\$ 17,571,807	\$ 18,264,719	\$ 17,943,097	\$ 17,058,180

¹ Budgetary basis and subject to audit.

² GAAP basis includes payments made by the State of Connecticut on behalf of the Town for the State Teachers' Retirement System.

Source: Annual Audited Financial Statements.

Intergovernmental Revenues

Fiscal Year Ended 6/30	Intergovernmental Revenues	Total Revenues	Percent
2024	\$ 22,629,664	\$ 145,373,068	15.57%
2023	21,267,937	141,405,304	15.04%
2022	18,655,284	134,610,977	13.86%
2021	18,112,576	133,212,350	13.60%
2020	18,550,813	132,552,181	14.00%

Source: Annual Audited Financial Statements.

Comparative Balance Sheet

	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021	Actual 6/30/2020
Assets					
Cash and Cash Equivalents	\$ 22,303,137	\$ 24,561,533	\$ 32,298,515	\$ 28,076,540	\$ 22,829,359
Investments	10,375,391	10,240,091	10,226,045	10,683,208	10,646,399
Receivables:					
Property taxes	5,372,605	4,166,166	3,451,154	3,377,263	3,229,057
Intergovernmental	35,931	-	-	-	-
Other	212,779	575,216	184,671	467,064	170,739
Due from Other Funds	2,685,668	3,508,885	1,868,957	2,222,258	1,506,193
Advance to Other Fund	2,686,652	-	-	-	-
Prepaid Item and Other Assets	96,401	594,610	210	120	2,679
Total Assets	43,768,564	43,646,501	48,029,552	44,826,453	38,384,426
Liabilities and Fund Balances					
Accounts Payable	1,699,546	1,406,279	1,788,686	1,740,212	1,687,869
Accrued Liabilities	-	-	-	-	-
Accrued Payroll	3,974,087	3,786,367	5,177,880	4,633,291	4,559,887
Due to Other Funds	14,245,654	14,828,074	17,427,221	17,223,197	11,022,143
Performance Bonds	-	-	-	-	-
Deposits Payable	690,312	1,180,233	2,083,880	-	-
Other Liabilities	-	14,663	1,727	794,310	435,322
Total Liabilities	20,609,599	21,215,616	26,479,394	24,391,010	17,705,221
Deferred Inflows of Resources					
Property Taxes	-	-	-	-	-
Advance Property Tax Collections	-	-	-	-	-
Unavailable Revenue	5,587,158	4,166,166	3,607,061	3,377,263	3,383,329
Total Deferred Inflows	5,587,158	4,166,166	3,607,061	3,377,263	3,383,329
Fund Balances					
Nonspendable	2,686,652	-	-	-	-
Restricted	-	-	-	-	-
Committed	105,000	105,000	349,556	171,106	178,552
Assigned	1,820,577	2,676,786	2,498,246	804,942	379,499
Unassigned	12,959,578	15,482,933	15,095,295	16,082,132	16,737,825
Total Fund Balance	17,571,807	18,264,719	17,943,097	17,058,180	17,295,876
Total Liabilities and Fund Balance	43,768,564	43,646,501	48,029,552	44,826,453	38,384,426
Analysis of General Fund Balance					
Operating revenues	\$ 145,373,068	\$ 141,405,304	\$ 134,610,977	\$ 133,212,350	\$ 132,552,181
Fund balance as a percent of					
operating revenues	12.09%	12.92%	13.33%	12.81%	13.05%
Unassigned fund balance as					
a percent of operating revenues	8.91%	10.95%	11.21%	12.07%	12.63%

Source: Annual Audited Financial Statements.

Accounting Policies and Basis of Accounting

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The General Fund is the general operating fund of the Town government. The Town's General Fund accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A – "Excerpts from the Town's 2024 Annual Financial Report, Notes to Basic Financial Statements" herein.)

Audit

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent Certified Public Accountant firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act 77-611 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations. The Town's Auditor is Mahoney Sabol & Co., LLP.

Certificate of Achievement for Excellence in Financial Reporting

The Town's Annual Comprehensive Financial Reports ("ACFR") for fiscal years 1995 through 2024 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Budget Adoption Procedure

Financial controls are under a three-person Board of Selectmen, a six-member board of Finance and a twelve-member Legislative Council. The budget-making process is as follows:

<u>Date</u>	<u>Action</u>
Date and time as requested by the First Selectman.....	All Town departments, except the Board of Education, submit budget requests to the First Selectman.
By February 1	First Selectman presents First Selectman's Budget to the Board of Selectmen
By February 14	The Board of Selectmen reviews said budget requests and makes revisions, and submits a proposed general government Town budget for all such departments to the Board of Finance. The Board of Education also submits its budget to the Board of Finance.
By the first Wednesday in March	The Board of Finance holds a public hearing on the budgets proposed by the Board of Selectmen and the Board of Education and reviews and makes revisions.
By March 14	The Board of Finance submits the Board of Finance recommended Town budget to the Legislative Council.
Last Wednesday in March	Legislative Council holds a public hearing on the budget and makes final revisions.
By second Wednesday in April	Legislative Council approves proposed Town Budget to be submitted for final adoption at the Annual Town Budget Referendum.
On the fourth Tuesday in April	The proposed Town budget is submitted for adoption at the Annual Town Budget Referendum.

See "Capital Improvement Plan" herein for a discussion of the Capital Expenditure Budget.

Capital Improvement Plan

Sources of Funds	Fiscal Year					Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
General Fund.....	\$ 2,375,000	\$ 2,425,000	\$ 2,475,000	\$ 2,525,000	\$ 2,575,000	\$ 12,375,000
Bonds.....	12,227,288	8,020,000	9,955,000	11,297,700	-	41,499,988
Grants.....	2,280,000	2,175,000	1,375,000	975,000	775,000	7,580,000
Other.....	3,209,201	4,435,000	3,775,000	1,570,000	400,000	13,389,201
Total	\$ 20,091,489	\$ 17,055,000	\$ 17,580,000	\$ 16,367,700	\$ 3,750,000	\$ 74,844,189
Use of Funds						
Board of Selectmen.....	\$ 15,181,489	\$ 13,085,000	\$ 13,430,000	\$ 10,840,000	\$ 3,750,000	\$ 56,286,489
Board of Education.....	4,910,000	3,970,000	4,150,000	5,527,700	-	18,557,700
Total	\$ 20,091,489	\$ 17,055,000	\$ 17,580,000	\$ 16,367,700	\$ 3,750,000	\$ 74,844,189

Note: The above is based on the Legislative Council's proposed Five Year Capital Plan for Fiscal Years 2026 through 2030 approved on January 22, 2025.

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Pension Programs

The Town administers two single-employer defined benefit pension plans (the Town of Newtown Employees' Pension Plan and the Town of Newtown Police Officers Pension Plan, collectively referred to as the "Town Plan"), which provides pensions for all permanent full-time employees of the Town and police officers. Both of the pension plans grant the authority to establish and amend benefit terms to the Board of Selectmen. Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the Board of Selectmen. The Town currently maintains one Pension Trust Fund. All assets accumulated in the Pension Trust Fund for the payment of benefits may legally be used to pay benefits to participants of either plan. As such, the Town reports information about both plans as one defined benefit plan. The Town Plan is considered to be part of the Town's financial reporting entity. The last valuation for each of the plans was as of July 1, 2023.

Selectmen and Board of Education Personnel

This plan covers Board of Selectmen, uncertified Board of Education and Civilian Police Department personnel. Employees of other organizations including the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health are also covered under the plan. Each employee may enter the plan after six months of full-time service. Vesting of benefits occurs after ten years of service (five years for non-highly compensated department heads). The plan also provides disability benefits after ten years of completed service and a death benefit equal to the return of employee contributions with interest. Administrative costs are financed from investment earnings.

Police Personnel

This plan covers sworn police personnel. These employees may enter the plan after six months of full-time service. Normal retirement is after twenty-five years of credited service or at age sixty with at least ten years of continuous credited service. There are three retired members of the plan who are eligible for cost of living adjustments. There is no cost of living adjustment for any other currently active or retired member. Early retirement may be taken after completing twenty years of service. The plan also provides disability benefits after one year of service and a death benefit equal to the return of employee contributions with interest. Administrative costs are financed from investment earnings.

Defined Contribution Plans

The Town administers two single employer defined contribution plans.

One plan covers certain elected officials and "at will" employees of the Town. This plan is included in the Town's financial statements in the Pension Trust Fund. As of June 30, 2023, the net position available for benefits includes \$221,740 of assets restricted for this plan. The Board of Selectmen approved and adopted this plan on July 7, 1986, and the Board has the authority to make changes to the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on January 1st following or coincident with their commencement of employment with the Town. A participant's employer contribution account fully vests at age fifty or upon termination of employment with the Town. At age sixty-five, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6.0% of each participant's compensation for the year and each participant is required to contribute 2.0% of their compensation. For the year ended June 30, 2024, employer contributions were \$12,169 and employee contributions totaled \$4,026.

The second plan is a 401(a) money purchase plan that was established in January 2014. This plan applies to the following groups:

- non-union employees hired on or after December 31, 2013
- park and recreation employees hired on or after June 30, 2014
- police officers hired on or after May 5, 2015
- emergency telecommunicators and police clerical staff hired on or after July 1, 2016
- education paraeducators hired on or after July 1, 2015
- education custodial and maintenance staff hired on or after December 15, 2015
- education secretaries hired on or after November 17, 2015
- education nurses hired on or after July 1, 2017
- public works employees hired after January 1, 2019
- town hall employees hired on or after July 1, 2019

Police, non-union and park and recreation employees are required to contribute 5.0% of their compensation. The Town contributes 15.0% of each participant's compensation for the year for police and 5.0% of each participant's compensation for the year for all other employees. Participants are 100% vested after one year of service and entitled to benefits at age fifty-five and a half and are no longer employed by the Town. For the year ended June 30, 2024, employer contributions were \$381,052 and employee contributions totaled \$270,583.

Schedule of Changes in Net Pension Liability

	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 1,512,994	\$ 1,547,311	\$ 1,717,082	\$ 1,708,489	\$ 1,579,726
Interest	4,680,007	4,543,504	4,459,737	4,253,575	4,163,460
Differences Between Expected and Actual Experience	(875,873)	(1,812,363)	(18,509)	(769,578)	(1,721,108)
Changes in Assumptions	-	-	-	3,491,022	-
Benefit Payments, including refunds	(3,204,475)	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)
Net change in total pension liability	2,112,653	1,322,971	3,300,602	5,980,386	1,461,665
Total pension liability - beginning	72,965,210	71,642,239	68,341,637	62,361,251	60,899,586
Total pension liability - ending	75,077,863	72,965,210	71,642,239	68,341,637	62,361,251
Plan Fiduciary Net Position					
Contributions - Employer	2,360,621	2,251,611	2,477,089	2,474,344	2,377,806
Contributions - Member	356,409	374,831	391,667	418,325	431,858
Transfer from defined contribution plan	-	-	-	-	-
Net Investment Income	6,379,853	5,461,315	(7,568,499)	12,381,008	1,872,506
Benefit Payments, Including Refunds	(3,204,475)	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)
Administrative Expenses	(38,064)	(59,005)	(66,121)	(44,640)	(59,654)
Other Changes	-	-	-	-	-
Net Change in plan fiduciary net position ..	5,854,344	5,073,271	(7,623,572)	12,525,915	2,062,103
Plan fiduciary net position - beginning	57,358,505	52,285,234	59,908,806	47,382,891	45,320,788
Plan fiduciary net position - ending	63,212,849	57,358,505	52,285,234	59,908,806	47,382,891
Town's Net Pension Liability	\$ 11,865,014	\$ 15,606,705	\$ 19,357,005	\$ 8,432,831	\$ 14,978,360
Plan fiduciary net position as a percentage of total pension liability	84.20%	78.61%	72.98%	87.66%	75.98%
Covered payroll	\$ 14,050,461	\$ 14,580,545	\$ 15,927,811	\$ 16,652,458	\$ 17,291,083
Town's net pension liability as a percentage of covered employee payroll	84.45%	107.04%	121.53%	50.64%	86.62%

Schedule of Contributions

	2025 ¹	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 2,352,724	\$ 2,360,621	\$ 2,251,611	\$ 2,477,089	\$ 2,474,343
Contributions In Relation to the Actuarially Determined Contribution	2,352,724	2,360,621	2,251,611	2,477,089	2,474,344
Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (1)
Covered Payroll	\$ 13,196,783	\$ 14,050,461	\$ 14,580,545	\$ 16,652,458	\$ 16,652,458
Contributions as a Percentage of Covered Payroll	17.8%	16.8%	15.4%	14.9%	14.9%

¹ Budgetary basis and subject to audit.

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

The following presents the net pension liability of the Town Plan, calculated using the discount rate of 6.5% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease	Current	1% Increase
	(5.50%)	Discount Rate	(7.50%)
	(5.50%)	(6.50%)	(7.50%)
Town's Net Pension Liability	\$ 20,833,855	\$ 11,865,014	\$ 4,268,097

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Other Post-Employment Benefits

The Town is in compliance with the requirements of Governmental Accounting Standards Board (“GASB”) Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their Other Post-Employment Benefit (“OPEB”) plans and include information concerning the valuation of such plans in their financial statements. The Town was required to comply with the reporting requirements of GASB 45 beginning with the 2009 fiscal year.

The Town provides health and life insurance coverage to retirees based on various collective bargaining agreements. The retirees’ contribution toward this coverage varies based on collective bargaining agreements. To date, the Town provides coverage to twenty-nine retirees. The Board of Education provides health and dental insurance to one retiree and spouse based on a retirement agreement. The health insurance coverage consists of hospitalization, medical, surgical and major medical with various limits. The annual cost for the year ended June 30, 2024 was \$390,520.

The Town completed an actuarial valuation of its OPEB liability as of July 1, 2024. The Net OPEB Liability totaled \$5,088,501.

Schedule of Changes in Net OPEB Liability

	2024	2023	2022
Total OPEB Liability			
Service Cost	\$ 401,070	\$ 338,089	\$ 323,840
Interest	658,424	595,811	547,772
Changes in benefit terms			
Differences Between Expected			
and Actual Experience	(153,638)	490,105	-
Changes in Assumptions	-	(244,973)	359,350
Benefit Payments, including refunds	(247,983)	(308,515)	(697,640)
Net change in total OPEB liability	657,873	870,517	533,322
Total OPEB liability - beginning	9,850,571	8,980,054	8,446,732
Total OPEB liability - ending	10,508,444	9,850,571	8,980,054
Plan Fiduciary Net Position			
Contributions - Employer	390,520	436,939	855,666
Contributions - active members	57,463	-	-
Contributions - active retiree subsidies	506,563	71,576	41,974
Net Investment Income	(247,983)	391,781	(555,706)
Benefit Payments, Including Refunds	(10,000)	(308,515)	(697,640)
Net Change in plan fiduciary net position	696,563	591,781	(355,706)
Plan fiduciary net position - beginning	4,334,649	3,742,868	4,098,574
Plan fiduciary net position - ending	5,031,212	4,334,649	3,742,868
Town's Net OPEB Liability	\$ 5,477,232	\$ 5,515,922	\$ 5,237,186
Plan fiduciary net position as a percentage			
of total OPEB liability	47.88%	44.00%	41.68%
Covered payroll	\$ 45,988,000	\$ 44,910,169	\$ 42,807,547
Town's net OPEB liability as a percentage			
of covered employee payroll	11.91%	12.28%	12.23%

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.50)	(6.50)	(7.50)
Town Plan's Net OPEB Liability	\$ 6,476,188	\$ 5,477,232	\$ 4,580,752

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

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

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 4,215,128	\$ 5,477,232	\$ 6,963,480

For more information, please refer to Note #8 – Other Post-Employment Benefits (OPEB) in the Notes to the Financial Statements included as Appendix A herein.

Investment Practices

Chapter Five, Section 5-01(b) of the Newtown Charter provides the Financial Director the authority to set investment policy for the Town's operating funds. The Financial Director seeks to earn the highest returns available taking into consideration prudent investment principles. Investments shall be made with judgment and care, under circumstances then prevailing, not for speculation, but for considering the probable safety of principal as well as the probable income to be derived. The Financial Director will undertake to maximize the yield on investments consistent with the requirements for safety and minimization of risk and with the requirement that funds be available for payment when due.

Eligible investments are governed by the Connecticut General Statutes, Sections 3-27, 7-400, 7-401 and 7-402. Section 3-27 authorizes the Financial Director to invest in the State of Connecticut Short Term Investment Fund ("STIF"). Section 7-400 permits investments into certain listed Federal, State and local governmental obligations. The Board of Selectmen per Section 7-401 designates which banks the Financial Director uses as depositories for Town funds. Section 7-402 authorizes deposits into qualified public depositories. In addition, the Financial Director monitors the risk-based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382. See Appendix A – "Excerpts from the Town's 2024 Annual Financial Report, Notes to Basic Financial Statements, Note III.A." herein regarding the Town's audited cash and cash equivalent investments as of June 30, 2024.

The Town's operating funds are invested in the following short-term investments: (1) various certificates of deposit with Connecticut banks; and (2) Connecticut STIF established pursuant to section 3-27d of the Connecticut General Statutes (municipal funds deposited with STIF may be used by the State to acquire the investments set forth in section 3-27d of the general statutes).

The Town's pension funds have an investment policy. Allowable investments under the policy consist of investment-grade corporate bonds as rated by S&P Global Ratings, government bonds issued and guaranteed by the U.S. Treasury and U.S. Agencies, Federally insured certificates of deposit, and equities consisting of stocks and mutual funds. Professional money managers are employed to manage the assets allocated to them. The Board of Selectmen, as trustee of the pension plans, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval. The pension committee acts as advisor to the Board of Selectmen. Please refer to Appendix A – "Excerpts from the Town 2023 Annual Financial Report, Note I.C." regarding the Town's investment policy and investments of the Town's Pension Funds as of June 30, 2024.

