

**TOWN OF MONTVILLE, CONNECTICUT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Montville, 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 Montville, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Montville, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montville, Connecticut, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Change in Accounting Principle***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Montville, Connecticut's basic financial statements. The combining and individual major fund financial statements, schedules and report of property tax collections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, schedules and report of property tax collections 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 statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Town Council  
Town of Montville, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the Town of Montville, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Montville, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Montville, Connecticut's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 24, 2023

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The management of the Town of Montville, 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, 2022.

**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 \$146,832,218 (net position). Of this amount, \$17,326,648 represents unrestricted net position. Of this amount, \$10,034,794 represents the unrestricted net position attributed to the operations of the Town's Sewer and Water Departments (business-type activities) and \$7,291,854 represents the unrestricted net position attributed to the Town's governmental activities.
- The Town's total net position increased by \$3,375,076 during the current fiscal year, which consisted of a current year increase of \$3,677,298 (Exhibit II) relating to the Town's governmental activities and a decrease of \$302,222 relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$21,994,220, a current year decrease of \$670,018 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$12,946,423 or 18% of general fund expenditures and transfers out.
- Overall Town debt, consisting of bonds, notes and financed purchases, decreased by \$4,738,014 or 18.6% in comparison to the prior year. This decrease was due to current year scheduled payments.

**Overview of the Financial Highlights**

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/inflows of resources, and liabilities, with net position as the residual of these 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 MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

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 works, public safety, health and welfare, recreation and leisure and education. The business-type activities of the Town include sewer and water activities.

The government-wide financial statements can be found on Exhibit I and II 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. There are no fiduciary fund to report in the current year.

***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, the Bonded Projects Fund and American Rescue Plan Fund, all 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 basic governmental fund financial statements can be found on Exhibit III and IV of this report.

***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 enterprise funds to account for its sewer and water operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

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 its risk management activities. 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 Exhibits V, VI, and VII of this report.

**Note 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 23 through 64 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 other supplementary information which can be found on pages 66 through 88 of this report, respectively.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Montville, Connecticut, assets and deferred outflows exceeded liabilities and deferred inflows of resources exceeded by \$146,832,218 at the close of the fiscal year.

**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and Other Assets	\$ 32,500,014	\$ 33,977,756	\$ 13,090,147	\$ 13,558,688	\$ 45,590,161	\$ 47,536,444
Capital Assets, Net of Accumulated Depreciation and Amortization	96,922,830	97,501,911	48,552,211	48,159,372	145,475,041	145,661,283
Total Assets	<u>129,422,844</u>	<u>131,479,667</u>	<u>61,642,358</u>	<u>61,718,060</u>	<u>191,065,202</u>	<u>193,197,727</u>
<b>Deferred Outflows of Resources</b>	5,395,395	8,310,481	626,085	1,009,050	6,021,480	9,319,531
Current and Other Liabilities	10,544,597	11,321,019	993,128	605,746	11,537,725	11,926,765
Long-Term Liabilities Outstanding	28,323,642	39,948,909	2,884,213	3,881,007	31,207,855	43,829,916
Total Liabilities	<u>38,868,239</u>	<u>51,269,928</u>	<u>3,877,341</u>	<u>4,486,753</u>	<u>42,745,580</u>	<u>55,756,681</u>
<b>Deferred Inflows of Resources</b>	6,717,660	2,965,178	791,224	338,257	7,508,884	3,303,435
<b>Net Position:</b>						
Net Investments in Capital Assets	80,882,699	77,926,330	47,565,084	47,065,080	128,447,783	124,991,410
Restricted	1,057,787	934,252	-	-	1,057,787	934,252
Unrestricted	<u>7,291,854</u>	<u>6,694,460</u>	<u>10,034,794</u>	<u>10,837,020</u>	<u>17,326,648</u>	<u>17,531,480</u>
Total Net Position	<u>\$ 89,232,340</u>	<u>\$ 85,555,042</u>	<u>\$ 57,599,878</u>	<u>\$ 57,902,100</u>	<u>\$ 146,832,218</u>	<u>\$ 143,457,142</u>

As of June 30, 2022, 87% of the Town's net position reflects its net investment in capital assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The remainder of the Town's net position is considered unrestricted. Overall, net position increased by \$3,375,076 in comparison with the prior year.

**Changes in Net Position**

Changes in net position for the years ended June 30, 2022 and 2021 are as follows. Reclassifications have been made to the amounts reported for the year ended June 30, 2021 to conform with the current year presentation.

**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 4,994,060	\$ 3,265,649	\$ 6,489,416	\$ 6,005,130	\$ 11,483,476	\$ 9,270,779
Operating Grants and Contributions	21,245,764	28,088,696	-	-	21,245,764	28,088,696
Capital Grants and Contributions	319,661	458,568	940,630	300,457	1,260,291	759,025
General Revenues:						
Property Taxes	44,157,867	43,447,723	-	-	44,157,867	43,447,723
Grants Not Restricted to Specific Programs	4,661,637	3,194,212	-	-	4,661,637	3,194,212
Unrestricted Investment Earnings	24,069	128,565	29,314	23,808	53,383	152,373
Miscellaneous Revenue	121,927	146,725	-	-	121,927	146,725
<b>Total Revenues</b>	<b>75,524,985</b>	<b>78,730,138</b>	<b>7,459,360</b>	<b>6,329,395</b>	<b>82,984,345</b>	<b>85,059,533</b>
<b>Expenses:</b>						
General Government	8,666,481	8,564,632	-	-	8,666,481	8,564,632
Public Safety	5,805,460	6,292,378	-	-	5,805,460	6,292,378
Public Works	4,996,611	5,405,740	-	-	4,996,611	5,405,740
Health and Welfare	380,133	426,589	-	-	380,133	426,589
Recreation and Leisure	449,548	487,536	-	-	449,548	487,536
Education	51,057,750	54,719,603	-	-	51,057,750	54,719,603
Interest and Fiscal Charges	491,704	304,626	-	-	491,704	304,626
Sewer Department	-	-	6,344,025	5,819,281	6,344,025	5,819,281
Water Department	-	-	1,417,557	1,319,716	1,417,557	1,319,716
<b>Total Expenses</b>	<b>71,847,687</b>	<b>76,201,104</b>	<b>7,761,582</b>	<b>7,138,997</b>	<b>79,609,269</b>	<b>83,340,101</b>
<b>Change in Net Position</b>	<b>3,677,298</b>	<b>2,529,034</b>	<b>(302,222)</b>	<b>(809,602)</b>	<b>3,375,076</b>	<b>1,719,432</b>
Net Position at Beginning of Year	85,555,042	83,026,008	57,902,100	58,711,702	143,457,142	141,737,710
<b>Net Position at End of Year</b>	<b>\$ 89,232,340</b>	<b>\$ 85,555,042</b>	<b>\$ 57,599,878</b>	<b>\$ 57,902,100</b>	<b>\$ 146,832,218</b>	<b>\$ 143,457,142</b>

**Governmental Activities**

Governmental activities increased the Town's net position by a current year change of \$3,677,298. The increase is primarily attributable to an increase in grants and tax revenue along with an increase in capital assets.

**Business-Type Activities**

Business-type activities decreased the Town's net position by a current year change of \$302,222. The current year decrease is primarily attributable to an increase in expenditures for chemical and an increase in pension costs.

**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.

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

**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 \$21,944,220.

**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 \$12,946,423. 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 18% of general fund expenditures and transfers out.

The overall fund balance of the Town's General Fund increased by \$72,103 during the current fiscal year, which was primarily due to normal fund activity offset by grant and tax revenue increases.

**Bonded Projects Fund**

There was no change in the fund balance of the Bonded Projects Fund.

**American Rescue Plan Fund**

The American Rescue Plan Fund accounts for resources received as a result of American Rescue Plan Act (ARPA).

**General Fund Budgetary Highlights**

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$940,836. Expenditures were \$82,066 less than budgeted and total budgetary revenues were \$1,050,831 more than expected. The revenue surplus was primarily due to an increase in tax and state grant revenue, the sale of town property and charges for services from police private duty. During the year ended June 30, 2022, the Town Council approved additional appropriations of \$-0- from fund balance.