VII. Legal and Other Information

Litigation

The Town, its officers, employees, boards and commissions are defendants in various lawsuits. The Town Attorney is of the opinion that such pending litigation will not be finally determined so as to result, individually or in the aggregate, in final judgments against the Town which would materially adversely affect its financial position.

Transcript and Closing Documents

The winning bidder will be furnished the following documents when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town signed by the First Selectman and the Director of Finance, which will be dated the date of delivery, certifying that, to the best of said officials' knowledge and belief, at the time bids on the Bonds were accepted, the descriptions and statements in the Preliminary Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Preliminary Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut in substantially the form attached as Appendix B to this Official Statement.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.

The Town has prepared an Official Statement for the Bonds, which is dated September __, 2025. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town will be kept on file at the office of U.S. Bank Trust Company, National Association in Hartford, Connecticut and will be available for examination upon reasonable request.

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Concluding Statement

This Preliminary Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of the Bonds. Any statements made in this Preliminary Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provision of law are subject to repeal or amendment.

Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

Additional information may be obtained from Glenys R. Salas, Director of Finance, Town Hall, 3 Primrose Street, Newtown, Connecticut 06470, and telephone number (203) 270-4226. This Preliminary Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF NEWTOWN, CONNECTICUT

Arthur Jeffrey Capecci, *First Selectman*

Glenys R. Salas, *Director of Finance*

Dated: September __, 2025

Appendix A

Excerpts from the Town's 2024 Annual Financial Report

The following includes excerpts from the Annual Financial Report of the Town for the fiscal year ended June 30, 2024. The supplemental data, which was a part of that report, has not been reproduced herein. A copy of the complete report is available upon request from Barry Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

INDEPENDENT AUDITOR'S REPORT

To the Legislative Council
Town of Newtown, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut, (the Town) as of and for the year ended June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of June 30, 2024, 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 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 Auditor's 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.

Correction of an Error in Previously Issued Financial Statements

As disclosed in Note 1 to the financial statements, the Town restated its beginning net position of the governmental activities and the beginning fund balances of the governmental funds for the correction of an error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 the management's discussion and analysis on pages 4 through 17 and the information on pages 77 through 91 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 accompanying 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, 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.



Certified Public Accountants
Glastonbury, Connecticut
December 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

The management of the Town of Newtown, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Annual Comprehensive Financial Report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$312,046,859 (net position). Of this amount, \$15,792,728 represents the Town's unrestricted net position.
- The Town's total net position increased by \$2,452,474 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$44,084,132, a current year increase of \$4,238,617 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$12,959,578 or 9.4% of the Town's fiscal year 2025 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.1 months of General Fund operating expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Overview of the Financial Statements (Continued)

Government-wide Financial Statements *(Continued)*

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public safety, health and welfare, land use, public works, parks and recreation and education. The business-type activities of the Town include wastewater and water activities of the Town's Water Pollution Control Authority.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

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

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 through 24 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Town's wastewater operations and water operations at the Fairfield Hills property. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 76 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section that can be found on pages 77 through 131 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis

Net Position

Over time, net position may serve as one measure of a government's financial position. The Town's total net position (governmental and business-type activities combined) totaled \$312,046,859 as of June 30, 2024 and \$309,594,385 as of June 30, 2023, as restated, and are summarized as follows:

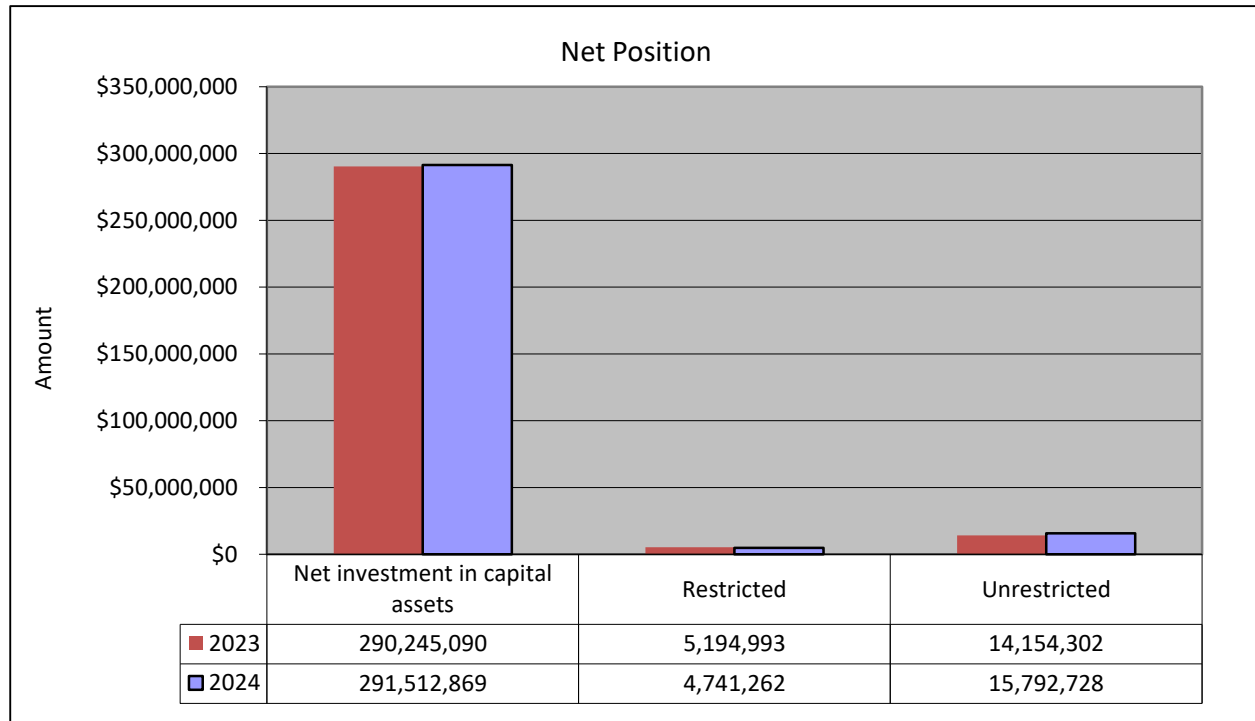
	June 30, 2024			June 30, 2023 (As Restated)		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Current and other assets	\$ 59,667,406	\$ 2,406,813	\$ 62,074,219	\$ 62,700,283	\$ (626,064)	-1.0%
Capital assets	347,847,036	30,531,492	378,378,528	377,099,534	1,278,994	0.3%
Total assets	407,514,442	32,938,305	440,452,747	439,799,817	652,930	0.1%
Deferred outflows of resources	1,169,959	32,752	1,202,711	4,094,323	(2,891,612)	-70.6%
Other liabilities	12,721,732	282,852	13,004,584	14,897,754	(1,893,170)	-12.7%
Long-term liabilities	109,784,425	2,262,000	112,046,425	114,780,174	(2,733,749)	-2.4%
Total liabilities	122,506,157	2,544,852	125,051,009	129,677,928	(4,626,919)	-3.6%
Deferred inflows of resources	4,343,893	-	4,343,893	4,621,827	(277,934)	-6.0%
Net position:						
Net investment in capital assets	263,424,322	28,088,547	291,512,869	290,245,090	1,267,779	0.4%
Restricted	4,741,262	-	4,741,262	5,194,993	(453,731)	-8.7%
Unrestricted	13,668,767	2,123,961	15,792,728	14,154,302	1,638,426	11.6%
Total net position	<u>\$ 281,834,351</u>	<u>\$ 30,212,508</u>	<u>\$ 312,046,859</u>	<u>\$ 309,594,385</u>	<u>\$ 2,452,474</u>	<u>0.8%</u>

	June 30, 2023 (As Restated)		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 59,581,770	\$ 3,118,513	\$ 62,700,283
Capital assets	347,027,930	30,071,604	377,099,534
Total assets	406,609,700	33,190,117	439,799,817
Deferred outflows of resources	4,054,202	40,121	4,094,323
Other liabilities	14,849,847	47,907	14,897,754
Long-term liabilities	112,304,174	2,476,000	114,780,174
Total liabilities	127,154,021	2,523,907	129,677,928
Deferred inflows of resources	4,621,827	-	4,621,827
Net position:			
Net investment in capital assets	262,609,365	27,635,725	290,245,090
Restricted	5,194,993	-	5,194,993
Unrestricted	11,083,696	3,070,606	14,154,302
Total net position	<u>\$ 278,888,054</u>	<u>\$ 30,706,331</u>	<u>\$ 309,594,385</u>

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (Continued)

Net Position (Continued)



As of June 30, 2024, 93.4% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. 1.5% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position. The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased during the current year by \$2,452,474 in comparison with the prior year. This included an increase in the net position of the governmental activities by \$2,946,297, offset by a decrease in the net position of the business-type activities by \$493,823. Significant changes consisted of the following:

Governmental Activities: The overall increase in net position for the Town's governmental activities was primarily impacted by two key factors, changes in the Town's net pension liability and related deferrals, and investments in capital assets funded by capital contributions. The combination of the above, resulted in an increase in the net position of the governmental activities in the amount of \$1,329,430 and \$2,228,293, respectively.

Business-type Activities: The overall decrease in net position for the Town's business-type activities was driven by a current year loss on the operations of the Town's sewer system.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2024 and 2023 are as follows.

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Revenues						
Program revenues:						
Charges for services	\$ 11,408,128	\$ 1,320,868	\$ 12,728,996	\$ 11,745,542	\$ 983,454	8.4%
Operating grants and contributions	24,183,987	-	24,183,987	31,417,367	(7,233,380)	-23.0%
Capital grants and contributions	2,228,293	-	2,228,293	4,348,967	(2,120,674)	-48.8%
General revenues:						
Property taxes, levied for general purposes	119,015,370	-	119,015,370	116,431,250	2,584,120	2.2%
Grants and contributions not restricted to specific programs	3,036,173	-	3,036,173	2,983,519	52,654	1.8%
Investment earnings	3,355,851	17,224	3,373,075	2,062,143	1,310,932	63.6%
Total revenues	<u>163,227,802</u>	<u>1,338,092</u>	<u>164,565,894</u>	<u>168,988,788</u>	<u>(4,422,894)</u>	<u>-2.6%</u>
Expenses						
General government	7,753,350	-	7,753,350	7,483,840	269,510	3.6%
Public safety	12,799,537	-	12,799,537	13,023,195	(223,658)	-1.7%
Health and welfare	2,429,481	-	2,429,481	2,480,738	(51,257)	-2.1%
Land use	932,916	-	932,916	971,345	(38,429)	-4.0%
Public works	14,056,540	-	14,056,540	14,000,893	55,647	0.4%
Parks and recreation	7,725,067	-	7,725,067	7,540,000	185,067	2.5%
Education	99,394,274	-	99,394,274	95,477,513	3,916,761	4.1%
Education - State Teachers' Retirement	12,228,481	-	12,228,481	15,928,738	(3,700,257)	-23.2%
Interest expense	2,046,859	-	2,046,859	2,096,809	(49,950)	-2.4%
Sewer	-	2,266,529	2,266,529	1,845,025	421,504	22.8%
Water	-	480,386	480,386	408,202	72,184	17.7%
Total expenses	<u>159,366,505</u>	<u>2,746,915</u>	<u>162,113,420</u>	<u>161,256,298</u>	<u>857,122</u>	<u>0.5%</u>
Change in net position before transfers	3,861,297	(1,408,823)	2,452,474	7,732,490	(5,280,016)	-68.3%
Transfers	(915,000)	915,000	-	-	-	
Change in net position	<u>2,946,297</u>	<u>(493,823)</u>	<u>2,452,474</u>	<u>\$ 7,732,490</u>	<u>\$ (5,280,016)</u>	
Net position - beginning, as originally reported	280,080,015	30,706,331	310,786,346			
Adjustments	(1,191,961)	-	(1,191,961)			
Net position - beginning, as adjusted	<u>278,888,054</u>	<u>30,706,331</u>	<u>309,594,385</u>			
Net position - ending	<u>\$ 281,834,351</u>	<u>\$ 30,212,508</u>	<u>\$ 312,046,859</u>			

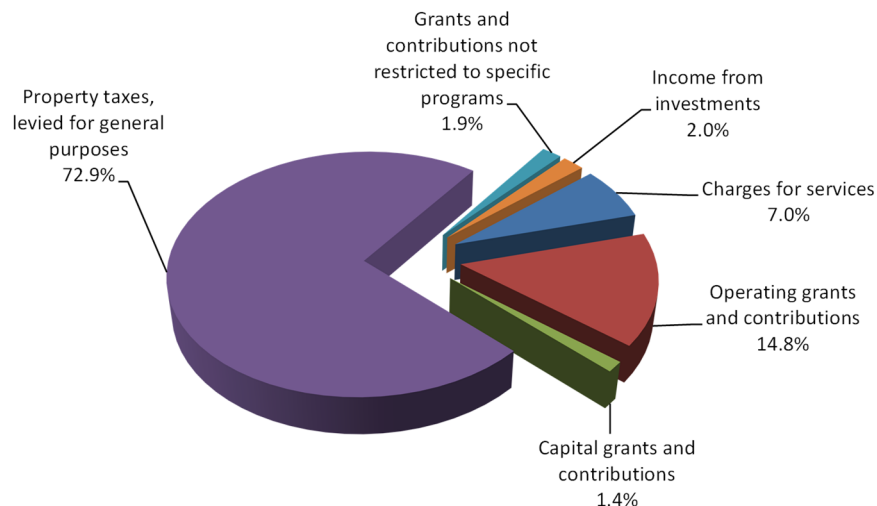
TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (Continued)

Change in Net Position (Continued)

	2023		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 10,318,253	\$ 1,427,289	\$ 11,745,542
Operating grants and contributions	31,417,367	-	31,417,367
Capital grants and contributions	3,433,986	914,981	4,348,967
General revenues:			
Property taxes, levied for general purposes	116,431,250	-	116,431,250
Grants and contributions not restricted to specific programs	2,983,519	-	2,983,519
Investment earnings	2,043,442	18,701	2,062,143
Total revenues	<u>166,627,817</u>	<u>2,360,971</u>	<u>168,988,788</u>
Expenses			
General government	7,483,840	-	7,483,840
Public safety	13,023,195	-	13,023,195
Health and welfare	2,480,738	-	2,480,738
Land use	971,345	-	971,345
Public works	14,000,893	-	14,000,893
Parks and recreation	7,540,000	-	7,540,000
Education	95,477,513	-	95,477,513
Education - State Teachers' Retirement	15,928,738	-	15,928,738
Interest expense	2,096,809	-	2,096,809
Sewer	-	1,845,025	1,845,025
Water	-	408,202	408,202
Total expenses	<u>159,003,071</u>	<u>2,253,227</u>	<u>161,256,298</u>
Change in net position	7,624,746	107,744	7,732,490
Net position - beginning	<u>272,455,269</u>	<u>30,598,587</u>	<u>303,053,856</u>
Net position - ending	<u>\$ 280,080,015</u>	<u>\$ 30,706,331</u>	<u>\$ 310,786,346</u>

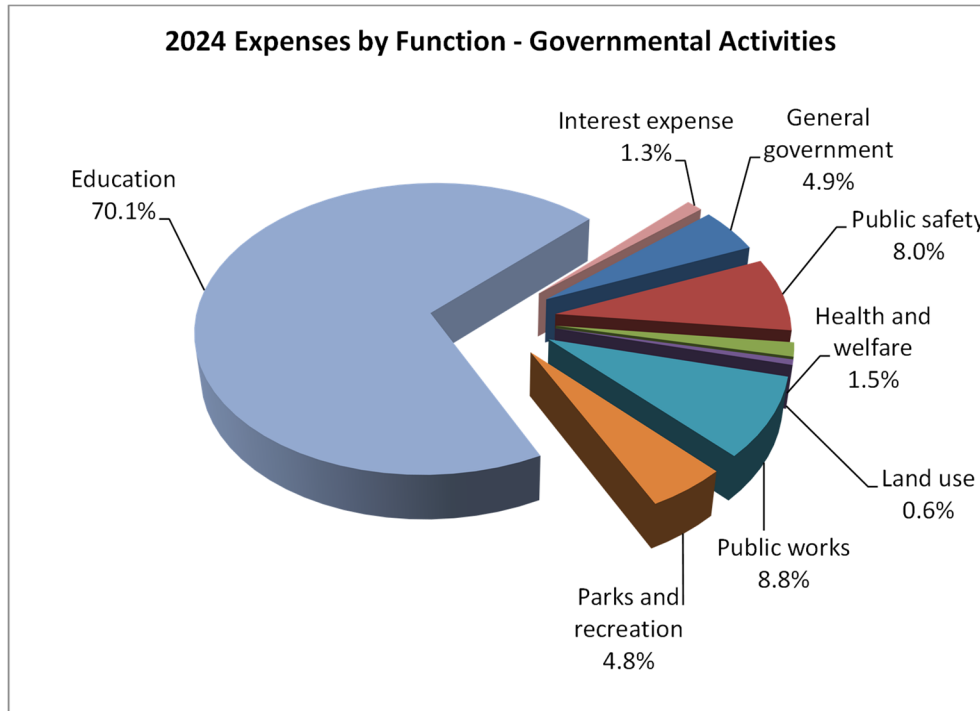
2024 Revenues by Source - Governmental Activities



TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (Continued)

Change in Net Position (Continued)



Governmental Activities

Governmental activities increased the Town's net position by a current year change of \$2,946,297. Revenues decreased by \$3,400,015 or 2.0% over prior year and expenses increased by \$363,434 or 0.2% over prior year expenses.