**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, 2022 totaled \$145,475,041 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, distribution and collection systems, machinery and equipment, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$186,242. Major capital asset events during the current fiscal year included the following:

- Outlays for Public Works Road Paving totaling \$1,701,410
- Outlays for Public Works Elgin Sweeper totaling \$270,959
- Outlays for the 3 new Police Vehicles totaling \$185,053

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

- Outlays for the purchase of the new Public Works Freightliner Plow Truck for \$209,010

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,248,490	\$ 2,227,080	\$ 1,127,031	\$ 1,127,031	\$ 3,375,521	\$ 3,354,111
Construction in Progress	1,569,221	2,421,660	1,693,742	326,263	3,262,963	2,747,923
Land Improvements	4,055,538	4,141,578	411,366	420,391	4,466,904	4,561,969
Buildings and Improvements	68,477,824	69,669,168	11,227,741	11,724,435	79,705,565	81,393,603
Distribution and Collection System	-	-	27,907,493	28,383,925	27,907,493	28,383,925
Machinery and Equipment	5,976,635	6,100,707	6,166,421	6,177,327	12,143,056	12,278,034
Right-to-Use Asset	137,694	-	18,417	-	156,111	-
Infrastructure	14,457,428	12,941,718	-	-	14,457,428	12,941,718
Total	\$ 96,922,830	\$ 97,501,911	\$ 48,552,211	\$ 48,159,372	\$ 145,475,041	\$ 145,661,283

Additional information on the Town's capital assets can be found in Note 1 and Note 5 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the Town had total debt, consisting of bonds, notes and capital leases payable, outstanding of \$20,786,684. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$4,738,014 or 18.6% during the current fiscal year. This decrease was due to current year scheduled repayments.

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.

**Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 18,636,000	\$ 22,576,000	\$ 810,000	\$ 900,000	\$ 19,446,000	\$ 23,476,000
Note Payable	-	-	158,454	169,933	158,454	169,933
Financed Purchases	1,182,230	1,854,406	-	24,359	1,182,230	1,878,765
Total	\$ 19,818,230	\$ 24,430,406	\$ 968,454	\$ 1,094,292	\$ 20,786,684	\$ 25,524,698

**TOWN OF MONTVILLE, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

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

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2022, 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 from time to time will affect the amount of intergovernmental revenues the Town will receive.
- The Town's fiscal year 2022 General Fund budget was approved on May 20, 2021. The fiscal year 2022 budget contemplated expenditures of \$64,676,166 an increase of \$1,805,467 or 2.9%, over the original fiscal year 2021 budgeted expenditures. The approved mill rate for the fiscal year 2022 budget is 31.75, a decrease of .63 or -1.9% over the fiscal year 2021 mill rate of 32.38. No use of fund balance was designated for balancing the fiscal year 2022 budget.

**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 Finance Director, Town of Montville, 310 Norwich-New London Tpke., Uncasville, Connecticut 06382.



## **BASIC FINANCIAL STATEMENTS**

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 23,867,346	\$ 11,454,216	\$ 35,321,562
Cash with Fiscal Agent	2,221,044	-	2,221,044
Investments	338,036	-	338,036
Receivables:			
Property Taxes, Net	1,425,151	-	1,425,151
User Charges, Net	15,759	1,620,251	1,636,010
Loans	272,364	-	272,364
Intergovernmental	1,610,848	27,170	1,638,018
Other Receivables	499,997	-	499,997
Internal Balances	11,490	(11,490)	-
Supplies and Other Assets	2,237,979	-	2,237,979
Total Current Assets	<u>32,500,014</u>	<u>13,090,147</u>	<u>45,590,161</u>
Noncurrent Assets:			
Capital Assets, Nondepreciable	3,817,711	2,820,773	6,638,484
Capital Assets, Net	93,105,119	45,731,438	138,836,557
Total Noncurrent Assets	<u>96,922,830</u>	<u>48,552,211</u>	<u>145,475,041</u>
Total Assets	<u>129,422,844</u>	<u>61,642,358</u>	<u>191,065,202</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	591,219	-	591,219
Deferred Outflows Related to Pension	4,480,149	626,085	5,106,234
Deferred Outflows Related to OPEB	324,027	-	324,027
Total Deferred Outflows of Resources	<u>5,395,395</u>	<u>626,085</u>	<u>6,021,480</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	2,241,776	844,189	3,085,965
Accrued Payroll and Related Liabilities	414,115	2,303	416,418
Accrued Interest Payable	220,270	8,827	229,097
Unearned Revenue	2,704,403	-	2,704,403
Current Maturities of Long-Term Obligations	4,964,033	137,809	5,101,842
Total Current Liabilities	<u>10,544,597</u>	<u>993,128</u>	<u>11,537,725</u>
Noncurrent Liabilities:			
Due in More Than One Year	28,323,642	2,884,213	31,207,855
Total Liabilities	<u>38,868,239</u>	<u>3,877,341</u>	<u>42,745,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Advance Tax Collections	14,759	-	14,759
Deferred Inflows Related to Pension	6,194,152	791,224	6,985,376
Deferred Inflows Related to OPEB	508,749	-	508,749
Total Deferred Inflows of Resources	<u>6,717,660</u>	<u>791,224</u>	<u>7,508,884</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	80,882,699	47,565,084	128,447,783
Restricted for:			
Grants	384,256	-	384,256
Education and Scholarships	673,531	-	673,531
Unrestricted	7,291,854	10,034,794	17,326,648
Total Net Position	<u>\$ 89,232,340</u>	<u>\$ 57,599,878</u>	<u>\$ 146,832,218</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 8,666,481	\$ 1,722,857	\$ 416,670	\$ -	\$ (6,526,954)	\$ -	\$ (6,526,954)
Public Safety	5,805,460	1,045,000	24,093	-	(4,736,367)	-	(4,736,367)
Public Works	4,996,611	636,794	-	319,661	(4,040,156)	-	(4,040,156)
Health and Welfare	380,133	63,170	102,656	-	(214,307)	-	(214,307)
Parks and Recreation	449,548	254,457	-	-	(195,091)	-	(195,091)
Education	51,057,750	1,271,782	20,702,345	-	(29,083,623)	-	(29,083,623)
Interest and Fiscal Charges	491,704	-	-	-	(491,704)	-	(491,704)
Total Governmental Activities	<u>71,847,687</u>	<u>4,994,060</u>	<u>21,245,764</u>	<u>319,661</u>	<u>(45,288,202)</u>	<u>-</u>	<u>(45,288,202)</u>
Business-Type Activities:							
Sewer Department	6,344,025	5,412,601	-	940,630	-	9,206	9,206
Water Department	1,417,557	1,076,815	-	-	-	(340,742)	(340,742)
Total Business-Type Activities	<u>7,761,582</u>	<u>6,489,416</u>	<u>-</u>	<u>940,630</u>	<u>-</u>	<u>(331,536)</u>	<u>(331,536)</u>
Total Primary Government	<u>\$ 79,609,269</u>	<u>\$ 11,483,476</u>	<u>\$ 21,245,764</u>	<u>\$ 1,260,291</u>	<u>(45,288,202)</u>	<u>(331,536)</u>	<u>(45,619,738)</u>
<b>GENERAL REVENUES</b>							
Property Taxes					44,157,867	-	44,157,867
Grants and Contributions Not Restricted to Specific Programs					4,661,637	-	4,661,637
Unrestricted Investment Earnings					24,069	29,314	53,383
Gain on Sale of Assets					121,927	-	121,927
Total General Revenues					<u>48,965,500</u>	<u>29,314</u>	<u>48,994,814</u>
<b>CHANGE IN NET POSITION</b>							
					3,677,298	(302,222)	3,375,076
Net Position - Beginning of Year, as Restated					<u>85,555,042</u>	<u>57,902,100</u>	<u>143,457,142</u>
<b>NET POSITION - END OF YEAR</b>							
					<u>\$ 89,232,340</u>	<u>\$ 57,599,878</u>	<u>\$ 146,832,218</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General Fund	Bonded Projects Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 20,918,310	\$ -	\$ -	\$ 1,877,829	\$ 22,796,139
Cash with Fiscal Agent	2,221,044	-	-	-	2,221,044
Investments	-	-	-	338,036	338,036
Receivables:					
Property Taxes Receivable, Net	1,425,151	-	-	-	1,425,151
Assessment and Interest	15,759	-	-	-	15,759
Loans	-	-	-	272,364	272,364
Intergovernmental	-	1,163,251	-	447,597	1,610,848
Other Receivables	499,997	-	-	-	499,997
Due from Other Funds	1,223,680	-	2,358,903	5,724,435	9,307,018
Supplies	-	-	-	5,067	5,067
Other	11,868	-	-	-	11,868
	<u>\$ 26,315,809</u>	<u>\$ 1,163,251</u>	<u>\$ 2,358,903</u>	<u>\$ 8,665,328</u>	<u>\$ 38,503,291</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,424,147	\$ -	\$ 13,193	\$ 83,335	\$ 1,520,675
Accrued Payroll and Other Liabilities	408,428	-	-	5,687	414,115
Due to Other Funds	8,083,364	966,201	-	245,963	9,295,528
Unearned Revenue	68,582	-	2,345,710	290,111	2,704,403
Total Liabilities	<u>9,984,521</u>	<u>966,201</u>	<u>2,358,903</u>	<u>625,096</u>	<u>13,934,721</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes and Interest	1,158,217	-	-	-	1,158,217
Unavailable Revenue - Assessments and Interest	15,759	-	-	-	15,759
Unavailable Revenue - Intergovernmental Receivable	-	1,163,251	-	-	1,163,251
Unavailable Revenue - Loans	-	-	-	272,364	272,364
Advance Tax Collections	14,759	-	-	-	14,759
Total Deferred Inflows of Resources	<u>1,188,735</u>	<u>1,163,251</u>	<u>-</u>	<u>272,364</u>	<u>2,624,350</u>
<b>FUND BALANCES</b>					
Nonspendable	11,868	-	-	5,067	16,935
Restricted	116,337	-	-	941,450	1,057,787
Committed	945,186	-	-	6,919,485	7,864,671
Assigned	1,122,739	-	-	-	1,122,739
Unassigned	12,946,423	(966,201)	-	(98,134)	11,882,088
Total Fund Balances	<u>15,142,553</u>	<u>(966,201)</u>	<u>-</u>	<u>7,767,868</u>	<u>21,944,220</u>
	<u>\$ 26,315,809</u>	<u>\$ 1,163,251</u>	<u>\$ 2,358,903</u>	<u>\$ 8,665,328</u>	<u>\$ 38,503,291</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,315,809</u>	<u>\$ 1,163,251</u>	<u>\$ 2,358,903</u>	<u>\$ 8,665,328</u>	<u>\$ 38,503,291</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III) \$ 21,944,220