Significant fluctuations in revenues were as follows:

Charges for services: Charges for services increased by \$1,089,875 primarily driven by an increase in school cafeteria sales of \$949,793, increases in recreation and community center program fees of \$374,812, offset by a decrease in charges for police private duty of \$457,458.

Operating grants and contributions: Operating grants and contributions decreased by \$7,233,380. This decrease was driven reductions in operating grants and contributions for educational purposes. This included a decrease of \$3,700,257 in on-behalf contributions recognized by the Town for its participation in the Connecticut Teachers' Retirement System. This non-cash contribution was offset by a corresponding increase in education expenses and did not have an impact on the Town's overall change in net position for the year. In addition, the Town recognized a \$977,610 decrease in school lunch funding due to the State no longer providing its free school meal program. The Town also recognized a decrease in operating grants and contributions for recreational purposes. During the prior year, the Town received a \$1,000,000 contribution from General Electric towards the operations of the Newtown Community Center. No such contribution was received in the current year.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (Continued)

Change in Net Position (*Continued*)

Governmental Activities (Continued)

Capital grants and contributions: Capital grants and contributions decreased by \$1,205,693. These grants and contributions are used to fund the acquisition, construction, or improvement of capital assets (such as infrastructure, buildings, or equipment), and their variability can result from changes in funding availability and project timelines.

Property taxes: Property tax revenues increased by \$2,584,120 or 2.2%. The Town's mill rate for 2024 decreased by 8.43 mills over the prior year, however, this decrease was offset by an increase in the Town's taxable grand list driven by the most recent revaluation of properties. The Town increased the amount of property taxes levied to fund an overall increase of 2.7% in the Town's General Fund expenditure budget.

Investment earnings: Investment earnings increased \$1,312,409 or 64.2% driven by increases in interest rates.

Significant fluctuations in expenses were as follows:

Education - State Teachers' Retirement: This expense represents the Town's proportionate share of the pension and other post-employment expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut Teachers' Retirement System. This is a non-cash expense and can fluctuate significantly from year to year based on changes in the various components of the State's net pension and other-postemployment liabilities.

Education: Education expenses increased by \$3,916,761 or 4.1% primarily driven by increases in contractual wages and benefits, utilities, outplaced tuition, transportation, and programmatic supplies.

Business-type Activities

Business-type activities decreased the Town's net position by a current year change of \$493,823. Revenues decreased by \$1,022,879 or 43.3%, expenses increased by \$493,688 or 21.9%, and transfers in from governmental activities increased by \$915,000 over the prior year.

Significant fluctuations in revenues and transfers in were as follows:

Capital grants, contributions and capital transfers in: Capital grants and contributions decreased by \$914,981. In the prior year, a federal grant of \$914,981 was recognized to fund the cost of replacing the sanitary sewer mains on the Town's Fairfield Hills campus. In the current year, a transfer in of \$915,000 was recognized as an internal assessment made against the governmental activities to recoup the remaining cost of this project.

Sewer Expenses: Sewer expenses increased by 421,504 or 22.8%. This increase was driven by an increase in contractual services, including repairs and maintenance made to the sewer system.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$44,084,132. Of this amount, \$12,707,347 is considered to be unassigned and available for spending at the discretion of the Town. The remaining portion of fund balance is either restricted, committed or assigned for specific purposes or is not currently available for spending.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,959,578. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 9.4% of the Town's fiscal year 2025 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.1 months of General Fund operating expenditures.

The General Fund has an overall fund balance of \$17,571,807 as of June 30, 2024, a decrease of \$692,912 from the prior year fund balance. The net change in fund balance decreased by \$1,014,534 from the prior year net change in fund balance. This decrease resulted from an increase in total revenues of \$3,967,764 or 2.8%, a decrease in net other financing uses of \$1,544,495 or 53.9%, offset by an increase in expenditures of \$6,526,793 or 4.7%. The primary driver for the increase in expenditures was increases in public works and education.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund increased by \$4,235,139 during the current fiscal year. This increase was primarily due to the issuance of general obligation bonds in the amount of \$9,200,000, offset by capital outlays of \$4,988,794 for authorized projects.

Sewer Fund

The net position of the Sewer Fund decreased by \$322,185 during the current fiscal year. The decrease was primarily attributable to an operating loss of \$1,265,868 generated by a shortfall in user charges to cover increased operating costs of the sewer system. The operating loss was offset by net non-operating income of \$28,683 and an internal benefit assessment of \$915,000 made against the Town's governmental activities.

Water Fund

The fund balance of the Water Fund decreased by \$171,638 during the current fiscal year. The decrease was primarily attributable to an operating loss of \$187,230 generated by a shortfall in user charges to cover depreciation and amortization. The operating loss was offset by net non-operating income of \$15,592.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

General Fund Budgetary Highlights

The original and final budget provided for the use of fund balance in the amount of \$1,500,680. The actual net change in fund balance on a budgetary basis was a decrease of \$137,383, resulting in an overall favorable budgetary variance of \$1,363,297. The budgetary surplus was driven by a revenue surplus of \$583,868, an expenditure surplus of \$661,019, and a favorable variance on other financing sources (uses) of \$118,410. The revenue surplus was driven by favorable variances on investment income and state-aid, offset by shortfalls in property tax collections and charges for services. The expenditure surplus was driven by favorable variances on debt interest payments, winter and public building maintenance, transfer station and planning and development expenditures.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2024 totaled \$378,378,528 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, intangible assets, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total net increase in the Town's investment in capital assets for the current fiscal year totaled \$1,278,994 or 0.3%.

**Capital Assets, Net
June 30, 2024**

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,482,596	\$ 1,000	\$ 28,483,596
Intangible assets	3,986,359	144,544	4,130,903
Construction in progress	20,503,613	453,275	20,956,888
Buildings and improvements	198,025,190	-	198,025,190
Land improvements	20,600,442	-	20,600,442
Right-to-use leased equipment	193,390	-	193,390
Machinery, equipment and vehicles	16,172,565	924,677	17,097,242
Infrastructure	59,882,881	29,007,996	88,890,877
Totals	<u>\$ 347,847,036</u>	<u>\$ 30,531,492</u>	<u>\$ 378,378,528</u>

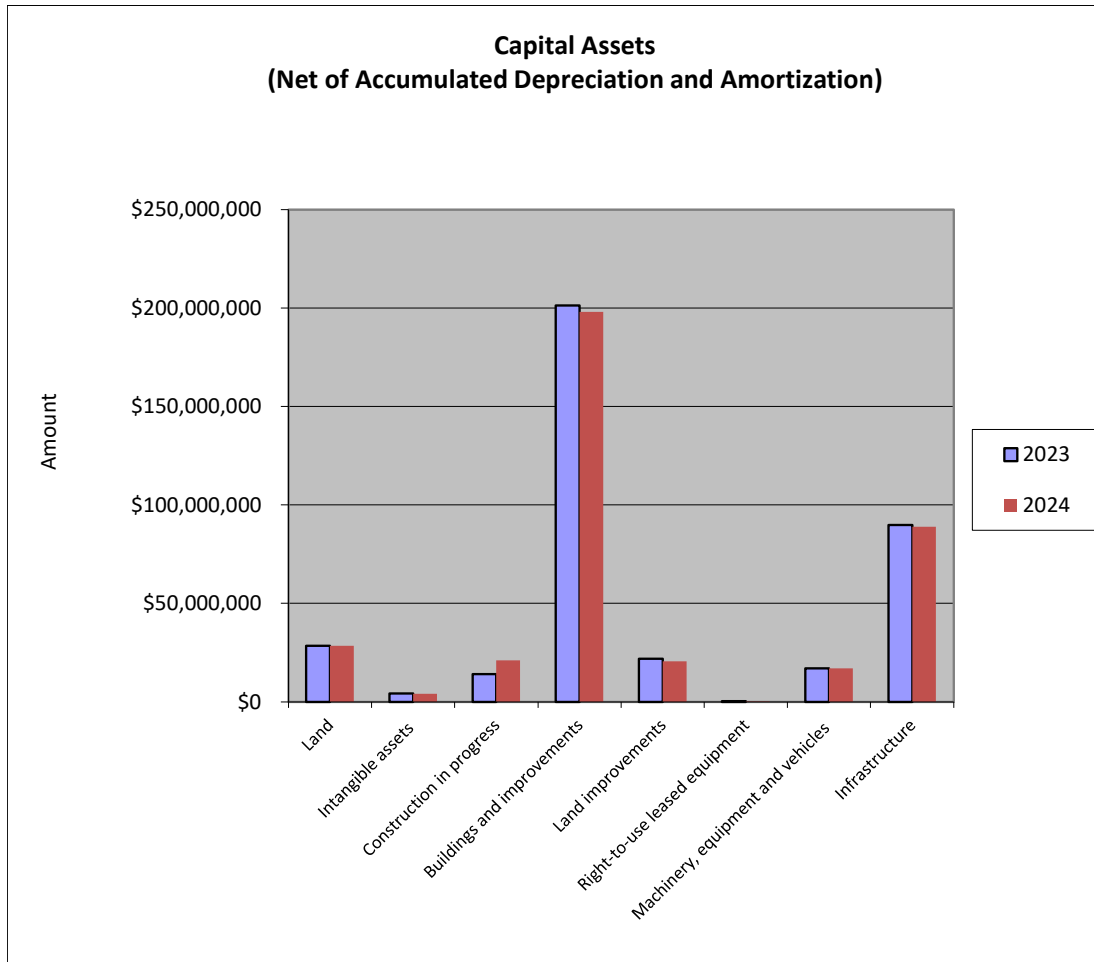
**Capital Assets, Net
June 30, 2023**

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,482,596	\$ 1,000	\$ 28,483,596
Intangible assets	3,986,359	187,895	4,174,254
Construction in progress	13,646,705	419,569	14,066,274
Buildings and improvements	201,317,029	-	201,317,029
Land improvements	21,882,844	-	21,882,844
Right-to-use leased equipment	365,431	-	365,431
Machinery, equipment and vehicles	16,436,486	613,986	17,050,472
Infrastructure	60,910,480	28,849,154	89,759,634
Totals	<u>\$ 347,027,930</u>	<u>\$ 30,071,604</u>	<u>\$ 377,099,534</u>

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)



Significant capital additions during the current fiscal year included the following:

- outlays pertaining to a water distribution center at the Fairfield Hills Campus;
- outlays pertaining to the Hawley Elementary School and Newtown High School HVAC projects;
- outlays pertaining to the Municipal Center roof replacement; and
- outlays pertaining to water and sewer system improvements.

Additional information on the Town's capital assets can be found in Note 4 starting on page 43 of the financial statements.

Debt Administration

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$83,792,029. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$715,135 or 0.8% during the current fiscal year.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Capital Asset and Debt Administration (Continued)

Debt Administration (Continued)

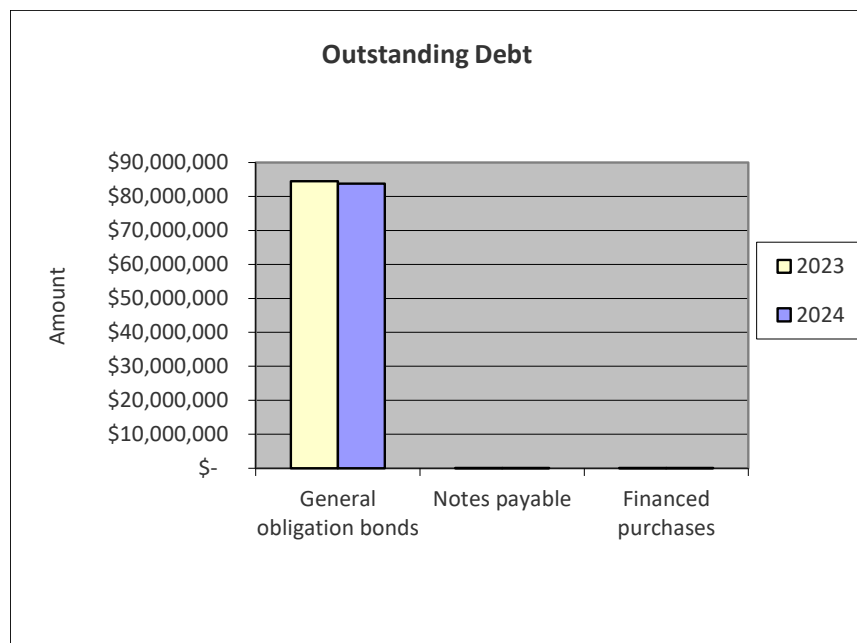
During the year ended June 30, 2024, the Town refunded \$15,055,000 in general obligation bonds through the issuance of \$13,510,000 in general obligation refunding bonds. The advance refunding will result in a cash flow savings on future debt service in the amount of \$575,826 and will result in an economic gain of \$419,049. In addition, the issued \$9,200,000 in general obligation bonds during the fiscal year to provide long-term funding for projects authorized pursuant to the Town's capital improvement plan. The issuance of new debt was offset by schedule debt service repayments in the amount of Town made schedule debt service repayments of \$8,370,135.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt. The following are tables of long-term debt presented for both governmental and business-type activities:

**Long-term Debt
June 30,**

	Governmental Activities			
	2024	2023	\$ Change	% Change
General obligation bonds	\$ 81,478,000	\$ 81,969,000	\$ (491,000)	-0.6%
Notes payable	15,651	25,786	(10,135)	-39.3%
Financed purchases	36,378	36,378	-	0.0%
Totals	81,530,029	82,031,164	(501,135)	-0.6%

	Business-type Activities			
	2024	2023	\$ Change	% Change
General obligation bonds	2,262,000	2,476,000	(214,000)	-8.6%
Total Long-term Debt	\$ 83,792,029	\$ 84,507,164	\$ (715,135)	-0.8%



TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Capital Asset and Debt Administration (Continued)

Debt Administration (Continued)

Additional information on the Town's long-term debt can be found in Note 7 starting on page 46 of the financial statements.

Economic Factors and Next Year's Budget and Rates

In April 2024, the Town adopted a General Fund budget for the fiscal year ending June 30, 2025. The budget reflected an overall increase in expenditures of \$5,056,088 or 3.8% over the Town's fiscal year 2024 adopted budget. Fiscal year 2025 budgeted expenditures of \$137,651,879 allows the Town to continue to maintain the same level of programs and services to its residents. For fiscal year 2024, the Town has planned for a utilization of fund balance in the amount of \$1,200,000.

A summary of key economic factors affecting the Town are as follows:

- For purposes of calculating property tax revenues, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
- It is was unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's General Fund budget for fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 3 Primrose Street, Town Hall, Newtown, CT 06470.

BASIC FINANCIAL STATEMENTS

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 30,857,188	\$ 757,488	\$ 31,614,676
Investments	19,377,257	-	19,377,257
Receivables:			
Property taxes and interest, net	5,372,605	-	5,372,605
Assessments and interest, net	-	4,245,746	4,245,746
User charges and interest, net	-	158,978	158,978
Grants and contracts	497,796	-	497,796
Loans	244,431	-	244,431
Other	335,664	-	335,664
Internal balances	2,755,399	(2,755,399)	-
Other	227,066	-	227,066
Receivables:			
Capital assets:			
Non-depreciable	52,972,568	454,275	53,426,843
Depreciable, net	294,874,468	30,077,217	324,951,685
Total assets	407,514,442	32,938,305	440,452,747
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	166,238	-	166,238
OPEB related	872,208	-	872,208
LOSAP related	131,513	-	131,513
Deferred charges on refunding	-	32,752	32,752
Total deferred outflows of resources	1,169,959	32,752	1,202,711
LIABILITIES			
Accounts payable	2,833,992	456,529	3,290,521
Accrued interest payable	946,419	-	946,419
Other accrued liabilities	3,974,087	40,020	4,014,107
Claims payable	1,949,662	-	1,949,662
Unearned revenue	2,327,260	-	2,327,260
Deposits payable	690,312	-	690,312
Noncurrent liabilities:			
Due in one year	8,027,366	214,000	8,241,366
Due in more than one year	101,757,059	2,048,000	103,805,059
Total liabilities	122,506,157	2,758,549	125,264,706
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,799,299	-	1,799,299
OPEB related	2,436,714	-	2,436,714
Deferred charges on refunding	107,880	-	107,880
Total deferred inflows of resources	4,343,893	-	4,343,893
NET POSITION			
Net investment in capital assets	263,424,322	28,088,547	291,512,869
Restricted for:			
Endowments:			
Nonexpendable	610,000	-	610,000
Expendable	2,021,188	-	2,021,188
Grants and other programs	2,110,074	-	2,110,074
Unrestricted	13,668,767	2,123,961	15,792,728
Total net position	\$ 281,834,351	\$ 30,212,508	\$ 312,046,859

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 7,753,350	\$ 2,232,633	\$ 477,966	\$ 59,368	\$ (4,983,383)	\$ -	\$ (4,983,383)
Public safety	12,799,537	968,805	583,576	64,430	(11,182,726)	-	(11,182,726)
Health and welfare	2,429,481	4,083	554,655	108,245	(1,762,498)	-	(1,762,498)
Land use	932,916	58,254	-	-	(874,662)	-	(874,662)
Public works	14,056,540	525,740	857,124	1,868,527	(10,805,149)	-	(10,805,149)
Parks and recreation	7,725,067	3,703,366	128,318	-	(3,893,383)	-	(3,893,383)
Education	111,622,755	3,915,247	21,582,348	127,723	(85,997,437)	-	(85,997,437)
Interest expense	2,046,859	-	-	-	(2,046,859)	-	(2,046,859)
Total governmental activities	159,366,505	11,408,128	24,183,987	2,228,293	(121,546,097)	-	(121,546,097)
Business-type activities:							
Sewer	2,266,529	1,012,120	-	-	-	(1,254,409)	(1,254,409)
Water	480,386	308,748	-	-	-	(171,638)	(171,638)
Total business-type activities	2,746,915	1,320,868	-	-	-	(1,426,047)	(1,426,047)
Total primary government	\$ 162,113,420	\$ 12,728,996	\$ 24,183,987	\$ 2,228,293	(121,546,097)	(1,426,047)	(122,972,144)
General revenues:							
Property taxes, levied for general purposes					119,015,370	-	119,015,370
Grants and contributions not restricted to specific programs					3,036,173	-	3,036,173
Investment earnings					3,355,851	17,224	3,373,075
Total general revenues					125,407,394	17,224	125,424,618
Change in net position before transfers					3,861,297	(1,408,823)	2,452,474
Transfers, net					(915,000)	915,000	-
Change in net position					2,946,297	(493,823)	2,452,474
Net position - beginning, as originally reported					280,080,015	30,706,331	310,786,346
Adjustments (see Note 1)					(1,191,961)	-	(1,191,961)
Net position - beginning, as adjusted					278,888,054	30,706,331	309,594,385
Net position - ending					\$ 281,834,351	\$ 30,212,508	\$ 312,046,859

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 22,303,137	\$ -	\$ 7,551,715	\$ 29,854,852
Investments	10,375,391	-	8,753,026	19,128,417
Receivables:				
Property taxes and interest, net	5,372,605	-	-	5,372,605
Grants and contracts	35,931	226,842	235,023	497,796
Loans	-	-	244,431	244,431
Other	212,779	6,620	116,265	335,664
Due from other funds	2,685,668	3,812,001	10,433,653	16,931,322
Prepaid items and other	96,401	-	130,665	227,066
Advance to other fund	2,686,652	-	-	2,686,652
Total assets	<u>\$ 43,768,564</u>	<u>\$ 4,045,463</u>	<u>\$ 27,464,778</u>	<u>\$ 75,278,805</u>
LIABILITIES				
Accounts payable	\$ 1,699,546	\$ 528,061	\$ 606,385	\$ 2,833,992
Accrued payroll	3,974,087	-	-	3,974,087
Due to other funds	14,245,654	-	1,291,779	15,537,433
Deposits payable	690,312	-	-	690,312
Unearned revenue	-	386,335	1,940,925	2,327,260
Total liabilities	<u>20,609,599</u>	<u>914,396</u>	<u>3,839,089</u>	<u>25,363,084</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>5,587,158</u>	<u>-</u>	<u>244,431</u>	<u>5,831,589</u>
FUND BALANCES				
Nonspendable	2,686,652	-	740,665	3,427,317
Restricted	-	3,338,815	4,741,262	8,080,077
Committed	105,000	-	17,943,814	18,048,814
Assigned	1,820,577	-	-	1,820,577
Unassigned	12,959,578	(207,748)	(44,483)	12,707,347
Total fund balances	<u>17,571,807</u>	<u>3,131,067</u>	<u>23,381,258</u>	<u>44,084,132</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,768,564</u>	<u>\$ 4,045,463</u>	<u>\$ 27,464,778</u>	<u>\$ 75,278,805</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Total fund balances for governmental funds		\$ 44,084,132
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		347,847,036
Deferred outflows and inflows of resources resulting from changes in the components of the net pension, net OPEB, and total LOSAP liabilities are reported in the statement of net position.		(3,066,054)
Some of the Town's receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		5,831,589
Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(946,419)	
Long-term debt:		
Bonds and notes payable, net	(86,749,607)	
Financed purchases	(36,378)	
Benefit assessment	(869,250)	
Deferred charges on refunding	(107,880)	
Other long-term liabilities:		
Leases	(207,212)	
Compensated absences	(1,372,702)	
Early retirement obligations	(5,000)	
Landfill post-closure care liability	(17,000)	
Net pension liability	(11,864,974)	
Net OPEB liability	(5,477,232)	
Total LOSAP liability	(4,054,320)	
Total long-term liabilities		(111,707,974)
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.		(1,154,378)
Net position of governmental activities		\$ 281,834,351

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 117,594,378	\$ -	\$ -	\$ 117,594,378
Intergovernmental	22,629,664	2,208	7,470,357	30,102,229
Charges for services	2,321,942	-	9,080,989	11,402,931
Investment income	2,651,125	-	559,791	3,210,916
Contributions and other	175,959	25,269	693,225	894,453
Total revenues	<u>145,373,068</u>	<u>27,477</u>	<u>17,804,362</u>	<u>163,204,907</u>
EXPENDITURES				
Current:				
General government	5,009,663	-	1,354,484	6,364,147
Public safety	11,376,842	-	915,896	12,292,738
Health and welfare	2,080,354	-	227,696	2,308,050
Land use	840,029	-	-	840,029
Public works	12,230,740	-	-	12,230,740
Parks and recreation	3,969,240	-	2,770,005	6,739,245
Education	98,810,939	-	8,506,959	107,317,898
Debt service:				
Principal	7,602,482	-	727,816	8,330,298
Interest and fiscal charges	2,351,787	-	327,137	2,678,924
Capital outlays	470,465	4,988,794	4,410,528	9,869,787
Total expenditures	<u>144,742,541</u>	<u>4,988,794</u>	<u>19,240,521</u>	<u>168,971,856</u>
Excess (deficiency) of revenues over expenditures	630,527	(4,961,317)	(1,436,159)	(5,766,949)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	9,200,000	-	9,200,000
Premium on bonds issued	-	-	733,971	733,971
Refunding bonds issued	13,510,000	-	-	13,510,000
Premium on refunding bonds issued	1,864,436	-	-	1,864,436
Payment to refunded bond escrow agent	(15,240,079)	-	-	(15,240,079)
Transfers in	307,207	-	1,705,785	2,012,992
Transfers out	(1,765,003)	(3,544)	(307,207)	(2,075,754)
Total other financing sources (uses)	<u>(1,323,439)</u>	<u>9,196,456</u>	<u>2,132,549</u>	<u>10,005,566</u>
Net change in fund balances	(692,912)	4,235,139	696,390	4,238,617
Fund balances - beginning, as originally reported	18,264,719	(1,104,072)	20,078,754	37,239,401
Adjustments (see Note 1)	-	-	2,606,114	2,606,114
Fund balances - beginning, as adjusted	<u>18,264,719</u>	<u>(1,104,072)</u>	<u>22,684,868</u>	<u>39,845,515</u>
Fund balances - ending	<u>\$ 17,571,807</u>	<u>\$ 3,131,067</u>	<u>\$ 23,381,258</u>	<u>\$ 44,084,132</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ 4,238,617

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital additions exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 8,483,271	
Depreciation and amortization expense	<u>(7,628,966)</u>	
Net adjustment		854,305

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the funds. (35,199)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
General obligation bonds	(9,200,000)	
Premium on bonds	(733,971)	
Refunding bonds	(13,510,000)	
Premium on refunding bonds	(1,864,436)	
Benefit assessment	(915,000)	
Principal repayments:		
Bonds and notes	8,156,135	
Payment to escrow agent	15,240,079	
Leases	174,163	
Benefit assessment	<u>45,750</u>	
Net adjustment		(2,607,280)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities. (2,464,942)
(Continued)

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2024

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	\$ (59,259)	
Amortization of bond premiums	667,491	
Amortization of deferred charges on refunding	23,833	
Compensated absences	(121,048)	
Early retirement obligations	5,000	
Landfill post-closure care liability	17,000	
Net pension liability	3,741,691	
Net OPEB liability	38,690	
Total LOSAP liability	<u>(256,245)</u>	
		\$ 4,057,153

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues. 1,420,992

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities. (2,517,349)

Change in net position of governmental activities \$ 2,946,297
Concluded

TOWN OF NEWTOWN, CONNECTICUT

STATEMENTS OF NET POSITION -

PROPRIETARY FUNDS

AS OF JUNE 30, 2024

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 757,488	\$ -	\$ 757,488	\$ 1,002,336
Investments	-	-	-	248,840
Receivables:				
Assessments and interest, net	461,236	53,120	514,356	-
User charges and interest, net	158,596	382	158,978	-
Total current assets	<u>1,377,320</u>	<u>53,502</u>	<u>1,430,822</u>	<u>1,251,176</u>
Noncurrent assets:				
Receivables:				
Assessments	3,456,747	1,143,893	4,600,640	-
Advance to other fund	322,058	-	322,058	-
Capital assets:				
Non-depreciable	45,559	408,716	454,275	-
Depreciable, net	<u>27,683,347</u>	<u>2,393,870</u>	<u>30,077,217</u>	<u>-</u>
Total noncurrent assets	<u>31,507,711</u>	<u>3,946,479</u>	<u>35,454,190</u>	<u>-</u>
Total assets	<u>32,885,031</u>	<u>3,999,981</u>	<u>36,885,012</u>	<u>1,251,176</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>32,752</u>	<u>-</u>	<u>32,752</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	185,303	271,226	456,529	-
Accrued liabilities:				
Claims	-	-	-	1,949,662
Other	40,020	-	40,020	-
Due to other funds	937,997	-	937,997	455,892
Bonds and notes payable	<u>214,000</u>	<u>-</u>	<u>214,000</u>	<u>-</u>
Total current liabilities	<u>1,377,320</u>	<u>271,226</u>	<u>1,648,546</u>	<u>2,405,554</u>
Noncurrent liabilities:				
Advances from other fund	1,659,704	1,349,006	3,008,710	-
Bonds and notes payable	<u>2,048,000</u>	<u>-</u>	<u>2,048,000</u>	<u>-</u>
Total non-current liabilities	<u>3,707,704</u>	<u>1,349,006</u>	<u>5,056,710</u>	<u>-</u>
Total liabilities	<u>5,085,024</u>	<u>1,620,232</u>	<u>6,705,256</u>	<u>2,405,554</u>
NET POSITION				
Net investment in capital assets	25,499,658	2,588,889	28,088,547	-
Unrestricted	<u>2,333,101</u>	<u>(209,140)</u>	<u>2,123,961</u>	<u>(1,154,378)</u>
Total net position	<u>\$ 27,832,759</u>	<u>\$ 2,379,749</u>	<u>\$ 30,212,508</u>	<u>\$ (1,154,378)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 935,980	\$ 278,685	\$ 1,214,665	\$ 16,888,073
Total operating revenues	<u>935,980</u>	<u>278,685</u>	<u>1,214,665</u>	<u>16,888,073</u>
OPERATING EXPENSES				
Premiums and claims	-	-	-	17,215,790
Contracted services	1,315,143	239,611	1,554,754	-
Utilities	100,006	49,318	149,324	-
Administrative and other	150,260	15,400	165,660	2,397,329
Depreciation and amortization	630,130	161,586	791,716	-
Other	6,309	-	6,309	-
Total operating expenses	<u>2,201,848</u>	<u>465,915</u>	<u>2,667,763</u>	<u>19,613,119</u>
Operating loss	(1,265,868)	(187,230)	(1,453,098)	(2,725,046)
NON-OPERATING INCOME (EXPENSE)				
Interest income	17,224	-	17,224	144,935
Bonded interest	76,140	30,063	106,203	-
Interest expense	(64,681)	(14,471)	(79,152)	-
Total non-operating income, net	<u>28,683</u>	<u>15,592</u>	<u>44,275</u>	<u>144,935</u>
Loss before transfers	(1,237,185)	(171,638)	(1,408,823)	(2,580,111)
TRANSFERS IN:				
Transfer in - capital assessment	915,000	-	915,000	-
Transfer in	-	-	-	62,762
Total transfers in	<u>915,000</u>	<u>-</u>	<u>915,000</u>	<u>62,762</u>
Change in net position	(322,185)	(171,638)	(493,823)	(2,517,349)
Net position - beginning	<u>28,154,944</u>	<u>2,551,387</u>	<u>30,706,331</u>	<u>1,362,971</u>
Net position - ending	<u>\$ 27,832,759</u>	<u>\$ 2,379,749</u>	<u>\$ 30,212,508</u>	<u>\$ (1,154,378)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for the following:				
Receipts from users	\$ 931,524	\$ 329,169	\$ 1,260,693	\$ 16,888,073
Cash paid for the following:				
Operating activities paid	(1,389,243)	(251,859)	(1,641,102)	(2,397,329)
Claims incurred	-	-	-	(16,547,576)
Net cash provided by (used in) operating activities	<u>(457,719)</u>	<u>77,310</u>	<u>(380,409)</u>	<u>(2,056,832)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund activity	<u>757,497</u>	<u>298,738</u>	<u>1,056,235</u>	<u>1,005,282</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(588,701)	(449,206)	(1,037,907)	-
Benefit assessments and interest received	259,092	87,629	346,721	-
Capital grant received	349,948	-	349,948	-
Interest paid on capital debt	(65,126)	(14,471)	(79,597)	-
Principal paid on capital debt	(206,186)	-	(206,186)	-
Net cash used in capital and related financial activities	<u>(250,973)</u>	<u>(376,048)</u>	<u>(627,021)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net proceeds from investments	-	-	-	465,657
Investment income	<u>17,224</u>	<u>-</u>	<u>17,224</u>	<u>144,935</u>
Net cash provided by investing activities	<u>17,224</u>	<u>-</u>	<u>17,224</u>	<u>610,592</u>
Net increase (decrease) in cash and cash equivalents	66,029	-	66,029	(440,958)
Cash and cash equivalents, beginning of year	<u>691,459</u>	<u>-</u>	<u>691,459</u>	<u>1,443,294</u>
Cash and cash equivalents, end of year	<u><u>\$ 757,488</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 757,488</u></u>	<u><u>\$ 1,002,336</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (1,265,868)	\$ (187,230)	\$ (1,453,098)	\$ (2,725,046)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization	630,130	161,586	791,716	-
Changes in assets and liabilities:				
User charges receivables	(4,456)	50,484	46,028	-
Accounts payable	182,475	52,470	234,945	-
Accrued liabilities	-	-	-	668,214
Net cash provided by (used in) operating activities	<u><u>\$ (457,719)</u></u>	<u><u>\$ 77,310</u></u>	<u><u>\$ (380,409)</u></u>	<u><u>\$ (2,056,832)</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets included in accounts payable	\$ -	\$ 213,697	\$ 213,697	\$ -

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2024

	Pension and Other Post- Employment Benefits Trust Funds
ASSETS	
Cash and cash equivalents	\$ 131,064
Investments:	
Mutual funds	68,316,393
Receivables	147
Total assets	<u>68,447,604</u>
LIABILITIES	
Accounts payable	<u>203,543</u>
NET POSITION	
Restricted for:	
OPEB benefits	5,031,212
Pension benefits	63,212,849
Total net position	<u><u>\$ 68,244,061</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Pension and Other Post- Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,560,621
Plan members	356,409
Total contributions	<u>2,917,030</u>
Investment earnings:	
Interest and dividends	1,766,564
Net change in the fair value of investments	<u>5,197,023</u>
	6,963,587
Less investment fees	<u>(87,171)</u>
Total investment earnings	6,876,416
Total additions	<u>9,793,446</u>
DEDUCTIONS	
Benefit payments	3,204,475
Administrative expenses	<u>38,064</u>
Total deductions	<u>3,242,539</u>
Change in net position	6,550,907
Net position - beginning	<u>61,693,154</u>
Net position - ending	<u>\$ 68,244,061</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town of Newtown, Connecticut, was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Board of Selectmen/Board of Finance/Legislative Council/Town referendum form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2022. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, water pollution control and solid waste disposal services and education encompassing grades Pre-K through 12th grade.

The legislative power of the Town is with the Board of Selectmen, Legislative Council and Town referendum. The Legislative Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets to the Legislative Council for approval at Town referendum.

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

Fiduciary Component Units - The Town has established two single-employer defined benefit pension plans and one other post-employment benefit (OPEB) plan to provide retirement and health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension and OPEB plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

Related Organizations

The C.H. Booth Library is a 501(c)3 not-for-profit organization that operates within the Town of Newtown. The First Selectman of the Town, with approval of the Board of Selectmen, appoints eight of the sixteen members of the Library's Board of Trustees. The Town owns the building and supports the operations of the Library through annual appropriations from its General Fund. The amount paid to the Library by the Town for the year ended June 30, 2024 totaled \$1,328,476.

The Town is a member of the Western Connecticut Council of Governments (the Council), which provides certain member initiated regional programs and services. The Town's First Selectman serves on the Council's Board of Directors. The Council issues publicly available financial reports.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Bonded Projects Fund - This fund is used to account for the financial activity of capital projects financed with debt proceeds.

The Town reports the following major proprietary funds:

Sewer Fund - This fund is used to account for the activities of the Town's sewer operations.

Water Fund - This fund is used to account for the activities of the Town's water operations.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for medical and dental self-insurance activities.

Pension and Other Post-Employment Benefits Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement and other post-employment benefit plans.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and post-employment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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 connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of sewer and water charges and premiums for medical and dental benefits. Operating expenses of the Town's enterprise fund include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Donor-Restricted Endowments

The Town has received certain endowments for the maintenance of Hawley School, Edmond Town Hall, the Newtown flagpole and for the care of animals. These amounts are reflected in net position as restricted for endowments. Investment income is approved for expenditure by the individual boards of the benefiting activities and is included in restricted fund balance. As of June 30, 2024, net appreciation available for appropriation is \$2,021,188. 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 on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Property Taxes

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2024 of \$383,000 and \$737,000, respectively.