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets	146,299,057
Less: Accumulated Depreciation and Amortization	<u>(49,376,227)</u>
Net Capital Assets	96,922,830

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

Property Tax Receivables Greater Than 60 Days	1,158,217
School Construction Intergovernmental Receivable - Accrual Basis Change	1,163,251
Water and Sewer Assessments - Accrual Basis Change	15,759
Housing Rehabilitation Loan Receivable - Accrual Basis Change	272,364
Deferred Outflows Related to Pensions	4,480,149
Deferred Outflows Related to OPEB	324,027

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

2,571,150

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

Bonds and Notes Payable	(18,636,000)
Financed Purchase Payables	(1,182,230)
Lease Payables	(138,913)
Deferred Charge on Refunding	591,219
Unamortized Premium on Bonds Payable	(619,230)
Interest Payable on Bonds	(220,270)
Landfill Post-Closure Costs	(38,000)
Early Retirement Incentive	(167,802)
Net Pension Liability	(9,194,294)
Compensated Absences	(1,634,973)
Total OPEB Liability	(1,676,233)
Deferred Inflows Related to OPEB	(508,749)
Deferred Inflows Related to pensions	<u>(6,194,152)</u>

Net Position of Governmental Activities (Exhibit I)

\$ 89,232,340

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General Fund	Bonded Projects Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes, Interest, and Lien Fees	\$ 44,233,775	\$ -	\$ -	\$ -	\$ 44,233,775
Intergovernmental Revenues	23,499,667	-	393,017	3,902,577	27,795,261
Charges for Services	4,227,462	-	-	623,216	4,850,678
Investment Income	58,305	-	-	(37,298)	21,007
Other	10,000	-	-	62,685	72,685
Total Revenues	<u>72,029,209</u>	<u>-</u>	<u>393,017</u>	<u>4,551,180</u>	<u>76,973,406</u>
<b>EXPENDITURES</b>					
Current:					
General Government	8,363,106	-	50,919	26,842	8,440,867
Public Safety	5,310,322	-	-	8,842	5,319,164
Public Works	3,899,606	-	-	368,348	4,267,954
Health and Welfare	241,945	-	-	127,269	369,214
Parks and Recreation	301,113	-	-	88,474	389,587
Nonprofit Organizations	74,300	-	-	-	74,300
Education	47,441,892	-	-	3,374,784	50,816,676
Debt Service:					
Principal Retirement	4,672,821	-	-	-	4,672,821
Interest and Other Charges	479,441	-	-	196,813	676,254
Capital Outlay	1,067,134	-	342,098	1,406,913	2,816,145
Total Expenditures	<u>71,851,680</u>	<u>-</u>	<u>393,017</u>	<u>5,598,285</u>	<u>77,842,982</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	177,529	-	-	(1,047,105)	(869,576)
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Issuance	199,558	-	-	-	199,558
Transfers in from Other Funds	291,434	-	-	596,418	887,852
Transfers Out to Other Funds	(596,418)	-	-	(291,434)	(887,852)
Total Other Financing (Uses)	<u>(105,426)</u>	<u>-</u>	<u>-</u>	<u>304,984</u>	<u>199,558</u>
<b>NET CHANGE IN FUND BALANCES</b>	72,103	-	-	(742,121)	(670,018)
Fund Balances - Beginning of Year	15,070,450	(966,201)	-	8,509,989	22,614,238
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 15,142,553</u>	<u>\$ (966,201)</u>	<u>\$ -</u>	<u>\$ 7,767,868</u>	<u>\$ 21,944,220</u>

See accompanying Notes to Financial Statements.

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

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net change in Fund Balances - Governmental Funds (Exhibit IV) \$ (670,018)

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

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 and amortization expense.

Capital Outlay	2,515,097
Depreciation and Amortization Expense	(3,017,189)
Disposition of Capital Assets	(76,989)

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

Property Taxes Receivable - Accrual Basis Change	(75,908)
Change in Housing Loans	272,364
Changes in Deferred Outflows Related to Pensions	(2,740,433)
Changes in Deferred Outflows Related to OPEB	(31,929)

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

Principal Payments on Bonds and Notes Payable	3,940,000
Principal Payments on Financed Purchase	672,176
Lease Issuance	(199,558)
Lease Payments	60,645

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

Amortization of Deferred Charge on Refunding	(142,724)
Amortization of Premium	238,005
Accrued Interest	41,690
Landfill Post-Closure Costs	19,000
Early Retirement Incentives	(52,766)
Change in Compensated Absences	53,123
Change in Net Pension Liability	230,714
Change in Total OPEB Liability	6,800,026
Changes in Deferred Inflows Related to Pensions	(3,546,083)
Change in Deferred Inflows Related to OPEB	(191,640)

The net expense of the internal service funds is reported with governmental activities. (420,305)

Change in Net Position of Governmental Activities (Exhibit II) \$ 3,677,298

**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2022**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal Service Fund
	Sewer Department	Water Department	Enterprise Funds	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,207,340	\$ 1,246,876	\$ 11,454,216	\$ 3,292,251
Receivables:				
User Charges, Net	1,485,487	134,764	1,620,251	-
Intergovernmental	27,170	-	27,170	-
Other	-	-	-	-
Due from Other Funds	26	72,616	72,642	-
Total Current Assets	<u>11,720,023</u>	<u>1,454,256</u>	<u>13,174,279</u>	<u>3,292,251</u>
Noncurrent Assets:				
Capital Assets, Nondepreciable	2,620,708	200,065	2,820,773	-
Capital Assets, Net of Accumulated Depreciation and Amortization	36,288,292	9,443,146	45,731,438	-
Total Noncurrent Assets	<u>38,909,000</u>	<u>9,643,211</u>	<u>48,552,211</u>	<u>-</u>
Total Assets	<u>50,629,023</u>	<u>11,097,467</u>	<u>61,726,490</u>	<u>3,292,251</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge Related to Pension	626,085	-	626,085	-
Total Deferred Outflows of Resources	<u>626,085</u>	<u>-</u>	<u>626,085</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	712,676	131,513	844,189	-
Accrued Liabilities	-	2,303	2,303	-
Accrued Interest Payable	8,827	-	8,827	-
Due to Other Funds	72,616	11,516	84,132	-
Claims Payable	-	-	-	721,101
Bonds, Notes, and Loans Payable	101,710	-	101,710	-
Lease Payable	8,099	-	8,099	-
Compensated Absences	28,000	-	28,000	-
Total Current Liabilities	<u>931,928</u>	<u>145,332</u>	<u>1,077,260</u>	<u>721,101</u>
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable and Related Liabilities	866,744	-	866,744	-
Lease Payable	10,574	-	10,574	-
Compensated Absences	110,904	-	110,904	-
Connection Fee Payable	-	654,854	654,854	-
Net Pension Liability	1,241,137	-	1,241,137	-
Total Noncurrent Liabilities	<u>2,229,359</u>	<u>654,854</u>	<u>2,884,213</u>	<u>-</u>
Total Liabilities	<u>3,161,287</u>	<u>800,186</u>	<u>3,961,473</u>	<u>721,101</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Charges Related to Pension	791,224	-	791,224	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	37,921,873	9,643,211	47,565,084	-
Unrestricted	<u>9,380,724</u>	<u>654,070</u>	<u>10,034,794</u>	<u>2,571,150</u>
Total Net Position	<u>\$ 47,302,597</u>	<u>\$ 10,297,281</u>	<u>\$ 57,599,878</u>	<u>\$ 2,571,150</u>

See accompanying Notes to Financial Statements.



**TOWN OF MONTVILLE, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal Service Fund
	Sewer Department	Water Department	Enterprise Funds	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 5,412,601	\$ 1,076,815	\$ 6,489,416	\$ 7,239,001
Total Operating Revenues	5,412,601	1,076,815	6,489,416	7,239,001
<b>OPERATING EXPENSES</b>				
Medical Claims	-	-	-	7,386,689
Administration	-	-	-	275,679
Personnel Services	842,592	84,642	927,234	-
Supplies and Administration	2,270,132	822,197	3,092,329	-
Maintenance	380,923	69,292	450,215	-
Energy and Transportation	900,695	96,575	997,270	-
Insurance and Taxes	370,801	36,410	407,211	-
Depreciation and Amortization Expense	1,550,047	313,904	1,863,951	-
Total Operating Expenses	6,315,190	1,423,020	7,738,210	7,662,368
<b>OPERATION LOSS</b>	(902,589)	(346,205)	(1,248,794)	(423,367)
<b>NONOPERATING REVENUES(EXPENSES)</b>				
Intergovernmental	940,630	-	940,630	-
Gain (Loss) on Asset Disposal	5,463	-	5,463	-
Income on Investments	25,060	4,254	29,314	3,062
Interest Expense	(28,835)	-	(28,835)	-
Total Nonoperating Expenses	942,318	4,254	946,572	3,062
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	39,729	(341,951)	(302,222)	(420,305)
<b>CHANGE IN NET POSITION</b>	39,729	(341,951)	(302,222)	(420,305)
Net Position - Beginning of Year	47,262,868	10,639,232	57,902,100	2,991,455
<b>NET POSITION - END OF YEAR</b>	<u>\$ 47,302,597</u>	<u>\$ 10,297,281</u>	<u>\$ 57,599,878</u>	<u>\$ 2,571,150</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal Service Fund
	Sewer Department	Water Department	Enterprise Funds	
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (902,589)	\$ (346,205)	\$ (1,248,794)	\$ (423,367)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,550,047	313,904	1,863,951	-
Gain on sale of Property, Plan, and Equipment	(5,463)	-	(5,463)	-
Change in Assets and Liabilities:				
(Increase) Decrease in User Charges Receivable	(209,493)	26,494	(182,999)	111,836
(Increase) Decrease in Intergovernmental Receivable	96,689	-	96,689	-
(Increase) Decrease in Deferred Outflows Related to Pension	382,965	-	382,965	-
Increase (Decrease) in Accounts Payable	387,691	48,662	436,353	-
Increase (Decrease) in Accrued Liabilities	(34,210)	(1,382)	(35,592)	-
Increase (Decrease) in Compensated Absences	16,277	-	16,277	-
Increase (Decrease) in Net Pension Liability	(917,935)	-	(917,935)	-
(Increase) Decrease in Deferred Inflows Related to Pension	452,967	-	452,967	-
Increase (Decrease) in Claims Payable	-	-	-	173,664
Total Adjustments	<u>1,719,535</u>	<u>387,678</u>	<u>2,107,213</u>	<u>285,500</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 816,946</u>	<u>\$ 41,473</u>	<u>\$ 858,419</u>	<u>\$ (137,867)</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Lease Payable added through implementation of GASB 87	<u>\$ 28,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets added through Implementation of GASB 87	<u>\$ 28,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

TOWN OF MONTVILLE, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal Service Fund
	Sewer Department	Water Department	Enterprise Funds	
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (902,589)	\$ (346,205)	\$ (1,248,794)	\$ (423,367)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,550,047	313,904	1,863,951	-
Gain on sale of Property, Plan, and Equipment	(5,463)	-	(5,463)	-
Change in Assets and Liabilities:				
(Increase) Decrease in User Charges Receivable	(209,493)	26,494	(182,999)	111,836
(Increase) Decrease in Intergovernmental Receivable	96,689	-	96,689	-
(Increase) Decrease in Deferred Outflows Related to Pension	382,965	-	382,965	-
Increase (Decrease) in Accounts Payable	387,691	48,662	436,353	-
Increase (Decrease) in Accrued Liabilities	(34,210)	(1,382)	(35,592)	-
Increase (Decrease) in Compensated Absences	16,277	-	16,277	-
Increase (Decrease) in Net Pension Liability	(917,935)	-	(917,935)	-
(Increase) Decrease in Deferred Inflows Related to Pension	452,967	-	452,967	-
Increase (Decrease) in Claims Payable	-	-	-	173,664
Total Adjustments	<u>1,719,535</u>	<u>387,678</u>	<u>2,107,213</u>	<u>285,500</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 816,946</u>	<u>\$ 41,473</u>	<u>\$ 858,419</u>	<u>\$ (137,867)</u>

See accompanying Notes to Financial Statements.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town of Montville, Connecticut, was settled in 1786 and covers 43.9 square miles located in the Southeastern part of Connecticut. The Town operates under a Town Council/Mayor form of government and provides the following services as authorized by its charter: public safety, public works, health, social services, recreation, planning and zoning, education and other miscellaneous programs.

The legislative power of the Town is vested with the Town Council and Town Meeting. The Town Council may enact, amend or repeal ordinances and resolutions. The Town Council is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are in substance part of the government's operations and, therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**TOWN OF MONTVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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 received during the period or within the availability period for this revenue source (within 60 days of the end of the current fiscal year). 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 available to be received during the period or within the availability period for this revenue source (within 60 days of the end of the current fiscal year). All other revenue items are considered to be measurable and available only when the cash is received.

The Town reports the following major governmental funds:

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

The *American Rescue Plan Fund* accounts for resources received as a result of American Rescue Plan Act (ARPA).

The *Bonded Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

The *Sewer Department* accounts for the activities of the Town's Sewer department operations.

The *Water Department* accounts for the activities of the Town's Water department operations.

Additionally, the Town reports the following fund type:

**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 risk management activities.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Internal Service Fund (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of charges to customers for services relating to sewer and water usage. Operating expenses of the Town's enterprise funds 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.

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

**D. Adoption of New Accounting Standards**

**GASB Statement No. 87, Leases**

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

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

**E. Cash, Cash Equivalents, and Investments**

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, when purchased, such as certificates of deposit and investment pools.

Investments

All investments are stated at fair value.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Receivables**

Property Taxes

Property taxes are assessed as of October 1 and are levied the following July 1. Taxes are due and payable in equal installments on July 1 and January 1 following the date of the Grand List. Interest of 1-½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$275,000 and \$250,000, respectively, as of June 30, 2022.

Assessments and Usage Charges

Upon completion of projects, water and sewer assessments are levied and assessed to the users each February. Usage charges are billed quarterly or monthly depending on the property type, beginning in January. Assessments and user 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 WPCA has established an allowance for uncollectible sewer and water usage of \$13,170 and \$1,600, respectively, as of June 30, 2022.

**G. Interfund Activities**

Interfund activities are reported as follows:

Interfund Receivable and Payable

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

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Interfund Activities (Continued)**

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**H. Unearned Revenue**

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

**I. Supplies**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

**J. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items are recorded at acquisition value at the date of donation.

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

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

Buildings	35 to 50 Years
Building Improvements	20 Years
Distribution and Collection Systems	50 to 65 Years
Infrastructure	30 to 50 Years
Land Improvements	30 to 50 Years
Machinery and Equipment	5 to 20 Years
Right-to-Use Equipment	5 to 20 Years

Capital outlay is reported as expenditures and no depreciation/amortization expense is reported in the governmental fund financial statements.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Leases**

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The Town has not set a de-minimis threshold to recognize a lease liability.

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 Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**L. Compensated Absences**

Under the terms of various union contracts, Town and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Town employees may not carry over any accumulated vacation time and may carry over a limited number of sick days to subsequent years. In the event of retirement, Town employees are reimbursed for accumulated vacation and sick days based on union contract. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Compensated Absences (Continued)**

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).

**M. Net Pension Liability**

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

**N. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability**

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

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The Town reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs and difference between projected and actual earnings. These amounts are deferred and included in pension and OPEB expense, as applicable, in a systematic and rational manner.

**TOWN OF MONTVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, assessments, interest on assessments and intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**P. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued, including financed purchases, 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. Principal payments and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Q. Net Position and Fund Balance**

Equity in the government-wide financial statements is defined as “net position.” Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The components of net position are detailed below:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets, net of unexpended proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component of net position.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Net Position and Fund Balance (Continued)**

Restricted Net Position

These amounts are restricted to specific purposes when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net amount of the assets, liabilities and deferred inflows/outflows of resources which are not restricted for any project or other purpose. A deficit will require future funding.

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

Nonspendable Fund Balance

These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance

These amounts are restricted to specific purposes when constraints are placed on the use of resources by external parties, such as debt covenants, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned Fund Balance

For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town Council, who has been delegated to assign amounts by the Town Charter.