Sewer and Water Charges

The Town operates a centralized wastewater treatment system and a potable water system. Upon completion of projects, assessments are levied and assess to users annually over a twenty year period. Usage charges are billed quarterly.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Sewer and Water Charges *(Continued)*

Assessments and usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible assessment and usage charges of \$74,185 and \$5,000 as of June 30, 2024, respectively.

Loans Receivable

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2024, loans receivable totaled \$244,431 under this program.

Leases (as Lessor)

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 include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. 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.

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Capital Assets *(Continued)*

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Interlocal agreement rights	30
Sewer plant	50
Sewer transmission lines	100
Roads	50-75
Bridges	100
Land improvements	20-100
Buildings	20-100
Vehicles	3-30
Equipment	5-30
Intangible assets	30-43

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time. Deferred outflows and inflows of resources consists of deferred charges on pension and OPEB expenses and deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on pension and OPEB expenses result from changes in the components of the Town's net pension and OPEB liabilities and are amortized as a component of pension and OPEB expenses on a systematic and rational basis. Deferred charges on refundings resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount has been deferred and is being amortized as a component of interest expense over the life of the related debt. Deferred inflows of resources consists of unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

Long-term Debt

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle and amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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. Bond issuance costs are expensed when incurred.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Long-term Obligations *(Continued)*

Long-term Debt (Continued)

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

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town 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 and other long-term obligations on the statement of net position.

Compensated Absences

Employees of the Town and Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. Accumulated sick leave does not vest and the payment of nonvesting accumulated sick pay depends on the future illness of the employee and, therefore, no liability has been accrued for in the financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources. All compensated absences are accrued when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e. due to resignation or retirement).

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the citizens of the Legislative Council (the highest level of decision making authority) specified by Town Charter and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. Commitments may be established, modified, or rescinded through resolutions approved by the Legislative Council.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Fund Balance *(Continued)*

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts. Intent is expressed by the passing of a resolution by the Board of Finance/Legislative Council or from a properly approved purchase order.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In accordance with the Town's policy, the Town uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Interfund Activity

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Correction Of An Error In Previously Issued Financial Statements

The Town has restated the beginning net position of its governmental activities and the fund balance of its LOSAP Fund, a nonmajor governmental fund, for the correction of an error. The effects of the restatements were as follows:

	Governmental Activities	LOSAP Fund
Net Position/Fund balance - beginning, as originally reported	\$ 280,080,015	\$ -
Recognition of investments accumulated for the purpose of paying LOSAP benefits	2,606,114	2,606,114
Recognition of the total LOSAP liability	(3,798,075)	-
	<u>(1,191,961)</u>	<u>2,606,114</u>
Net Position/Fund balance - beginning, as adjusted	<u>\$ 278,888,054</u>	<u>\$ 2,606,114</u>

The effects of the restatements on the Town's prior year change in net position of its governmental activities and the changes in fund balance of the LOSAP Fund have not been determined.

Adjustments Within The Financial Reporting Entity

The Town has reclassified a portion of its fund balance in the amount of \$740,647 from the Capital and Nonrecurring Fund, a nonmajor governmental fund, to the Parks and Recreation Surcharge Fund, a nonmajor governmental fund.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 31,614,676
Statement of fiduciary net position:	
Cash and cash equivalents	<u>131,064</u>
	31,745,740
Add: cash deposits presented as investments	284,476
Less: investments presented as cash equivalents	<u>(12,373,899)</u>
	<u>\$ 19,656,317</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits *(Continued)*

Custodial Credit Risk *(Continued)*

As of June 30, 2024, \$9,736,597 of the Town's bank balance of \$19,983,052 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,762,937
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	973,660
	<u>\$ 9,736,597</u>

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

Investments

A reconciliation of the Town's investments as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Investments	\$ 19,377,257
Statement of fiduciary net position:	
Investments	68,316,393
	<u>87,693,650</u>
Less: cash deposits presented as investments	(284,476)
Add: investments presented as cash equivalents	12,373,899
	<u>\$ 99,783,073</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

As of June 30, 2024, the Town's investments consist of the following:

Investment Type	Valuation Basis	Value	Investment Maturities (In Years)	
			Less Than 1	1 to 5
Debt Securities:				
Governmental Activities:				
Short-term Investment Fund	Amortized cost	\$ 11,247,978	\$ 11,247,978	\$ -
Money market mutual funds	Amortized cost	994,857	994,857	-
Certificates of deposits	Fair value	13,135,462	3,043,277	10,092,185
Mortgage-backed securities	Fair value	1,530,779	-	1,530,779
Fiduciary Funds:				
Money market mutual funds	Amortized cost	131,064	131,064	-
		27,040,140	\$ 15,417,176	\$ 11,622,964
Other Investments:				
Governmental Activities:				
Mutual funds	Fair value	1,550,279		
Other	Fair value	78,411		
Group annuity contact	Contract value	2,797,850		
Fiduciary Funds:				
Mutual Funds	Fair value	68,316,393		
		\$ 99,783,073		

Interest Rate Risk

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

Credit Risk

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk *(Continued)*

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

<u>Investment Type</u>	<u>AAA</u>	<u>Unrated</u>	<u>Total</u>
Debt Securities:			
<i>Governmental Activities:</i>			
Short-term Investment Fund	\$ 11,247,978	\$ -	\$ 11,247,978
Money market mutual funds	-	994,857	994,857
Certificates of deposits	-	13,135,462	13,135,462
Mortgage-backed securities	1,530,779	-	1,530,779
<i>Fiduciary Funds:</i>			
Money market mutual funds	-	131,064	131,064
	<u>\$ 12,778,757</u>	<u>\$ 14,261,383</u>	<u>\$ 27,040,140</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's other investments are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

Concentrations of Credit Risk

The Town's policy states credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institution with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the state of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

NOTE 3 - FAIR VALUE DISCLOSURES

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - FAIR VALUE DISCLOSURES (Continued)

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2024, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Governmental Activities:</i>				
Certificates of deposits	\$ -	\$ 13,135,462	\$ -	\$ 13,135,462
Mortgage-backed securities	-	1,530,779	-	1,530,779
Mutual funds	1,550,279	-	-	1,550,279
Other	78,411	-	-	78,411
<i>Fiduciary Funds:</i>				
Mutual funds	68,316,393	-	-	68,316,393
	<u>\$ 69,945,083</u>	<u>\$ 14,666,241</u>	<u>\$ -</u>	<u>84,611,324</u>
		Investments measured at amortized cost		12,373,899
		Investments measured at contract value		2,797,850
				<u>\$ 99,783,073</u>

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2024 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 28,482,596	\$ -	\$ -	\$ -	\$ 28,482,596
Intangible assets	3,986,359	-	-	-	3,986,359
Construction in progress	13,646,705	6,856,908	-	-	20,503,613
Total capital assets, not being depreciated	<u>46,115,660</u>	<u>6,856,908</u>	<u>-</u>	<u>-</u>	<u>52,972,568</u>
Capital assets, being depreciated:					
Buildings and systems	250,130,961	-	-	-	250,130,961
Land improvements	35,241,367	65,652	-	-	35,307,019
Right-to-use leased equipment	891,925	-	-	-	891,925
Machinery and equipment	19,990,923	577,541	(4,500)	-	20,563,964
Vehicles	15,293,314	813,574	(268,230)	-	15,838,658
Infrastructure	83,117,593	169,596	-	-	83,287,189
Total capital assets, being depreciated	<u>404,666,083</u>	<u>1,626,363</u>	<u>(272,730)</u>	<u>-</u>	<u>406,019,716</u>
Less accumulated depreciation and amortization for:					
Buildings and systems	48,789,815	3,315,956	-	-	52,105,771
Land improvements	13,358,523	1,348,054	-	-	14,706,577
Right-to-use leased equipment	526,494	172,041	-	-	698,535
Machinery and equipment	11,135,027	717,153	(237,531)	-	11,614,649
Vehicles	7,736,841	878,567	-	-	8,615,408
Infrastructure	22,207,113	1,197,195	-	-	23,404,308
Total accumulated depreciation and amortization	<u>103,753,813</u>	<u>7,628,966</u>	<u>(237,531)</u>	<u>-</u>	<u>111,145,248</u>
Total capital assets, being depreciated, net	<u>300,912,270</u>	<u>(6,002,603)</u>	<u>(35,199)</u>	<u>-</u>	<u>294,874,468</u>
Governmental activities capital assets, net	<u>\$ 347,027,930</u>	<u>\$ 854,305</u>	<u>\$ (35,199)</u>	<u>\$ -</u>	<u>\$ 347,847,036</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 1,244,993
Public safety	694,957
Public works	1,493,370
Health and welfare	23,813
Park and recreation	832,503
Education	3,339,330
Total depreciation and amortization expense - governmental activities	<u>\$ 7,628,966</u>

Capital asset activity for business-type activities for the year ended June 30, 2024 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Construction in progress	419,569	255,766	-	(222,060)	453,275
Total capital assets, not being depreciated	<u>420,569</u>	<u>255,766</u>	<u>-</u>	<u>(222,060)</u>	<u>454,275</u>
Capital assets, being depreciated:					
Intangible assets	1,361,000	-	-	-	1,361,000
Plant and pumping stations	16,545,119	-	-	222,060	16,767,179
Sewer distribution system	25,066,057	204,031	-	-	25,270,088
Water distribution system	2,275,502	449,206	-	-	2,724,708
Equipment	753,912	342,601	-	-	1,096,513
Vehicles	173,006	-	-	-	173,006
Total capital assets, being depreciated	<u>46,174,596</u>	<u>995,838</u>	<u>-</u>	<u>222,060</u>	<u>47,392,494</u>
Less accumulated depreciation and amortization for:					
Intangible assets	1,173,105	43,351	-	-	1,216,456
Plant and pumping stations	7,446,033	362,754	-	-	7,808,787
Sewer distribution system	5,933,093	267,385	-	-	6,200,478
Water distribution system	1,658,398	86,316	-	-	1,744,714
Equipment	153,625	31,910	-	-	185,535
Vehicles	159,307	-	-	-	159,307
Total accumulated depreciation and amortization	<u>16,523,561</u>	<u>791,716</u>	<u>-</u>	<u>-</u>	<u>17,315,277</u>
Total capital assets, being depreciated, net	<u>29,651,035</u>	<u>204,122</u>	<u>-</u>	<u>222,060</u>	<u>30,077,217</u>
Business-type activities capital assets, net	<u>\$ 30,071,604</u>	<u>\$ 459,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,531,492</u>

Depreciation and amortization expense was charged to the enterprise funds of the Town as follows:

Business-Type Activities:	
Sewer	\$ 630,130
Water	161,586
Total depreciation and amortization expense - business-type activities	<u>\$ 791,716</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2024 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Sewer Fund	\$ 937,997
	Internal Service Fund	455,892
	Other Governmental Funds	1,291,779
		<u>2,685,668</u>
Bonded Projects Fund	General Fund	3,812,001
Other Governmental Funds	General Fund	10,433,653
		<u>\$ 16,931,322</u>

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

Advances to and from other funds at June 30, 2024 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Sewer Fund	\$ 1,659,704
	Water Fund	1,026,948
		<u>\$ 2,686,652</u>
Proprietary Funds:		
Sewer Fund	Water Fund	<u>\$ 322,058</u>

Amounts due to the General Fund are related to working capital advances made to the Sewer Fund and Water Fund, which are not expected to be repaid within the next year. Amounts due to the Sewer Fund are related to working capital advances made to the Water Fund, which is payable in annual installments of \$87,262, which include interest at an annual rate of 4.0%. In addition to the above balances, the Sewer Fund has imposed an internal benefit assessment of \$915,000 on the Town's governmental activities to cover sewer improvements benefiting Town-owned property. This assessment will be paid in twenty equal annual installments of \$58,222, which includes \$45,750 in principal and \$12,472 in bonded interest. As of June 30, 2024, the remaining principal balance of the internal benefit assessment receivable is \$869,250, which is included as internal balances in the accompanying government-wide statement of net position.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds:		
General Fund	Other Governmental Funds	\$ 307,207
Other Governmental Funds	General Fund	1,702,241
	Bonded Projects Fund	3,544
		<u>1,705,785</u>
		<u>\$ 2,012,992</u>
Proprietary Funds:		
Internal Service Fund	General Fund	<u>\$ 62,762</u>

Transfers are used to move budgeted appropriations from the General Fund for funding of the Capital and Nonrecurring Fund and various programs and activities in other funds. In addition, certain interfund transfers are used to move excess revenue generated in a fiscal year from the Police Private Duty Fund to the General Fund. In addition to the above transfers, the Sewer Fund has imposed an internal benefit assessment of \$915,000 on the Town's governmental activities to cover sewer improvements benefiting Town-owned property. This amount has been reported as transfer between the governmental activities and business-type activities during the year ended June 30, 2024.

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 81,969,000	\$ 22,710,000	\$ (23,201,000)	\$ 81,478,000	\$ 7,656,000
Unamortized premiums	3,675,319	2,598,407	(1,017,770)	5,255,956	-
Total bonds payable	85,644,319	25,308,407	(24,218,770)	86,733,956	7,656,000
Notes payable	25,786	-	(10,135)	15,651	10,373
Financed purchases	36,378	-	-	36,378	23,764
<i>Other Long-term Liabilities:</i>					
Leases	381,375	-	(174,163)	207,212	37,229
Compensated absences	1,251,654	672,014	(550,966)	1,372,702	278,000
Termination benefits	10,000	-	(5,000)	5,000	5,000
Landfill post-closure care liability	34,000	-	(17,000)	17,000	17,000
Net pension liability (see Note 8)	15,606,665	-	(3,741,691)	11,864,974	-
Total LOSAP liability (see Note 8)	3,798,075	256,245	-	4,054,320	-
Net OPEB liability (see Note 9)	5,515,922	-	(38,690)	5,477,232	-
	<u>\$ 112,304,174</u>	<u>\$ 26,236,666</u>	<u>\$ (28,756,415)</u>	<u>\$ 109,784,425</u>	<u>\$ 8,027,366</u>
Business-type Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 2,476,000	-	\$ (214,000)	\$ 2,262,000	\$ 214,000

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Changes in Long-term Liabilities *(Continued)*

Long-term liabilities typically have been liquidated by the General Fund for governmental activities and the Sewer and Water Fund for business-type activities.

General Obligation Bonds and Notes Payable

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds and notes currently outstanding are as follows:

Purpose of Bonds	Fiscal Year of Issue	Original Issue	Interest Rates	Fiscal Year of Maturity	Amount Outstanding
Governmental Activities:					
General obligation bonds:					
General Obligation Refunding Bonds	2015	\$ 17,620,000	2.375% - 5.0%	2031	\$ 1,405,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	1,800,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	2,833,000
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	1,300,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	4,120,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	8,100,000
General Obligation Bonds	2020	11,500,000	3.0% - 5.0%	2040	9,335,000
General Obligation Refunding Bonds	2020	10,450,000	1.0% - 2.5%	2036	9,560,000
General Obligation Bonds	2021	7,810,000	2.0%-5.0%	2041	6,980,000
General Obligation Bonds	2022	8,430,000	3.0% - 5.0%	2042	7,580,000
General Obligation Bonds	2023	6,060,000	4.0% - 5.0%	2043	5,755,000
General Obligation Bonds	2024	9,200,000	4.0% - 5.0%	2044	9,200,000
General Obligation Refunding Bonds	2024	13,510,000	4.0% - 5.0%	2044	13,510,000
					<u>81,478,000</u>
Notes payable:					
Drinking Water Fund Note	2006	171,738	2.32%	2026	15,651
					<u>\$ 81,493,651</u>
Business-type Activities:					
General obligation bonds:					
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	\$ 182,000
General Obligation Refunding Bonds	2020	1,465,000	1.0% - 2.5%	2036	1,265,000
General Obligation Bonds	2021	915,000	2.0%-5.0%	2041	815,000
					<u>\$ 2,262,000</u>

Financed Purchases

The Town has entered into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rate of 4.0% through various maturity dates.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Advance Refundings

During the year ended June 30, 2024, the Town advance refunded \$15,055,000 of outstanding general obligation bonds (the Refunded Bonds) in order to reduce future debt service costs. The advance refunding was accomplished through the issuance of \$13,510,000 in general obligation refunding bonds with interest rates ranging from 4.0% to 5.0%. The proceeds from the refunding bonds were placed in an irrevocable trust to be used exclusively to pay off the Refunded Bonds. As a result, the Refunded Bonds are considered to be defeased, and the related liabilities have been removed from the Town's government-wide statement of net position.

The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the Refunded Bonds resulted in a deferred gain on the refunding in the amount of \$291,253. This amount has been included in deferred inflows of resources and is being amortized over the remaining life of the Refunded Bonds or the new refunding bonds, whichever is shorter. The advance refunding resulted in a cash flow savings of \$575,826 over the life of the new refunding bonds and an economic gain (the difference between the present value of the debt service payments on the refunded bonds and the new refunding bonds) of \$419,049.

The Town has refunded general obligation bonds. At June 30, 2024, \$41,030,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred gains or losses on the refundings. These amounts, net of accumulated amortization, have been presented as either a deferred outflow of resources or a deferred inflow of resources in the government-wide statement of net position and are being amortized to interest expense using the effective-interest method over the lives of the refunded bonds or the new refunding bonds, whichever is shorter. Amortization of deferred charges on refundings totaled \$16,287 for the year ended June 30, 2024. The refunded bonds are considered defeased, and the related liabilities have been removed from the Town's government-wide statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2024.