Unassigned Fund Balance

The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Net Position and Fund Balance (Continued)**

Net Position Flow Assumption

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

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

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.

It is the Town's policy to use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain an unassigned fund balance in the General Fund between 12% and 16% of the Town's General Fund budget. Two-thirds vote of the entire Town Council is required to decrease total fund balance below 12%. Unassigned fund balance in the General Fund as of June 30, 2022 represents 19.58% of the Town's final General Fund budget.

**R. Use of Estimates**

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes and annually adopted budget policies:

- By 100 days before the close of the fiscal year, the head of each department, office and agency submits to the Finance Director detailed estimates of expenditures and any revenues other than tax revenues expected to be collected. Expenditures are controlled at the department level.
- The Mayor submits a Capital Improvement Program for the ensuing fiscal year and the immediate four subsequent years to the Town Council for changes from the prior year's program by 75 days before the close of the fiscal year. It is then submitted to the Planning and Zoning Commission for approval. The Town Council then adopts the Program. The Program details the project, cost estimates, methods of financing, time schedules and the estimated annual cost of the facility operation.
- By 75 days before the close of the fiscal year, the Mayor presents a budget message, estimates of revenues and expenditures, and justifications to the Town Council.
- By 60 days before the close of the fiscal year, the Town Council publishes the particulars of the budgets and holds one or more public hearings.
- The Town Council may add, increase, delete or decrease any programs or amounts except for those prohibited by law. The budget is returned to the Mayor, who approves it or vetoes one or more line-items (except for the Board of Education budget). A veto may be overridden by a two-thirds vote of the entire Town Council.
- The Town Council adopts the final budget before 30 days of the close of the fiscal year.
- If the Town Council fails to adopt a budget within the prescribed timeframe, the previous year's budget prevails on a month-to-month basis until the new budget is adopted.
- With written approval of a department head and the Director of Finance, transfers between line items within a department can be made. The Town Council may transfer unexpended balances between departments.
- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- Additional appropriations may be made during the year by resolution of the Town Council. There were no additional appropriations from fund balance for the year ended June 30, 2022.

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 of the current year. Generally, all unexpended appropriations lapse at year-end, except those for capital projects funds and certain special revenue 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.

**B. Fund Deficits**

At June 30, 2022, the Town reported deficit fund balance/net position in the following funds:

Bonded Projects Fund	\$ 966,201
Nonmajor Governmental Funds:	
Recreation Services	4,819

The fund deficit will be eliminated by grant funding, state grant reimbursements and from appropriation from the General Fund.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

**A. Deposits**

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$31,322,113 of the Town’s bank balance of \$33,256,554 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 28,014,902
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the Town’s Name	3,307,211
Total Amount Subject to Custodial Risk	\$ 31,322,113

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.

**B. Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2022, the Town’s cash equivalents amounted to \$4,712,551. The following table provides a summary of the Town’s cash equivalents as rated by nationally recognized statistical rating organizations.

	Standard & Poor’s
State Short-Term Investment Fund (STIF)	AAAm

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**B. Cash Equivalents (Continued)**

These cash equivalents above are investment pools of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees or redemption gates.

**C. Investments**

At June 30, 2022, the Town’s investments consisted of the following:

Investment Type	Fair Value
Other Investments:	
Mutual Funds	\$ 338,036

Investment Custodial Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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 – Investments

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 MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**C. Investments (Continued)**

Concentration of Credit Risk

The Town places no limit on the amount of investment in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

Fair Value Disclosure

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Town has the following recurring fair value measurements as of June 30, 2022:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 338,036	\$ 338,036	\$ -	\$ -

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 RECEIVABLES**

Receivable as of June 30, 2022, including the applicable allowances for uncollectible accounts, for the Town's major funds and nonmajor governmental funds and other funds are presented below.

Receivables	General Fund	Bonded Projects Fund	Nonmajor Governmental and Other	Sewer Department	Water Department	Total
Property Taxes	\$ 1,392,100	\$ -	\$ -	\$ -	\$ -	\$ 1,392,100
Interest on Property Taxes	558,051	-	-	-	-	558,051
Assessment and Interest	15,759	-	-	-	-	15,759
User Charges	-	-	-	1,498,657	136,364	1,635,021
Loans	-	-	272,364	-	-	272,364
Intergovernmental	-	1,163,251	447,597	27,170	-	1,638,018
Other	499,997	-	-	-	-	499,997
Gross Receivables	2,465,907	1,163,251	719,961	1,525,827	136,364	6,011,310
Less: Allowance for Uncollectible Accounts	(525,000)	-	-	(13,170)	(1,600)	(539,770)
Net Receivables	<u>\$ 1,940,907</u>	<u>\$ 1,163,251</u>	<u>\$ 719,961</u>	<u>\$ 1,512,657</u>	<u>\$ 134,764</u>	<u>\$ 5,471,540</u>

**NOTE 5 CAPITAL ASSETS**

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

	Beginning Balance	Increases*	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated and Amortized:					
Land	\$ 2,227,080	\$ 92,800	\$ 71,390	\$ -	\$ 2,248,490
Construction in Progress	2,421,660	990,071	-	(1,842,510)	1,569,221
Total Capital Assets Not Being Depreciated and Amortized	4,648,740	1,082,871	71,390	(1,842,510)	3,817,711
Capital Assets Being Depreciated and Amortized:					
Land Improvements	5,252,778	-	-	70,000	5,322,778
Buildings and Improvements	95,268,009	193,682	-	71,100	95,532,791
Machinery and Equipment	16,561,020	858,133	232,862	-	17,186,291
Right-to-use Equipment	-	199,558	-	-	199,558
Infrastructure	22,357,665	180,853	-	1,701,410	24,239,928
Total Capital Assets Being Depreciated and Amortized	139,439,472	1,432,226	232,862	1,842,510	142,481,346
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	1,111,200	156,040	-	-	1,267,240
Buildings and Improvements	25,598,841	1,456,126	-	-	27,054,967
Machinery and Equipment	10,460,313	976,606	227,263	-	11,209,656
Right-to-use Equipment	-	61,864	-	-	61,864
Infrastructure	9,415,947	366,553	-	-	9,782,500
Total Accumulated Depreciation and Amortization	46,586,301	3,017,189	227,263	-	49,376,227
Total Capital Assets Being Depreciated and Amortized, Net	92,853,171	(1,584,963)	5,599	1,842,510	93,105,119
Governmental Activities Capital Assets, Net	<u>\$ 97,501,911</u>	<u>\$ (502,092)</u>	<u>\$ 76,989</u>	<u>\$ -</u>	<u>\$ 96,922,830</u>

\*Increases during the year ended June 30, 2022 include amounts related to the implementation of GASB Statement No. 87.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases*	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated and Amortized:					
Land	\$ 1,127,031	\$ -	\$ -	\$ -	\$ 1,127,031
Construction in Progress	326,263	1,640,958	-	(273,479)	1,693,742
Total Capital Assets Not Being Depreciated and Amortized	1,453,294	1,640,958	-	(273,479)	2,820,773
Capital Assets Being Depreciated and Amortized:					
Land Improvements	420,391	-	630	-	419,761
Buildings and Improvements	20,905,042	106,046	-	(313,989)	20,697,099
Distribution and Collection System	51,760,722	410,143	-	587,468	52,758,333
Machinery and Equipment	16,089,206	73,966	21,370	-	16,141,802
Right-to-use Equipment	-	28,445	-	-	28,445
Total Capital Assets Being Depreciated and Amortized	89,175,361	618,600	22,000	273,479	90,045,440
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	-	8,395	-	-	8,395
Buildings and Improvements	9,180,607	409,394	-	(120,643)	9,469,358
Distribution and Collection System	23,376,797	1,353,400	-	120,643	24,850,840
Machinery and Equipment	9,911,879	82,734	19,232	-	9,975,381
Right-to-use Equipment	-	10,028	-	-	10,028
Total Accumulated Depreciation and Amortization	42,469,283	1,863,951	19,232	-	44,314,002
Total Capital Assets Being Depreciated and Amortized, Net	46,706,078	(1,245,351)	2,768	273,479	45,731,438
Business-Type Activities Capital Assets, Net	<u>\$ 48,159,372</u>	<u>\$ 395,607</u>	<u>\$ 2,768</u>	<u>\$ -</u>	<u>\$ 48,552,211</u>

\*Increases during the year ended June 30, 2022 include amounts related to the implementation of GASB Statement No. 87.

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

Governmental Activities:	
General Government	\$ 179,361
Public Safety	455,998
Public Works	651,724
Health and Welfare	24,873
Recreation and Leisure	78,987
Education	1,626,246
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 3,017,189</u>
Business-Type Activities:	
Sewer Department	\$ 1,550,047
Water Department	313,904
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 1,863,951</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 INTERFUND BALANCES AND TRANSFERS**

**Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 966,201
General Fund	Nonmajor Governmental Funds	245,963
General Fund	Water Department	11,516
American Rescue Plan Fund	General Fund	2,358,903
Nonmajor Governmental Funds	General Fund	5,724,435
Sewer Department	General Fund	26
Water Department	Sewer Department	72,616
Total		<u>\$ 9,379,660</u>

The above 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.

**Interfund Transfers**

A summary of interfund transfers as of June 30, 2022 is as follows:

	<u>General Fund</u>	<u>Transfer In Nonmajor Governmental Funds</u>
Transfers Out:		
General Fund	\$ -	\$ 596,418
Nonmajor Governmental Funds	291,434	-
	<u>\$ 291,434</u>	<u>\$ 596,418</u>
Transfers In		

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable:</b>					
General Obligation Bonds	\$ 22,576,000	\$ -	\$ 3,940,000	\$ 18,636,000	\$ 3,702,000
Premium on Bonds	857,235	-	238,005	619,230	-
Total Bonds Payable	<u>23,433,235</u>	<u>-</u>	<u>4,178,005</u>	<u>19,255,230</u>	<u>3,702,000</u>
Financed Purchases	1,854,406	-	672,176	1,182,230	635,232
Contract Payable from Direct Borrowings	-	-	-	-	-
Lease Payable	-	199,558	60,645	138,913	58,126
Landfill Post-Closure Costs	57,000	-	19,000	38,000	19,000
Early Retirement Incentive	115,036	153,624	100,858	167,802	110,849
Compensated Absences	1,688,096	246,877	300,000	1,634,973	327,000
Net Pension Liability	15,994,320	-	6,800,026	9,194,294	-
Total OPEB Liability	<u>1,906,947</u>	<u>-</u>	<u>230,714</u>	<u>1,676,233</u>	<u>111,826</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 45,049,040</u>	<u>\$ 600,059</u>	<u>\$ 12,361,424</u>	<u>\$ 33,287,675</u>	<u>\$ 4,964,033</u>

\*Additions during the year ended June 30, 2022 include amounts related to the implementation of GASB Statement No. 87.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business Type Activities:</b>					
<b>Bonds and Notes Payable:</b>					
General Obligation Bonds	\$ 900,000	\$ -	\$ 90,000	\$ 810,000	\$ 90,000
Financed Purchases	24,359	-	24,359	-	-
Lease Payable	-	28,445	9,772	18,673	8,099
Note Payable from Direct Borrowings	169,933	-	11,479	158,454	11,710
Contract Payable from Direct Borrowings	654,854	-	-	654,854	-
Compensated Absences	122,627	40,277	24,000	138,904	28,000
Net Pension Liability	<u>2,159,072</u>	<u>-</u>	<u>917,935</u>	<u>1,241,137</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 4,030,845</u>	<u>\$ 68,722</u>	<u>\$ 1,077,545</u>	<u>\$ 3,022,022</u>	<u>\$ 137,809</u>

\*Additions during the year ended June 30, 2022 include amounts related to the implementation of GASB Statement No. 87.

Bonds payable typically have been liquidated by the General Fund for governmental activities and the Water and Sewer Departments for business-type activities. Other long-term liabilities are typically liquidated by the General Fund for governmental activities and the Water and Sewer Departments for business-type activities.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

General obligation bonds as of June 30, 2022 consisted of the following:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance Outstanding June 30, 2022
Governmental Activities:					
Bonds Payable					
General Obligation Bonds - Series B	\$ 7,890,000	02/25/10	07/01/24	3.00-5.00%	\$ 550,000
General Obligation Bonds	10,625,000	08/15/12	08/15/32	2.13-5.00%	5,565,000
General Obligation Refunding Bonds	9,195,000	03/07/13	07/01/26	1.00-4.00%	5,805,000
General Obligation Refunding Bonds	5,849,000	11/02/15	09/15/27	1.97%	1,996,000
General Obligation Bonds	2,500,000	04/09/19	04/01/29	3.00-5.00%	1,750,000
General Obligation Bonds	3,300,000	03/18/21	03/15/31	2.00-4.00%	2,970,000
					<u>\$ 18,636,000</u>
Business-Type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 1,500,000	08/15/12	08/15/32	2.13-5.00%	<u>\$ 810,000</u>

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

<u>Year Ending June30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,702,000	\$ 507,989	\$ 90,000	\$ 21,737
2024	3,681,000	384,079	90,000	18,981
2025	2,681,000	288,943	70,000	17,238
2026	1,995,000	214,987	70,000	15,575
2027	1,859,000	158,521	70,000	13,650
2028-2032	4,288,000	310,862	350,000	36,750
2033-2037	430,000	6,450	70,000	1,050
Total	<u>\$ 18,636,000</u>	<u>\$ 1,871,831</u>	<u>\$ 810,000</u>	<u>\$ 124,981</u>

**Statutory Debt Limitations**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 97,952,504	\$ 22,177,100	\$ 75,775,404
Schools	195,905,007	3,384,599	192,520,408
Sewers	163,254,173	-	163,254,173
Urban Renewal	141,486,950	-	141,486,950
Pension Deficit	130,603,338	-	130,603,338

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$304,741,122.



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Statutory Debt Limitations (Continued)**

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

**Authorized, Unissued Bonds**

At June 30, 2022, the Town had authorized unissued bonds totaling \$7,500,000 for road improvements.

**Financed Purchase Commitments**

The Town has several active financed purchase commitments as of year-end. Assets acquired through financed purchases are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 3,203,110
Less: Accumulated Depreciation	(1,284,939)
Net Book Value	<u>\$ 1,918,171</u>

Obligations of Governmental Activities under financed purchase commitments at June 30, 2022 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 635,232	\$ 18,447	\$ 653,679
2024	393,666	5,719	399,385
2025	76,666	2,438	79,104
2026	76,666	813	77,479
Total	<u>\$ 1,182,230</u>	<u>\$ 27,417</u>	<u>\$ 1,209,647</u>

**Lease Payable**

The Town leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2035.

Total future minimum lease payments under lease agreement is as follows:

<u>Year Ending June30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 58,126	\$ 1,913	\$ 8,099	\$ 418
2024	40,118	1,126	5,006	230
2025	13,392	677	3,835	99
2026	5,777	615	1,440	25
2027	4,057	552	293	1
2028-2032	11,763	1,737	-	-
2033-2035	5,680	193	-	-
Total	<u>\$ 138,913</u>	<u>\$ 6,813</u>	<u>\$ 18,673</u>	<u>\$ 773</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)**

**Note Payable from Direct Borrowings**

The State of Connecticut Department of Energy and Environmental Protection has provided Clean Water financing in the form of permanently financed serial notes to the Town dated January 30, 2015, in the initial amount of \$245,631. The note is payable in 240 monthly installments of \$1,231 and matures in July 2033. The note bears an interest rate of 2.0%.

Annual debt service requirements to maturity on these obligations are as follows as of June 30, 2022:

<u>Year Ending June30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 11,710	\$ 3,062
2024	11,947	2,826
2025	12,188	2,585
2026	12,434	2,339
2027	12,686	2,088
2028-2032	67,369	6,483
2033-2037	30,120	657
Total	\$ 158,454	\$ 20,040

**Contract Payables from Direct Borrowings**

The Town has entered into a long-term contract with the Mohegan Tribal Utility Authority in connection with its portion of costs from a regional water extension project. Amounts payable total \$654,854 as of June 30, 2022, and are due upon new connections to the system.

**Landfill Closure and Post-Closure Care Costs**

The Town landfill has been closed. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Estimated monitoring costs of \$19,000 per year for the next two years total \$38,000 at June 30, 2022. These amounts are based on estimates which are subject to change due to inflation, technology or changes in applicable laws and regulations.

**Early Retirement Incentive**

The Board of Education provides early retirement incentive benefits to former employees. Benefits are paid annually based on the retirement agreement for each employee. Benefits are payable through 2025. The amount paid from General Fund appropriations during the year ended June 30, 2022 was \$95,198, and the outstanding balance at June 30, 2022 is \$167,802.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 FUND BALANCE**

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Supplies	\$ 11,868	\$ -	\$ 5,067	\$ 16,935
Restricted for:				
Grants and Donations	4,755	-	379,501	384,256
Education	111,582	-	561,949	673,531
Total Restricted	<u>116,337</u>	<u>-</u>	<u>941,450</u>	<u>1,057,787</u>
Committed for:				
Education Carryover	945,186	-	-	945,186
Student Activities	-	-	358,269	358,269
Cafeteria Operations	-	-	738,649	738,649
General Government	-	-	8,509	8,509
Health and Welfare	-	-	438,695	438,695
Recreation	-	-	89,370	89,370
Capital Projects	-	-	5,285,993	5,285,993
Total Committed	<u>945,186</u>	<u>-</u>	<u>6,919,485</u>	<u>7,864,671</u>
Assigned to:				
Subsequent Year's Budget	400,000	-	-	400,000
General Government				
Encumbrances	102,636	-	-	102,636
Public Safety Encumbrances	166,850	-	-	166,850
Education Encumbrances	453,253	-	-	453,253
Total Assigned	<u>1,122,739</u>	<u>-</u>	<u>-</u>	<u>1,122,739</u>
Unassigned	<u>12,946,423</u>	<u>(966,201)</u>	<u>(98,134)</u>	<u>11,882,088</u>
Total Fund Balances	<u>\$ 15,142,553</u>	<u>\$ (966,201)</u>	<u>\$ 7,767,868</u>	<u>\$ 21,944,220</u>

As of June 30, 2022, the Town has recorded \$722,739 in encumbrances, which has been reported in the assigned fund balance of the General Fund.