Authorized/Unissued Debt

As of June 30, 2024, the Town had authorized and unissued debt of \$1,327,933 for general purposes, \$1,120,000 for school purposes and \$530,000 for sewer purposes.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt for governmental activities are as follows:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Notes Payables		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 7,656,000	\$ 2,875,379	\$ 10,373	\$ 253	\$ 23,764	\$ 2,490
2026	7,231,000	2,607,304	5,278	36	12,614	513
2027	6,936,000	2,356,518	-	-	-	-
2028	6,176,000	2,111,214	-	-	-	-
2029	5,496,000	1,879,207	-	-	-	-
2030-2034	24,185,000	6,365,225	-	-	-	-
2035-2039	17,663,000	2,627,540	-	-	-	-
2040-2044	6,135,000	512,051	-	-	-	-
	<u>\$ 81,478,000</u>	<u>\$ 21,334,438</u>	<u>\$ 15,651</u>	<u>\$ 289</u>	<u>\$ 36,378</u>	<u>\$ 3,003</u>

The debt service requirements for the Town's long-term debt for business-type activities are as follows:

Year ending June 30:	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 214,000	\$ 52,340
2026	204,000	47,392
2027	204,000	42,371
2028	204,000	37,141
2029	184,000	31,947
2030-2034	895,000	93,964
2035-2039	267,000	25,405
2040-2041	90,000	2,700
	<u>\$ 2,262,000</u>	<u>\$ 333,260</u>

Leases

The Town is a lessee for noncancellable leases of equipment. The terms of the leases range from 4 to 12 years. The Town makes fixed monthly or annual payments with interest rates of 4.00%. The net book value of the right-to-use leased equipment totaled \$365,431 as of the end of June 30, 2024. The amount of the related lease liability was \$207,212 as of June 30, 2024. The future principal and interest lease payments as of June 30, 2024, are as follows:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 37,229	\$ 7,611	\$ 44,840
2026	32,028	6,184	38,212
2027	31,047	4,953	36,000
2028	32,312	3,688	36,000
2029	33,628	2,372	36,000
2030-2031	40,968	1,032	42,000
	<u>\$ 207,212</u>	<u>\$ 25,840</u>	<u>\$ 233,052</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Landfill Post-Closure Care Liability

The Town landfill has been closed since 1995. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the final year of the requirement is estimated to be \$17,000. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

Termination Benefits

The Town's Board of Education provides special termination benefits to former employees in the form of an early retirement incentive. Payments made by the Town for the year ended June 30, 2024 was \$5,000. As of June 30, 2024, the Town's liability for early retirement incentives totaled \$5,000.

NOTE 8 - PENSION PLANS

Defined Benefit Pension Plans

The Town accounts for activity relating to three defined benefit pension plans, (1) the Town of Newtown General Employees' and Police Personnel Retirement Plan, (2) the Connecticut Teachers' Retirement System, and (3) a Length of Service Awards Program. As of and for the year ended June 30, 2024, the plans had the following balances reported in the Town's government-wide financial statements:

	Total or Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Town of Newtown General Employees' and Police Personnel Retirement Plan	\$ 11,864,974	\$ 166,238	\$ 1,799,299	\$ -	\$ 1,031,339
Connecticut Teachers' Retirement System	-	-	-	13,821,777	13,821,777
Length of Service Award Program (LOSAP)	4,054,320	131,513	-	-	253,203
	<u>\$ 15,919,294</u>	<u>\$ 297,751</u>	<u>\$ 1,799,299</u>	<u>\$ 13,821,777</u>	<u>\$ 15,106,319</u>

Detailed disclosures for each plan follow.

Town of Newtown General Employees' and Police Personnel Retirement Plan

Plan Description

Plan Administration

The Town administers two single-employer defined benefit pension plans (the Town of Newtown Employees' Pension Plan and the Town of Newtown Police Officers Pension Plan, collectively referred to as the Town Plan), which provides pensions for all permanent full-time employees of the Town and police officers. Both of the pension plans grant the authority to establish and amend benefit terms to the Board of Selectmen. Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the Board of Selectmen. The Town currently maintains one Pension Trust Fund. All assets accumulated in the Pension Trust Fund for the payment of benefits may legally be used to pay benefits to participants of either plan. As such, the Town reports information about both plans as one defined benefit plan. The Town Plan is considered to be part of the Town's financial reporting entity. The Town Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan *(Continued)*

Summary of Significant Accounting Policies

The Town Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Town Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Town Plan.

Investments - Investments are generally reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations - As of June 30, 2024, there were no investments in any one issuer that represented 5.0% or more of the Town Plan's total investments.

Rate of return - For the year ended June 30, 2024, the annual money-weighted rate of return on the Town Plan's investments, net of pension plan investment expense was 10.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Membership

As of June 30, 2024, plan membership consisted of the following:

Inactive plan members or beneficiaries receiving benefits	219
Inactive plan members entitled to but not yet receiving benefits	79
Active plan members	194
	<u>492</u>

Benefit Provisions

Town of Newtown Employees' Pension Plan - The plan provides retirement, disability and death benefits to Board of Selectmen, uncertified Board of Education personnel, civilian police department personnel and certain employees of the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health. As of July 1, 2019, the plan has been closed to new employees. Each employee may enter the plan after six months of full service. Retirement benefits for employees are calculated as the greater of a) the difference between 2.0% of the member's average annual salary times the member's years and months of credited service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 30 years of service are eligible to retire at any age with full benefits, or at age 65 upon completion of 10 years of service.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan (Continued)

Benefit Provisions *(Continued)*

All plan members are eligible for disability benefits after 10 years of service who are determined to have a total and permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with less than 10 years of credited services shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest, unless there is a separate vesting schedule set by union contract. In addition, department heads and deputy department heads who are not considered highly compensated employees shall be fully vested when they have completed five years of service.

The plan does not have any provisions for cost of living adjustments.

Town of Newtown Police Officers' Pension Plan - The plan provides retirement, disability and death benefits to police officers. Sworn police officers may enter the plan after six months of full time service. Retirement benefits for plan members are calculated as the greater of a) the difference between 2.25% of the member's average annual salary times the member's years and months of credit service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 25 years of service are eligible to retire at any age with full benefits, or at age 60 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 1 year of service who are determined to have a total permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits; however, benefits are subject to a minimum of 25.0% of base salary and one of the following maximums: 1) job related disability paid at 85.0% of annual compensation less any other job related disability paid by the Town or 2) non-job related disability paid at 50.0% of annual compensation less any other job related disability paid by the Town. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If death is incurred in the line of duty, the benefit is equal to 50.0% of the member's accrued benefit based on credited service and annual compensation projected to the member's normal retirement date. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with 10 or more years of credited service prior to his normal, early or disability retirement date and who does not elect a refund of member contributions with credited interest, shall be vested in the accrued benefit payable at the normal retirement date. A member who is vested on his date of determination and elects a refund of member contributions and credited interest shall forfeit the entire accrued benefit. Such an election may be made any time prior to actual retirement.

Benefit terms provide for a grandfathered annual cost-of-living adjustment, which is being provided to three retired police officers/beneficiaries, in an amount equal to the less of 3.0% or 50.0% of the rate of the salary increases for new police officers.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan *(Continued)*

Contributions

Town of Newtown Employees' Pension Plan - Plan participants are required to contribute 2.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

Town of Newtown Police Officers' Pension Plan - Plan participants are required to contribute 5.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

The Town's contribution to the Plan totaled \$2,360,621 and represented 10.94% of covered payroll.

Net Pension Liability

The components of the Town's net pension liability of the Town Plan at June 30, 2024, were as follows:

Total pension liability	\$ 75,077,823
Plan fiduciary net position	63,212,849
Net pension liability	<u>\$ 11,864,974</u>
Plan fiduciary net position as a percentage of the total pension liability	84.20%

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2024, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2023	\$ 72,965,170	\$ 57,358,505	\$ 15,606,665
Changes for the year:			
Service cost	1,512,994	-	1,512,994
Interest	4,680,007	-	4,680,007
Differences between expected and actual experience	(875,873)	-	(875,873)
Change in assumption	-	-	-
Contributions - employer	-	2,360,621	(2,360,621)
Contributions - employee	-	356,409	(356,409)
Net investment income	-	6,379,853	(6,379,853)
Benefit payments, including refunds	(3,204,475)	(3,204,475)	-
Administrative expense	-	(38,064)	38,064
Net changes	<u>2,112,653</u>	<u>5,854,344</u>	<u>(3,741,691)</u>
Balance as of June 30, 2024	<u>\$ 75,077,823</u>	<u>\$ 63,212,849</u>	<u>\$ 11,864,974</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan *(Continued)*

Net Pension Liability *(Continued)*

Actuarial assumptions - The total pension liability for the Town Plan was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases, including inflation	3.00%
Investment rate of return, including inflation, net of pension plan investment expense	6.50%
Discount rate	6.50%

Mortality rates were based on the SOA PUB-10 Male and Female Pre and Post Retirement Mortality Tables, using job appropriate tables, projected generationally using the MP-2021 projection scales.

The long-term expected rate of return on the Town Plan's 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. Best estimates of geometric real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Treasury Inflation-Protected Securities (TIPS)	1.50%	4.60%
U.S. Bond	23.50%	5.00%
U.S. Bonds - Dynamic	7.00%	5.60%
High Yield Bond	1.50%	7.10%
Global Bonds	1.50%	5.10%
U.S. Large Cap Equities	24.50%	6.70%
U.S. Small Cap Equities	10.50%	6.50%
Developed International Equities	17.00%	8.90%
Emerging Market Equity Funds	8.00%	10.80%
Broad Real Assets	5.00%	6.80%

Discount rate - The discount rate used to measure the total pension liability of the Town Plan was 6.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan *(Continued)*

Net Pension Liability *(Continued)*

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town Plan, calculated using the discount rate of 6.5% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
Net pension liability	\$ 20,833,855	\$ 11,864,974	\$ 4,268,097

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense related to the Town Plan of \$1,031,339. At June 30, 2024, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ -	\$ 1,290,984	\$ (1,290,984)
Changes of assumptions	166,238	-	166,238
Difference between projected and actual earnings on plan investments	-	508,315	(508,315)
Total	<u>\$ 166,238</u>	<u>\$ 1,799,299</u>	<u>\$ (1,633,061)</u>

Amounts reported as deferred outflows and inflows of resources related to the Town Plan will be recognized as an increase (decrease) to pension expense in future years as follows:

Year ended June 30,	
2025	\$ (1,283,724)
2026	1,087,809
2027	(918,793)
2028	(518,353)
	<u>\$ (1,633,061)</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Town of Newtown General Employees' and Police Personnel Retirement Plan *(Continued)*

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town Plan as of and for the year ended June 30, 2024:

	<u>Town Plan</u>
ASSETS	
Cash and cash equivalents	\$ 116,929
Investments:	
Mutual funds	63,299,316
Receivables	147
Total assets	<u>63,416,392</u>
LIABILITIES	
Payables	203,543
Total liabilities	<u>203,543</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 63,212,849</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,360,621
Plan members	356,409
Total contributions	<u>2,717,030</u>
Investment earnings:	
Interest and dividends	1,641,554
Net change in the fair value of investments	4,800,401
	<u>6,441,955</u>
Less investments fees	(62,102)
Total investment earnings	<u>6,379,853</u>
Total additions	<u>9,096,883</u>
DEDUCTIONS	
Benefit payments	3,204,475
Administrative expenses	38,064
Total deductions	<u>3,242,539</u>
Change in net position	5,854,344
Net position - beginning	<u>57,358,505</u>
Net position - ending	<u>\$ 63,212,849</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Length of Service Award Program (LOSAP)

Plan Description

The Town sponsors a length of service award program (LOSAP), a defined benefit service award program, for the benefit of the volunteer fire, EMS, and rescue personnel of the Town's fire and emergency services companies. The plan was most recently amended as of January 1, 2022. Changes to the plan, including discontinuation of the LOSAP Plan, may be made by the Town.

Plan administration - LOSAP is a single-employer defined benefit plan administered by the Town.

Plan membership - As of the date of the latest actuarial valuation, membership consisted of the following:

Inactive plan members or beneficiaries receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	176
Active plan members	124
	<u>339</u>

Benefits provided - Normal benefits consist of the participant's number of years credited service, not to exceed 20 years, multiplied by \$10.00. The minimum benefit would be \$50.00 per month. The maximum benefit would be \$200.00 per month. Participants generally become vested in their accrued benefit upon the following schedule.

<u>Years of Service</u>	<u>Vested %</u>
0 - 4	0.0%
5	50.0%
6	60.0%
7	70.0%
8	80.0%
9	90.0%
10	100.0%

Contributions - There is no participant contribution requirements. The Town makes periodic payments to a group annuity contract based on actuarial estimates for the purpose of accumulating sufficient funds to provide for the benefits. The Town contributed \$194,512 to the group annuity contract for the year ended June 30, 2024.

Summary of Significant Accounting Policies

The LOSAP is not administered through an irrevocable trust and the assets are not protected from the Town's creditors. Accordingly, the Town reports the total LOSAP liability, which represents the actuarial present value of projected benefit payments without offset from the trust assets.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Length of Service Award Program (LOSAP) *(Continued)*

Total LOSAP Liability

The Town's LOSAP liability reported as of June 30, 2024 totaled \$4,054,320. The total LOSAP liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to a measurement date of December 31, 2023 using a discount rate of 3.79% and the RP-2000 mortality tables projected to 2030.

Changes in the Total LOSAP Liability

	Total LOSAP Liability
Balance as of June 30, 2023	\$ 3,798,075
Changes for the year:	
Service cost	61,117
Interest	148,248
Differences between expected and actual experience	-
Change in assumption	175,351
Benefit payments, including refunds	(128,471)
Net changes	<u>256,245</u>
Balance as of June 30, 2024	<u>\$ 4,054,320</u>

Sensitivity of the Total LOSAP Liability to Changes in the Discount Rate - The following presents the total LOSAP liability of the Town, as well as what the Town's total LOSAP liability would be if it were calculated using a discount rate that is 1- percentage-point lower (2.79%) or 1-percentage-point higher (4.79%) than the current discount rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Total LOSAP Liability	\$ 4,816,403	\$ 4,054,320	\$ 3,453,867

LOSAP Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized LOSAP expense of \$253,203. At June 30, 2024, the Town reported deferred outflows and inflows of resources related to the LOSAP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Changes of assumptions	<u>\$ 131,513</u>	<u>\$ -</u>	<u>\$ 131,513</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Length of Service Award Program (LOSAP) *(Continued)*

LOSAP Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to the LOSAP will be recognized as an increase to LOSAP expense in future years as follows:

Year ended June 30,	
2025	\$ 43,838
2026	43,838
2027	43,837
	<u>\$ 131,513</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the 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.

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. 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 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

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 are amended and certified by the TRB 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 amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2023. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense on the accrual basis of accounting. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.849% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u><u>\$ 17,007,295,000</u></u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u><u>\$ -</u></u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.849%	<u><u>\$ 144,361,000</u></u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$13,394,725 or 0.849% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2024.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$13,821,777 or 0.849% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2024.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	<u>100%</u>	

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 the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Defined Contribution Plans

The Town administers two single employer defined contribution plans.

One plan covers certain elected officials and “at will” employees of the Town. This plan is included in the Town’s financial statements in the Pension Trust Fund. The Board of Selectmen approved and adopted this plan on July 7, 1986, and the Board has the authority to make changes to the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on January 1st following or coincident with their commencement of employment with the Town. A participant’s employer contribution account fully vests at age 50 or upon termination of employment with the Town. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6.0% of each participant’s compensation for the year and each participant is required to contribute 2.0% of their compensation. For the year ended June 30, 2024, employer contributions were \$12,169 and employee contributions totaled \$4,026.

The second plan is a 401(a) money purchase plan that was established in January 2014. This plan applies to the following groups:

- non-union employees hired on or after December 31, 2013
- park and recreation employees hired on or after June 30, 2014
- police officers hired on or after May 5, 2015
- emergency telecommunicators and police clerical staff hired on or after July 1, 2016
- education paraeducators hired on or after July 1, 2015
- education custodial and maintenance staff hired on or after December 15, 2015
- education secretaries hired on or after November 17, 2015
- education nurses hired on or after July 1, 2017
- public works employees hired after January 1, 2019
- town hall employees hired on or after July 1, 2019

All participants are required to contribute 5.0% of their compensation. The Town contributes 15.0% of each participant’s compensation for the year for police and 5.0% of each participant’s compensation for the year for all other employees. Participants are 100% vested after one year of service and entitled to benefits at age 59½ and are no longer employed by the Town. For the year ended June 30, 2024, employer contributions were \$381,052 and employee contributions totaled \$270,583.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town of Newtown Police and Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers’ Retirement System. As of and for the year ended June 30, 2024, the two plans had the following balances reported in the Town’s government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Town of Newtown Police and Board of Education					
Other Post-employment Benefits Plan	\$ 5,477,232	\$ 872,208	\$ 2,436,714	\$ -	\$ 536,025
Connecticut Teachers’ Retirement System	-	-	-	(1,593,296)	(1,593,296)
	<u>\$ 5,477,232</u>	<u>\$ 872,208</u>	<u>\$ 2,436,714</u>	<u>\$ (1,593,296)</u>	<u>\$ (1,057,271)</u>

Detailed disclosures for each plan follow.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Town and Board of Education Plan

Plan Description

Plan Administration - The Town administers an Other Post-Employment Benefits Plan (the OPEB Plan), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides medical and dental insurance benefits for eligible retirees and their spouses through the Town's group insurance plans, which covers both active and retired members. The OPEB Plan is considered to be part of the Town's financial reporting entity. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Plan Membership - As of July 1, 2022, the date of the most recent actuarial valuation, membership data was as follows:

Inactive plan members or beneficiaries currently receiving benefits	22
Active plan members	495
	<u>517</u>

Benefits Provided - The plan provides for medical and dental insurance benefits for eligible retirees and their spouses. Benefit provisions are established by State Statutes or through negotiations between the Town and the unions representing Town employees, which are renegotiated each bargaining period. Currently, teachers retiring under the Connecticut State Teachers Retirement System are eligible to receive benefits. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age.