**NOTE 9 RISK MANAGEMENT**

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. During 2022, 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.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

The Health Insurance Fund, an internal service fund, was established to account for and finance employee medical benefits claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. The Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$175,000 for combined hospital and major medical.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2022. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual 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. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2021 and 2022 is as follows:

<u>Year Ending</u>	Medical Insurance			
	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2020-2021	\$ 544,182	\$ 6,742,092	\$ (6,738,837)	\$ 547,437
2021-2022	547,437	7,386,689	(7,213,025)	721,101

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor has settled claims exceeded commercial coverage in any of the past three years.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

There are several lawsuits pending against the Town. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

The Town has received state and federal grants 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.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS**

**A. Connecticut Municipal Employees' Retirement System**

Plan Description

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

Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Normal Retirement

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

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Disability Retirement – Service Connected

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

Disability Retirement – Nonservice Connected

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

Pre-Retirement Death Benefit

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

Contributions

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2022, the Town reports a liability of \$10,435,431 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the Town's proportion was 1.47%. The decrease in proportion from the prior year was 0.16%.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

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

For the year ended June 30, 2022, the Town recognized pension expense of \$1,891,531. At June 30, 2022, the Town reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 4,501,145
Change in Assumptions	1,392,985	-
Differences Between Expected and Actual Experience	883,896	1,496,170
Changes in Proportional Share	202,420	988,061
Contributions Made Subsequent to Measurement Date	<u>2,626,933</u>	<u>-</u>
Total	<u>\$ 5,106,234</u>	<u>\$ 6,985,376</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 132,666
2024	(1,692,341)
2025	(1,425,523)
2026	<u>(1,520,877)</u>
Total	<u>\$ (4,506,075)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement period:

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Actuarial Assumptions (Continued)

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	20.00 %	5.30%
Developed Market International	11.00	5.10%
High Yield Bonds	9.00	7.40%
Private Equity	16.00	1.60%
Core Fixed Income	5.00	1.30%
Emerging Market Bond	5.00	2.90%
Alternative Investments	6.00	3.40%
Emerging Markets International	10.00	4.70%
Real Estate	10.00	7.30%
Inflation Linked Bond Fund	7.00	3.20%
Liquidity Fund	1.00	0.90%
Total	100.00 %	



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Connecticut Municipal Employees' Retirement System (Continued)**

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 17,597,218	\$ 10,435,431	\$ 4,229,963

**B. Connecticut State Teachers' Retirement System – Pension**

Plan Description

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

Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Early Retirement

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

Disability Retirement

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

Contributions

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

*Employer (School Districts)*

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

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

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the State was \$5,376,993 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

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

At June 30, 2022, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability		
Associated with the Town		64,215,172
Total		\$ 64,215,172

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

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$4,145,239 in Exhibit II.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2020.

Cost-of-Living Allowance

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Cost-of-Living Allowance (Continued)

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

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

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 allocations as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00 %	5.60%
Developed Market International Stock Fund	11.00	6.00%
Emerging Market International Stock Fund	9.00	7.90%
Core Fixed Income Fund	16.00	2.10%
Inflation Linked Bond Fund	5.00	1.10%
Emerging Market Debt Fund	5.00	2.70%
High Yield Bond Fund	6.00	4.00%
Real Estate Fund	10.00	4.50%
Private Equity	10.00	7.30%
Alternative Investments	7.00	2.90%
Liquidity Fund	1.00	0.04%
Total	<u>100.00 %</u>	

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut State Teachers' Retirement System – Pension (Continued)**

Discount Rate

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

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

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

Other Information

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

**C. Defined Contribution Plans**

The Town and Board of Education offer defined contribution plans to enable employees to enhance their retirement security by deferring a portion of their salary. Eligible employees of the Town and Board of Education can make voluntary (unmatched) contributions to the 457(b) Deferred Compensation Plan, up to applicable Internal Revenue Code limits. In addition, the Board of Education offers a 403(b) defined benefit plan. Both plans are voluntary. The Town administers both plans.

For the year ended June 30, 2022, employees contributed \$999,314 to the 457(b) deferred compensation plan, and the Town contributions totaled \$-0- in the 403(b) Plan.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB)**

**A. Board of Education OPEB Plan**

Plan Description

The Town administers an Other Postemployment Benefits Plan (the Plan), which is a single-employer defined benefit healthcare plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2022, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

Benefit Provided

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the unions. Currently, the Town contributes the following for various classes of employees covered:

*Board of Education Administrators*

Administrators receiving benefits are required to contribute 50% of their premium costs. Administrators hired on or after July 1, 2012 are required to contribute 75% of their premium costs. Administrators are eligible for benefits upon retirement and 20 years of service regardless of age.

*Board of Education Teachers*

Teachers retiring under the Connecticut State Teachers Retirement system are eligible to receive health benefits for self and spouse. 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. Individuals receiving benefits contribute 100% of their premium costs.

Membership in the plan consisted of the following at June 30, 2022:

Inactive Plan Members Receiving Benefits	67
Active Participants	219
Total	<u>286</u>

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

Total OPEB Liability

The Town's total OPEB liability of \$1,676,233 was measured as of June 30, 2022 and it was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.54%
2020 Medical Trend Rates	8.00%
2021 Medical Trend Rates	7.00%
Ultimate Medical Trend Rates	5.00%
Year Ultimate Medical Trend Rates	2023
Salary Increases	2.50%

The discount rate was based on the Bond Buyer's 20 Bond Index.

The mortality rates are from the RPH-2014 Total Dataset mortality table projected with projection scale MP-2020. Mortality projections scale was updated from the SOA MP-2018 scale to SOA MP-2020 scale.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances as of July 1, 2021	\$ 1,906,947
Changes for the Year:	
Service Cost	78,225
Interest on Total OPEB Liability	41,678
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(238,791)
Benefit Payments	(111,826)
Net Changes	<u>(230,714)</u>
Balances as of June 30, 2022	<u>\$ 1,676,233</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% in fiscal year 2021 to 3.54% in fiscal year 2022.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

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

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

	1% Decrease in Discount Rate (2.54%)	Current Discount Rate (3.54%)	1% Increase in Discount Rate (4.54%)
Total OPEB Liability	\$ 1,844,815	\$ 1,676,233	\$ 1,527,982

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

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

	1% Decrease in Healthcare Cost Trend Rates (5.00% Decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.00% Decreasing to 5.00%)	1% Increase in Healthcare Cost Trend Rates (7.00% Decreasing to 6.00%)
Total OPEB Liability	\$ 1,457,085	\$ 1,676,233	\$ 1,946,218

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$104,681. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 59,648	\$ 252,606
Changes of Assumptions or Other Inputs	264,379	256,143
Total	\$ 324,027	\$ 508,749



**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**A. Board of Education OPEB Plan (Continued)**

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

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (15,222)
2024	(15,222)
2025	(15,222)
2026	(15,222)
2027	(15,222)
Thereafter	(108,612)

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan**

Plan Description

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

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

Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, and any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan.

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Benefit Provisions (Continued)

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

Survivor Health Care Coverage

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

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Termination of Employment

Ten or more years of Credited Service.