Contributions - Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with State Statutes. The Town funds these benefits through contributions to an Other Post-Employment Benefits Trust Fund. Town contributions are based on an actuarially determined amount. Active employees are not required to contribute to the plan, however, retirees are required to contribute 100% of their premium costs to the Town. For the year ended June 30, 2024, the Town's contribution totaled \$390,520, which represented 0.85% of covered payroll.

Summary of Significant Accounting Policies

The OPEB Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the OPEB Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

Investments - Investments are generally reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

Concentrations - The OPEB Plan's investments consist solely of investments in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2024, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 11.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. The components of the net OPEB liability of the OPEB Plan as of June 30, 2024, were as follows:

Total OPEB liability	\$ 10,508,444
Plan fiduciary net position	5,031,212
Net OPEB liability	<u>\$ 5,477,232</u>
Plan fiduciary net position as a percentage of the total pension liability	47.88%

The components of the change in the net OPEB liability of the Town's OPEB Plan for the year ended June 30, 2024, were as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2023	\$ 9,850,571	\$ 4,334,649	\$ 5,515,922
Changes for the year:			
Service cost	401,070	-	401,070
Interest	658,424	-	658,424
Changes of benefit terms	-	-	-
Changes of assumptions and differences between expected and actual experience	(153,638)	-	(153,638)
Contributions - employer	-	390,520	(390,520)
Contributions - retirees' subsidies	-	57,463	(57,463)
Net investment income	-	506,563	(506,563)
Benefit payments	(247,983)	(247,983)	-
Other	-	(10,000)	10,000
Net changes	<u>657,873</u>	<u>696,563</u>	<u>(38,690)</u>
Balance as of June 30, 2024	<u>\$ 10,508,444</u>	<u>\$ 5,031,212</u>	<u>\$ 5,477,232</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

Actuarial Assumptions - The Total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.50%
Discount rate	6.50%
Inflation	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

Mortality rates were based on the Pub-2010 Public Retirement Plans (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021. Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The long-term expected rate of returns on OPEB Plan investments were 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Core Fixed Income	20.50%	2.40%	0.49%
US Large Cap Equities	25.00%	4.10%	1.03%
US Small Cap Equities	10.00%	3.90%	0.39%
Developed Foreign Equities	18.50%	6.30%	1.17%
Dynamic Bonds	11.00%	3.00%	0.33%
High Yield Bonds	3.50%	4.50%	0.16%
Emerging Markets	6.50%	8.20%	0.53%
Real Assets	5.00%	4.20%	0.21%

Discount rate - The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

Sensitivity of the net OPEB asset to changes in the discount rate - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate of 6.5%, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 6,476,188	\$ 5,477,232	\$ 4,580,752

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 4,215,128	\$ 5,477,232	\$ 6,963,480

OPEB Plan Financial Statements

The following presents the statements of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB plan as of and for the year ended June 30, 2024.

	Other Post-Employment Benefit Trust Fund
ASSETS	
Cash and cash equivalents	\$ 14,135
Investments:	
Mutual funds	5,017,077
Total assets	<u>5,031,212</u>
NET POSITION	
Restricted for other post-employment benefits	<u>\$ 5,031,212</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Plan Financial Statements *(Continued)*

	Other Post-Employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 200,000
Total contributions	<u>200,000</u>
Investment earnings:	
Interest and dividends	125,010
Net change in the fair value of investments	<u>396,622</u>
	521,632
Less investments fees	<u>(25,069)</u>
Total investment earnings	<u>496,563</u>
Total additions	<u>696,563</u>
DEDUCTIONS	
Benefit payments	-
Administrative expenses	<u>-</u>
Total deductions	<u>-</u>
Change in net position	696,563
Net position - beginning	<u>4,334,649</u>
Net position - ending	<u><u>\$ 5,031,212</u></u>

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized OPEB expense of \$536,025. As of June 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 704,085	\$ 2,181,805	\$ (1,477,720)
Changes of assumptions	168,123	211,643	(43,520)
Difference between projected and actual earnings on OPEB plan investments	-	43,266	(43,266)
Total	<u>\$ 872,208</u>	<u>\$ 2,436,714</u>	<u>\$ (1,564,506)</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to the OPEB Plan will be recognized as a decrease to OPEB expense in future years as follows:

Year ended June 30,	
2025	\$ (206,673)
2026	(92,246)
2027	(257,951)
2028	(229,528)
2029	(185,783)
Thereafter	(592,325)
	<u>\$ (1,564,506)</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the 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.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB 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. 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, with any remaining portion is used to offset the school district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(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).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

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 TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

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

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other post-employment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2023. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.849% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2023, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		\$ 1,593,350,000
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.849%	\$ 13,525,000

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$182,276 or 0.849% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2024.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the Town totaled \$(1,593,296) or 0.849% of the total negative collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2024.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

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

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	0.77%

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate of 3.65% was used in the determination of the single equivalent rate.

NOTE 10 - RISK MANAGEMENT

Insurance

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance, except as disclosed below. During fiscal year 2024 deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town provides medical and dental coverage to eligible employees through a self-insured plan. The Town retains the risk of loss under the plan and claims are processed by a third party administrator. The Town utilizes an internal service fund to report the activities of the plan. The Town contributes based on estimates made using historical data. The Town covers all claims up to \$175,000 per employee per year with a stop-loss policy covering amounts exceeding this limit. The Town has also purchased an aggregate stop-loss policy that would cover claims exceeding 125% of the total estimated claims for the plan year. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported as of year end. This estimate is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

A summary of claims activity for the years ended June 30, 2024 and 2023 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2024	\$ 1,281,448	\$ 17,215,790	\$ 16,547,576	\$ 1,949,662
2023	1,388,697	15,849,812	15,957,061	1,281,448

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - NET POSITION/FUND BALANCE

As of June 30, 2024, fund balances have been classified based on the following purposes:

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Advances to other funds	\$ 2,686,652	\$ -	\$ -	\$ 2,686,652
Edmond Town Hall Trust	-	-	250,000	250,000
Hawley School Trust	-	-	350,000	350,000
Newtown Flagpole Trust	-	-	10,000	10,000
Inventories	-	-	130,665	130,665
	<u>2,686,652</u>	<u>-</u>	<u>740,665</u>	<u>3,427,317</u>
Restricted for:				
General government:				
Edmond Town Hall	-	-	994,292	994,292
Historic documents	-	-	57,718	57,718
Flag pole	-	-	7,107	7,107
Grant programs	-	-	37,332	37,332
Public safety:				
Law enforcement programs	-	-	16,913	16,913
Health and welfare:				
Education and care of animals	-	-	925,285	925,285
Public service initiatives	-	-	18,208	18,208
Rehabilitation programs	-	-	410	410
Park and recreation:				
Recreation programs	-	-	377,133	377,133
Cultural arts programs	-	-	180,944	180,944
Education:				
School lunch program	-	-	723,596	723,596
Education programs	-	-	1,307,820	1,307,820
Hawley School	-	-	94,504	94,504
Capital projects (unspent debt proceeds)	-	3,338,815	-	3,338,815
	<u>-</u>	<u>3,338,815</u>	<u>4,741,262</u>	<u>8,080,077</u>
Committed to:				
General government:				
Edmond Town Hall Theater	-	-	573,106	573,106
Fairfield Hills Campus	-	-	10,628	10,628
Blight	-	-	33,400	33,400
Public safety:				
LOSAP benefits			2,797,850	2,797,850
Public works:				
Septage management	-	-	143,094	143,094
Park and recreation:				
Newtown Community Center	-	-	5,542,393	5,542,393
Marina operations	-	-	656,480	656,480
Teen center programs	-	-	197,033	197,033
Education:				
Adult education programs	-	-	137,569	137,569
Other programs	-	-	84,570	84,570
Capital purposes	-	-	5,881,804	5,881,804
Debt service	-	-	1,885,887	1,885,887
Senior tax credit program	105,000	-	-	105,000
	<u>105,000</u>	<u>-</u>	<u>17,943,814</u>	<u>18,048,814</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - NET POSITION/FUND BALANCE (Continued)

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned to:				
Subsequent year's budget	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Encumbrances - General government	36,320	-	-	36,320
Encumbrances - Public safety	66,214	-	-	66,214
Encumbrances - Health and welfare	324	-	-	324
Encumbrances - Land use	6,700	-	-	6,700
Encumbrances - Public works	108,896	-	-	108,896
Encumbrances - Parks and recreation	43,352	-	-	43,352
Encumbrances - Education	358,771	-	-	358,771
	<u>1,820,577</u>	<u>-</u>	<u>-</u>	<u>1,820,577</u>
Unassigned	12,959,578	(207,748)	(44,483)	12,707,347
	<u>\$ 17,571,807</u>	<u>\$ 3,131,067</u>	<u>\$ 23,381,258</u>	<u>\$ 44,084,132</u>
				<i>Concluded</i>

Net Position/Fund Balance Deficits

Certain funds had a deficit in unrestricted net position or unassigned fund balance as of June 30, 2024. These deficits are expected to be covered as follows:

	Unassigned Fund Balance Deficit	Unrestricted Deficit in Net Position	Expected Coverage
Dog License Fund	\$ 6,672		Future fees
Police Private Duty Fund	1,546		Future charges for services
Insurance Reimbursement			
Wellness Program Fund	36,265		Future reimbursements
Bonded Projects Fund	207,748		Debt proceeds and/or transfers from General Fund
Water Fund		\$ 209,140	Future charges for services
Internal Service Fund		1,154,378	Future charges for services and/or transfers from General Fund

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Litigation, Claims and Assessments

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Property Taxes:				
Collections - current year	\$ 116,129,860	\$ 116,129,860	\$ 115,273,865	\$ (855,995)
Collections - prior years	625,000	625,000	760,360	135,360
Interest and lien fees	450,000	450,000	470,593	20,593
Motor vehicle supplement list	1,200,000	1,200,000	1,017,102	(182,898)
Telecommunications property tax	47,000	47,000	72,458	25,458
Total property taxes	<u>118,451,860</u>	<u>118,451,860</u>	<u>117,594,378</u>	<u>(857,482)</u>
Intergovernmental:				
Veterans additional exemptions	16,000	16,000	9,656	(6,344)
In lieu of taxes	514,949	514,949	566,444	51,495
Totally disabled	1,400	1,400	1,108	(292)
Town aid for roads	466,459	466,459	468,253	1,794
Grants for municipal projects	235,371	235,371	235,371	-
Municipal Stabilization Grant	267,960	267,960	267,960	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Education cost-sharing grant	4,299,938	4,299,938	4,583,462	283,524
Health services - St. Rose	29,997	29,997	26,886	(3,111)
LOCIP grant	205,601	205,601	308,872	103,271
State revenue sharing	400,000	400,000	688,049	288,049
Other grants	698,858	698,858	723,814	24,956
Total intergovernmental	<u>7,965,631</u>	<u>7,965,631</u>	<u>8,708,973</u>	<u>743,342</u>
Charges for Services:				
Town clerk - conveyance tax	600,000	600,000	662,735	62,735
Town clerk - other	225,000	225,000	175,437	(49,563)
Parks and recreation	235,000	235,000	247,297	12,297
Tuition	37,620	37,620	51,622	14,002
School generated fees	30,000	30,000	30,000	-
Building	600,000	600,000	556,737	(43,263)
Permit fees	10,000	10,000	1,475	(8,525)
Transfer Station permits	475,000	475,000	387,965	(87,035)
WPCA	135,000	135,000	135,000	-
Senior center membership fees	20,000	20,000	15,420	(4,580)
Land use	70,000	70,000	58,254	(11,746)
Total charges for services	<u>2,437,620</u>	<u>2,437,620</u>	<u>2,321,942</u>	<u>(115,678)</u>
Investment Income	<u>1,750,000</u>	<u>1,773,398</u>	<u>2,651,125</u>	<u>877,727</u>
Other Revenues:				
Miscellaneous - Police	40,000	40,000	27,564	(12,436)
Miscellaneous - Board of Education	25,000	25,000	10,159	(14,841)
Miscellaneous - Selectmen	175,000	175,000	138,236	(36,764)
Total other revenues	<u>240,000</u>	<u>240,000</u>	<u>175,959</u>	<u>(64,041)</u>
Total revenues	<u>130,845,111</u>	<u>130,868,509</u>	<u>131,452,377</u>	<u>583,868</u>

Continued

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
General Government:				
Selectmen	\$ 469,444	\$ 540,121	\$ 540,070	\$ (51)
Selectmen - other	165,100	165,100	142,476	(22,624)
Human Resources	137,133	147,654	145,322	(2,332)
Tax Collector	417,783	420,797	407,339	(13,458)
Purchasing	84,002	84,701	83,616	(1,085)
Probate Court	9,001	9,826	9,825	(1)
Town Clerk	324,335	326,174	306,202	(19,972)
Registrars	191,930	203,452	200,981	(2,471)
Assessor	357,148	358,359	346,810	(11,549)
Finance	584,982	617,905	617,469	(436)
Technology	797,818	800,197	777,975	(22,222)
Unemployment	5,000	5,000	1,259	(3,741)
OPEB contribution	189,160	191,685	191,685	-
Professional organizations	41,756	41,756	41,506	(250)
Insurance	1,120,000	1,146,000	1,135,186	(10,814)
Legislative Council	47,940	61,940	61,727	(213)
District contributions	5,000	5,000	-	(5,000)
Sustainable Energy Commission	300	300	93	(207)
Fairfield Hills	40,000	40,151	40,151	-
Total General Government	4,987,832	5,166,118	5,049,692	(116,426)
Public Safety:				
Building Department	430,941	433,396	430,899	(2,497)
Emergency communications	1,272,825	1,276,085	1,254,082	(22,003)
Police	7,871,705	7,921,320	7,901,525	(19,795)
Fire	1,454,579	1,468,774	1,456,902	(11,872)
Emergency management	40,090	40,090	36,487	(3,603)
Animal Control	181,826	182,724	182,673	(51)
Lake authorities	73,117	73,117	73,117	-
N.W. safety communications	11,590	11,590	11,489	(101)
Emergency medical services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
Total Public Safety	11,606,923	11,677,346	11,617,174	(60,172)
Health and Welfare:				
Social services	348,968	350,449	343,841	(6,608)
Senior services	362,137	362,593	360,519	(2,074)
Outside agencies	261,506	276,279	276,028	(251)
Youth & Family services	305,467	306,478	306,190	(288)
Newtown Health District	454,898	457,929	450,410	(7,519)
Total Health and Welfare	1,732,976	1,753,728	1,736,988	(16,740)

Continued

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Planning:				
Land Use	\$ 757,579	\$ 756,794	\$ 683,976	\$ (72,818)
Economic and Community Development	143,036	145,104	117,930	(27,174)
Grants administration	29,523	29,320	28,604	(716)
N.W. Conservation District	1,040	1,040	1,040	-
Total Planning	<u>931,178</u>	<u>932,258</u>	<u>831,550</u>	<u>(100,708)</u>
Public Works:				
Highway	8,988,418	9,092,433	9,022,783	(69,650)
Winter maintenance	718,430	662,712	662,710	(2)
Transfer station	1,877,028	1,878,343	1,835,458	(42,885)
Public building maintenance	1,164,521	1,145,964	948,582	(197,382)
Total Public Works	<u>12,748,397</u>	<u>12,779,452</u>	<u>12,469,533</u>	<u>(309,919)</u>
Recreation and Leisure:				
Parks and Recreation	2,669,753	2,702,422	2,672,972	(29,450)
Booth Library	1,327,231	1,328,477	1,328,476	(1)
Newtown Parade Committee	1,600	1,600	-	(1,600)
Total Recreation and Leisure	<u>3,998,584</u>	<u>4,032,499</u>	<u>4,001,448</u>	<u>(31,051)</u>
Education	<u>85,069,651</u>	<u>85,069,651</u>	<u>85,069,651</u>	<u>-</u>
Contingency	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:				
Principal	7,455,861	7,455,861	7,455,861	-
Interest and fiscal charges	2,343,371	2,239,334	2,213,331	(26,003)
Total Debt Service	<u>9,799,232</u>	<u>9,695,195</u>	<u>9,669,192</u>	<u>(26,003)</u>
Total expenditures	<u>130,989,773</u>	<u>131,106,247</u>	<u>130,445,228</u>	<u>(661,019)</u>
Other Financing Sources (Uses):				
Appropriation of fund balance	1,500,680	1,500,680	-	(1,500,680)
Cancellation of prior year encumbrances	-	-	61,203	61,203
Transfers in	250,000	250,000	307,207	57,207
Transfers out:				
Edmond Town Hall Fund	(209,688)	(211,217)	(211,217)	-
Capital and Nonrecurring Fund - Town	(1,300,180)	(1,300,180)	(1,300,180)	-
Other Funds	(96,150)	(1,545)	(1,545)	-
Total other financing sources (uses)	<u>144,662</u>	<u>237,738</u>	<u>(1,144,532)</u>	<u>(1,382,270)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (137,383)</u>	<u>\$ (137,383)</u>

Concluded

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 1,512,994	\$ 1,547,311	\$ 1,717,082	\$ 1,708,489	\$ 1,579,726	\$ 1,757,544	\$ 1,682,271	\$ 1,470,642	\$ 1,458,028	\$ 1,369,633
Interest	4,680,007	4,543,504	4,459,697	4,253,575	4,163,460	4,116,599	3,964,240	3,642,643	3,476,233	3,153,241
Differences between expected and actual experience	(875,873)	(1,812,363)	(18,509)	(769,578)	(1,721,108)	(863,332)	(1,369,101)	623,086	(690,374)	(1,273,135)
Changes of assumptions	-	-	-	3,491,022	-	-	-	4,095,514	-	1,589,661
Benefit payments, including refunds	(3,204,475)	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)
Net change in total pension liability	2,112,653	1,322,971	3,300,562	5,980,386	1,461,665	2,686,321	2,249,687	7,899,406	2,409,163	3,122,387
Total pension liability - beginning	72,965,170	71,642,199	68,341,637	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622
Total pension liability - ending	75,077,823	72,965,170	71,642,199	68,341,637	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009
Plan fiduciary net position										
Contributions - employer	2,360,621	2,251,611	2,477,089	2,474,344	2,377,806	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889
Contributions - members	356,409	374,831	391,667	418,325	431,858	457,286	475,316	488,239	474,546	458,556
Net investment income	6,379,853	5,461,315	(7,568,499)	12,381,008	1,872,506	2,310,752	2,957,771	4,641,117	(991,005)	967,771
Benefit payments, including refunds	(3,204,475)	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)
Administrative expense	(38,064)	(59,005)	(66,121)	(44,640)	(59,654)	(65,658)	(36,574)	(27,086)	(17,500)	(74,654)
Net change in plan fiduciary net position	5,854,344	5,073,271	(7,623,572)	12,525,915	2,062,103	2,621,791	3,254,093	4,857,605	(945,946)	1,010,549
Plan fiduciary net position - beginning	57,358,505	52,285,234	59,908,806	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696
Plan fiduciary net position - ending	63,212,849	57,358,505	52,285,234	59,908,806	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245
Town's net pension liability	<u>\$ 11,864,974</u>	<u>\$ 15,606,665</u>	<u>\$ 19,356,965</u>	<u>\$ 8,432,831</u>	<u>\$ 14,978,360</u>	<u>\$ 15,578,798</u>	<u>\$ 15,514,268</u>	<u>\$ 16,518,674</u>	<u>\$ 13,476,873</u>	<u>\$ 10,121,764</u>
Plan fiduciary net position as a percentage of total pension liability	84.20%	78.61%	72.98%	87.66%	75.98%	74.42%	73.35%	70.48%	71.96%	77.83%
Covered payroll	\$ 14,050,461	\$ 14,580,545	\$ 15,927,811	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368
Town's net pension liability as a percentage of covered payroll	84.45%	107.04%	121.53%	50.64%	86.62%	84.68%	82.22%	90.76%	73.08%	57.10%

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,360,621	\$ 2,251,611	\$ 2,477,089	\$ 2,474,343	\$ 2,378,512	\$ 2,243,901	\$ 1,885,303	\$ 1,687,815	\$ 1,422,737	\$ 1,373,207
Contributions in relation to the actuarially determined contribution	2,360,621	2,251,611	2,477,089	2,474,344	2,377,806	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (1)	\$ 706	\$ -	\$ -	\$ 1	\$ -	\$ (2,682)
Covered payroll	\$ 14,050,461	\$ 14,580,545	\$ 15,927,811	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368
Contributions as a percentage of covered payroll	16.80%	15.44%	15.55%	14.86%	13.75%	12.20%	9.99%	9.27%	7.71%	7.76%
Annual money-weighted rate of return, net of investment expense	10.94%	10.65%	-12.40%	25.89%	4.26%	5.22%	7.30%	13.30%	-2.83%	2.49%

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY -
LENGTH OF SERVICE AWARD PROGRAM (UNAUDITED)
LAST FISCAL YEAR*

	2024**
Total LOSAP liability	
Service Cost	\$ 61,117
Interest	148,248
Differences between expected and actual experience	-
Changes of assumptions	175,351
Benefit payments, including refunds	<u>(128,471)</u>
Net change in total LOSAP liability	256,245
Total LOSAP liability - beginning	<u>3,798,075</u>
Total LOSAP liability - ending	<u><u>\$ 4,054,320</u></u>

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

** Total LOSAP liability is measured as of December 31 within each fiscal year.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS
(Rounded to nearest thousand)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	144,361,491	156,271,000	127,947,000	161,548,000	144,298,000	111,262,000	116,319,000	122,717,000	99,707,000	92,159,000
Total	<u>\$ 144,361,491</u>	<u>\$ 156,271,000</u>	<u>\$ 127,947,000</u>	<u>\$ 161,548,000</u>	<u>\$ 144,298,000</u>	<u>\$ 111,262,000</u>	<u>\$ 116,319,000</u>	<u>\$ 122,717,000</u>	<u>\$ 99,707,000</u>	<u>\$ 92,159,000</u>
Town's covered payroll	\$ 42,415,000	\$ 39,015,000	\$ 38,580,000	\$ 37,313,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000	\$ 35,536,000	\$ 37,062,000	\$ 35,722,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST EIGHT FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 401,070	\$ 338,089	\$ 323,840	\$ 304,607	\$ 298,573	\$ 310,817	\$ 301,764	\$ 292,975
Interest	658,424	595,811	547,772	583,181	546,188	625,860	607,177	568,628
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(153,638)	490,105	359,350	(978,697)	(184,508)	(1,800,782)	(363,565)	(397,054)
Changes of assumptions	-	(244,973)	-	167,785	-	84,984	-	-
Benefit payments, including refunds	(247,983)	(308,515)	(697,640)	68,390	(298,897)	(476,145)	(85,531)	(109,120)
Net change in total OPEB liability	657,873	870,517	533,322	145,266	361,356	(1,255,266)	459,845	355,429
Total OPEB liability - beginning	9,850,571	8,980,054	8,446,732	8,301,466	7,940,110	9,195,376	8,735,531	8,380,102
Total OPEB liability - ending	10,508,444	9,850,571	8,980,054	8,446,732	8,301,466	7,940,110	9,195,376	8,735,531
Plan fiduciary net position								
Contributions - employer	390,520	436,939	855,666	93,853	458,377	633,528	285,531	255,287
Contributions - retirees' subsidies	57,463	71,576	41,974	37,757	40,520	42,617	-	53,833
Net investment income	506,563	391,781	(555,706)	788,694	103,577	140,697	164,582	241,743
Benefit payments, including refunds	(247,983)	(308,515)	(697,640)	68,390	(298,897)	(331,602)	(230,074)	(109,120)
Administrative expenses	(10,000)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	696,563	591,781	(355,706)	988,694	303,577	485,240	220,039	441,743
Plan fiduciary net position - beginning	4,334,649	3,742,868	4,098,574	3,109,880	2,806,303	2,321,063	2,101,024	1,659,281
Plan fiduciary net position - ending	5,031,212	4,334,649	3,742,868	4,098,574	3,109,880	2,806,303	2,321,063	2,101,024
Town's net OPEB liability	\$ 5,477,232	\$ 5,515,922	\$ 5,237,186	\$ 4,348,158	\$ 5,191,586	\$ 5,133,807	\$ 6,874,313	\$ 6,634,507
Plan fiduciary net position as a percentage of total OPEB liability	47.88%	44.00%	41.68%	48.52%	37.46%	35.34%	25.24%	24.05%
Covered payroll	\$ 45,988,000	\$ 44,910,000	\$ 42,808,000	\$ 41,804,000	\$ 37,563,000	\$ 36,469,000	\$ 38,409,000	\$ 37,290,000
Town's net OPEB liability as a percentage of covered payroll	11.91%	12.28%	12.23%	10.40%	13.82%	14.08%	17.90%	17.79%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST EIGHT FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 928,978	\$ 771,090	\$ 756,377	\$ 782,270	\$ 768,072	\$ 874,889	\$ 865,530	\$ 814,292
Contributions in relation to the actuarially determined contribution**	390,520	436,939	855,666	93,853	458,377	633,528	285,531	255,287
Contribution deficiency (excess)	<u>\$ 538,458</u>	<u>\$ 334,151</u>	<u>\$ (99,289)</u>	<u>\$ 688,417</u>	<u>\$ 309,695</u>	<u>\$ 241,361</u>	<u>\$ 579,999</u>	<u>\$ 559,005</u>
Covered payroll	\$ 45,988,000	\$ 44,910,000	\$ 42,808,000	\$ 41,804,000	\$ 37,563,000	\$ 36,469,000	\$ 38,409,000	\$ 37,290,000
Contributions as a percentage of covered payroll	0.85%	0.97%	2.00%	0.22%	1.22%	1.74%	0.74%	0.68%
Annual money-weighted rate of return, net of investment expense	11.24%	9.98%	-12.97%	23.96%	3.46%	5.31%	7.21%	13.64%

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

** Contributions include amounts contributed directly into the OPEB Trust and amounts paid by the Town's Healthcare Internal Service Fund.

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*
(Rounded to Nearest Thousand)

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	13,525,000	13,686,000	13,940,000	24,095,000	22,504,000	22,242,000	29,939,000
Total	<u>\$ 13,525,000</u>	<u>\$ 13,686,000</u>	<u>\$ 13,940,000</u>	<u>\$ 24,095,000</u>	<u>\$ 22,504,000</u>	<u>\$ 22,242,000</u>	<u>\$ 29,939,000</u>
Town's covered payroll	\$ 39,859,000	\$ 40,076,000	\$ 38,046,000	\$ 38,046,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund (the only fund for which a legal budget is adopted) financial statements:

By February 1st	All Town departments, except the School System, submit the budget requests to the Board of Selectmen.
By February 14th	The Board of Selectmen reviews budgets with department heads and makes revisions and submits Selectmen's budget to the Board of Finance.
By the first Wednesday in March	The Board of Finance holds a public hearing on the budget and reviews and makes revisions.
By March 14th	The Board of Finance submits the Town of Newton budget to the Legislative Council.
By the last Wednesday in March	The Legislative Council holds a public hearing on the budget and makes final revisions.
On the fourth Tuesday in April	The Annual Budget Referendum is presented the budget and vote for adoption.

- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Town's charter, are authorized to transfer budgeted appropriations within a department up to \$50,000. All transfers within a department that exceed the sum of \$50,000 shall require the approval of the Board of Finance. The Board of Finance may transfer any unencumbered appropriation from one department to another up to \$200,000. All transfers between departments, which exceed the sum of \$200,000 as well as all contingency transfers, shall require the approval of the Legislative Council. After 335 days, the Legislative Council approves all transfers. The Legislative Council may approve special and/or emergency appropriations up to an aggregate of \$1,500,000 for any one purpose per year. Special and/or emergency appropriations in excess of an amount equal to one mil on the most recently completed grand list shall be recommended by the Legislative Council to the Town referendum. During the year ended June 30, 2024, no additional appropriations were authorized.
- 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, Legislative Council and, if necessary, Town Meeting approval.
- Formal budgetary integration is employed as a management control device during the year. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information *(Continued)*

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

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2024:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 131,452,377	\$ 130,445,228	\$ (1,144,532)	\$ (137,383)
"On-behalf" payments -				
State Teachers Retirement Fund	13,577,001	13,577,001	-	-
Encumbrances:				
June 30, 2024	-	(598,017)	-	598,017
June 30, 2023	-	1,092,343	(61,203)	(1,153,546)
Reimbursement for certain costs				
recorded as a reduction to expenditures				
for budgetary purposes	343,690	343,690	-	-
Certain items recorded as transfers				
for budgetary purposes	-	(252,061)	(252,061)	-
Bond refunding not recorded				
for budgetary purposes	-	134,357	134,357	-
GAAP basis	<u>\$ 145,373,068</u>	<u>\$ 144,742,541</u>	<u>\$ (1,323,439)</u>	<u>\$ (692,912)</u>

NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN OF NEWTOWN RETIREMENT SYSTEM

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the net pension liability as of June 30, 2024.

Assumption Changes - There were no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENTS RETURNS - TOWN OF NEWTOWN RETIREMENT SYSTEM

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2024:

Actuarial cost method:	Entry Age Normal
Amortization method:	Closed level dollar method; 20 Year amortization of initial base, future gains and losses over 10 years
Remaining amortization period:	20 years (as of July 1, 2017)
Asset valuation method:	5-year smoothed market
Inflation:	2.00%
Investment rate of return, including inflation:	6.50%, net of pension plan investment expenses
Salary increases, including inflation:	3.00%
Retirement age:	Normal Retirement Date or on Valuation Date if past normal retirement date

NOTE 4 - SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY

The Town began to report this schedule in the current fiscal year. GASB Statement No. 73 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of December 31, 2022. This information is utilized by the Town for reporting as of June 30, 2024.

Benefit Changes - There have been no changes in benefit terms that had a significant effect on the measurement of the total LOSAP liability as of June 30, 2024.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the total LOSAP liability as of June 30, 2023.

NOTE 5 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2024.

Benefit changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability as of June 30, 2024.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER-POST EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023.

Benefit Changes - There have been no benefit term changes that had a significant effect on the measurement of the net OPEB liability as of June 30, 2024.

Assumption Changes - There have been no assumption changes that had a significant effect on the measurement of the net OPEB liability as of June 30, 2024.

NOTE 7 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER-POST EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

The July 1, 2023 Actuarial Valuation directly calculated the July 1, 2023 Total OPEB Liability (TOL). The July 1, 2023 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2024. The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2024:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of salary, closed
Remaining amortization period:	18 years (as of July 1, 2022)
Asset valuation method:	Market Value
Inflation:	2.40%
Investment rate of return:	6.50%
Healthcare cost trend rates:	6.50%, current 4.40%, final
Mortality:	
Certified employees	Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM *(Continued)*

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2024.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability as of June 30, 2024.

Assumption Changes - There were no assumption changes that had a significant effect on the measurement of the collective net OPEB liability as of June 30, 2024.

Appendix B

Form of Opinion of Bond Counsel

[FORM OF OPINION OF BOND COUNSEL]

September __, 2025

Town of Newtown,
Newtown, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Newtown, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated September __, 2025 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$15,710,000 Town of Newtown, Connecticut General Obligation Bonds, Issue of 2025, dated September __, 2025 (the “Bonds”), maturing on September 15 in each of the years, in the principal amounts and bearing interest payable on March 15, 2026 and semiannually thereafter on September 15 and March 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2026	\$790,000	____%	2036	\$785,000	____%
2027	790,000	_____	2037	785,000	_____
2028	785,000	_____	2038	785,000	_____
2029	785,000	_____	2039	785,000	_____
2030	785,000	_____	2040	785,000	_____
2031	785,000	_____	2041	785,000	_____
2032	785,000	_____	2042	785,000	_____
2033	785,000	_____	2043	785,000	_____
2034	785,000	_____	2044	785,000	_____
2035	785,000	_____	2045	785,000	_____

with principal payable at the principal office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of August and February in each year, by check mailed to such registered owner at the address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Respectfully,

Appendix C

Form of Continuing Disclosure Agreement

[FORM OF CONTINUING DISCLOSURE AGREEMENT]

CONTINUING DISCLOSURE AGREEMENT

Town of Newtown, Connecticut
\$15,710,000 General Obligation Bonds, Issue of 2025
dated September ___, 2025

September ___, 2025

WHEREAS, the Town of Newtown, Connecticut (the “Town”) has heretofore authorized the issuance of \$15,710,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2025, dated September ___, 2025 (the “Bonds”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated September ___, 2025 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated September ___, 2025 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Fiscal Year End” shall mean the last day of the Town’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

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

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;

(G) the ratios of total direct debt and total overall net debt of the Town to the Town’s net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Town’s pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town’s audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF NEWTOWN, CONNECTICUT

By: _____
Name: Arthur Jeffrey Capeci
Title: First Selectman

By: _____
Name: Glenys R. Salas
Title: Director of Finance

Appendix D

Notice of Sale

NOTICE OF SALE
\$15,710,000
TOWN OF NEWTOWN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2025

Electronic bids (as described herein) will be received by the **TOWN OF NEWTOWN, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Wednesday,

SEPTEMBER 10, 2025

(the “Sale Date”) for the purchase of all, but not less than all, of the \$15,710,000 Town of Newtown, Connecticut General Obligation Bonds, Issue of 2025 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated September 24, 2025, mature in the principal amounts of \$790,000 on September 15 in each of the years 2026 to 2027, both inclusive, and \$785,000 on September 15 in each of the years 2028 to 2045, both inclusive, bear interest payable on March 15, 2026 and semiannually thereafter on September 15 and March 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated September 2, 2025 (the “Preliminary Official Statement”).

The Bonds maturing on or before September 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after September 15, 2033, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date]:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 15, 2033 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

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

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$15,710,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to September 24, 2025, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to September 24, 2025, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Barry J. Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal

Advisors, Inc. (“Phoenix Advisors”), Email: bbernabe@muniadvisors.com, Telephone: (203) 283-1110, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about September 24, 2025. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished a reasonable number of copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Barry J. Bernabe, Managing Director, Phoenix Advisors, Email: bbernabe@muniadvisors.com, Telephone: (203) 283-1110, municipal advisor to the Town.

ARTHUR JEFFREY CAPECI

First Selectman

GLENYS R. SALAS

Director of Finance

September 2, 2025

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Newtown, Connecticut
\$15,710,000 General Obligation Bonds, Issue of 2025

The undersigned, on behalf of [NAME OF UNDER/REP], [on behalf of itself and [OTHER UNDER], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated September 2, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
09/15/2026	\$790,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2027	790,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2028	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2029	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2030	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2031	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2032	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2033	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2034	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2035	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2036	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2037	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2038	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2039	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2040	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2041	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2042	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2043	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2044	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
09/15/2045	785,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]

By: _____
Name: _____
Title: _____

Email this completed and executed certificate to the following by 5:00 P.M. on September 11, 2025:

Bond Counsel: kpalmer@rc.com

Municipal Advisor: bbernabe@muniadvisors.com

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