Contributions

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2021, the amount of “on-behalf” contributions made by the State was \$126,531 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

At June 30, 2022, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability		
Associated with the Town		6,996,125
Total	\$	6,996,125

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

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

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

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(258,345) in Exhibit II.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, 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%
Health Care Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increases	3.00-6.50%, Including Inflation
Municipal Bond Index Rate	2.16%
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will Be Depleted	2023

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

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

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

**TOWN OF MONTVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teacher’s Retirement Plan  
(Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that 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 to the fund. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property Taxes	\$ 43,618,205	\$ 43,618,205	\$ 44,233,775	\$ 615,570
Intergovernmental Revenues	18,621,613	18,621,613	17,984,727	(636,886)
Charges for Services	2,406,348	2,406,348	3,440,190	1,033,842
Use of Town Money	30,000	30,000	68,305	38,305
Total Revenues	<u>64,676,166</u>	<u>64,676,166</u>	<u>65,726,997</u>	<u>1,050,831</u>
<b>EXPENDITURES</b>				
Current:				
General Government	8,380,712	8,380,712	8,349,396	31,316
Public Safety	5,212,324	5,212,324	5,330,065	(117,741)
Public Works	4,204,232	4,204,232	3,993,885	210,347
Health and Welfare	194,886	194,886	182,462	12,424
Social Services	48,539	48,539	46,131	2,408
Recreation and Leisure	327,945	327,945	298,215	29,730
Nonprofit Organizations	80,800	80,800	74,300	6,500
Education	39,816,140	39,816,140	39,816,140	-
Capital Outlay	1,371,072	1,371,072	1,463,994	(92,922)
Debt Service	5,039,516	5,039,516	5,039,512	4
Total Expenditures	<u>64,676,166</u>	<u>64,676,166</u>	<u>64,594,100</u>	<u>82,066</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	1,132,897	1,132,897
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of Fund Balance	-	-	-	-
Cancellation of Prior Year Encumbrances	-	-	31,168	31,168
Transfers In	-	507,686	291,434	(216,252)
Transfers Out	-	(514,663)	(514,663)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,977)</u>	<u>(192,061)</u>	<u>(185,084)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ (6,977)</u>	<u>\$ 940,836</u>	<u>\$ 947,813</u>
<b>BUDGET TO GAAP RECONCILIATION</b>				
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses		
Balance - Budgetary Basis	\$ 66,049,599	\$ 65,108,763		
GASB 87 Implementation				
Lease Proceeds	199,558	-		
Capital Outlay	-	199,558		
State Teachers' Retirement On-Behalf Contributions:				
OPEB Plan	126,531	126,531		
Pension Plan	5,376,993	5,376,993		
Changes in Encumbrances	-	831,116		
Cancellation of Prior Year Encumbrances	(31,168)	-		
Transfers - BOE Lapsing Fund	-	(514,663)		
BOE Expenditures netted for Budgetary Purposes	-	507,686		
Gross Up Netting of Balance Sheet Activity	798,688	812,114		
Balance - GAAP Basis	<u>\$ 72,520,201</u>	<u>\$ 72,448,098</u>		

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MUNICIPAL EMPLOYEES RETIREMENT FUND**  
**LAST EIGHT FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	1.47%	1.63%	1.68%	1.82%	3.24%	2.86%	1.98%	4.77%
Town's Proportionate Share of the Net Pension Liability	\$ 10,435,431	\$ 18,153,392	\$ 17,432,488	\$ 17,433,483	\$ 8,042,425	\$ 9,513,824	\$ 6,566,284	\$ 4,699,674
Town's Covered Payroll	13,498,294	11,365,916	11,643,874	10,462,743	11,026,760	12,319,105	10,870,196	10,187,832
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	77.31%	159.72%	149.71%	166.62%	72.94%	77.23%	60.41%	46.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	96.06%

## Notes:

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



**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
MUNICIPAL EMPLOYEES RETIREMENT FUND  
LAST EIGHT FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,626,933	\$ 2,089,499	\$ 1,717,218	\$ 1,615,704	\$ 1,417,446	\$ 1,514,844	\$ 1,346,598	\$ 872,911
Contributions in Relation to the Actuarially Determined Contribution	<u>2,626,933</u>	<u>2,089,499</u>	<u>1,717,218</u>	<u>1,615,704</u>	<u>1,417,446</u>	<u>1,514,844</u>	<u>1,346,598</u>	<u>872,911</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,498,294	\$ 13,498,294	\$ 11,643,874	\$ 10,462,743	\$ 11,026,760	\$ 12,319,105	\$ 10,870,196	\$ 10,187,832
Contributions as a Percentage of Covered Payroll	19.46%	15.48%	14.75%	15.44%	12.85%	12.30%	12.39%	8.57%

Notes to Schedule:

Valuation Date: June 30, 2021

Measurement Date: June 30, 2021

Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age

Amortization Method Level Dollar, Closed

Single Equivalent Amortization Period 20 Years

Asset Valuation Method 5-year smoothed market

Inflation 2.50%

Salary Increases 3.50% - 10.00%, Including Inflation

Investment Rate of Return 7%, Net of Investment Related Expense

Changes in Assumptions In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June, 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement, and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST EIGHT FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	64,215,172	81,078,895	77,619,156	59,848,900	63,074,000	66,544,000	52,024,000	48,086,000
Total	<u>\$ 64,215,172</u>	<u>\$ 81,078,895</u>	<u>\$ 77,619,156</u>	<u>\$ 59,848,900</u>	<u>\$ 63,074,000</u>	<u>\$ 66,544,000</u>	<u>\$ 52,024,000</u>	<u>\$ 48,086,000</u>
Town's Covered Payroll	\$ 19,033,350	\$ 18,379,514	\$ 17,840,000	\$ 18,490,000	\$ 18,654,000	\$ 18,728,000	\$ 18,347,000	\$ 18,347,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

Notes to Schedule:

Changes in Benefit Terms  
Changes of Assumptions

None

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated

Actuarial Cost Method  
Amortization Method  
Single Equivalent Amortization Period  
Asset Valuation Method  
Inflation  
Salary Increase  
Investment Rate of Return

Entry Age  
Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.  
30 Years  
4-Year Smoothed Market  
2.50%  
3.25%-6.50%, Including Inflation  
6.90%, Net of Investment-Related Expense

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST FIVE FISCAL YEARS\***

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service Cost	\$ 78,225	\$ 75,591	\$ 58,795	\$ 53,285	\$ 47,363
Interest	41,678	42,098	54,241	56,241	64,449
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	70,282	(8,580)	(343,496)	-
Changes in Assumptions	(238,791)	27,156	236,273	84,742	(53,939)
Benefit Payments	(111,826)	(98,417)	(82,154)	(72,963)	(112,809)
Net Change in Total OPEB Liability	(230,714)	116,710	258,575	(222,191)	(54,936)
Total OPEB Liability - Beginning	1,906,947	1,790,237	1,531,662	1,753,853	1,808,789
Total OPEB Liability - Ending	<u>\$ 1,676,233</u>	<u>\$ 1,906,947</u>	<u>\$ 1,790,237</u>	<u>\$ 1,531,662</u>	<u>\$ 1,753,853</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A

\* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Plan Changes	None
Changes of Assumptions	The discount rate was increased from 2.16% to 3.54%.

**TOWN OF MONTVILLE, CONNECTICUT  
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 TEACHERS RETIREMENT PLAN  
 LAST FIVE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>6,996,125</u>	<u>12,092,920</u>	<u>12,105,146</u>	<u>11,964,000</u>	<u>16,234,000</u>
Total	<u>\$ 6,996,125</u>	<u>\$ 12,092,920</u>	<u>\$ 12,105,146</u>	<u>\$ 11,964,000</u>	<u>\$ 16,234,000</u>
Town's Covered Payroll	\$ 19,033,350	\$ 18,379,514	\$ 17,840,000	\$ 18,490,000	\$ 18,654,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms  
 Changes of Assumptions

None

Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the SEIR of 2.17% as of June 30, 2021;

Expected annual per capita claims costs were updated to reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024;

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

Entry Age  
 Level Percent of Payroll Over an Open Period  
 30 Years  
 Market Value of Assets  
 3.00%, Net of Investment-Related Expense Including Price Inflation  
 2.50%

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund is the principal operating fund of the Town. It is used to account for activities traditionally associated with government that are not required to be accounting for in another fund.

**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>PROPERTY TAXES</b>				
Revenue from Property Taxes	\$ 43,319,205	\$ 43,319,205	\$ 43,761,177	\$ 441,972
Telephone Access	45,000	45,000	39,123	(5,877)
Interest and Lien Fees	254,000	254,000	433,475	179,475
Total Property Taxes	<u>43,618,205</u>	<u>43,618,205</u>	<u>44,233,775</u>	<u>615,570</u>
<b>INTERGOVERNMENTAL</b>				
State Grants for School Aid:				
ECS Grant	12,802,821	12,802,821	12,804,949	2,128
Transportation	-	-	1,264	1,264
Special Education	400,000	400,000	473,387	73,387
Adult Education	38,126	38,126	38,513	387
Total State Grants for School Aid	<u>13,240,947</u>	<u>13,240,947</u>	<u>13,318,113</u>	<u>77,166</u>
State Grants Unspecified:				
Distressed Municipalities	1,684,749	1,684,749	-	(1,684,749)
Lieu of Taxes/State Prop	-	-	3,167	3,167
Emerg Manage Assist Prog	9,857	9,857	9,469	(388)
Disability Grant	3,000	3,000	3,007	7
MRSA	-	-	663,521	663,521
PILOT New Tiered Reimbursement	1,627,357	1,627,357	1,867,159	239,802
Additional Veteran Grant	10,000	10,000	10,793	793
Other Grants	40,000	40,000	56,789	16,789
Municipal Stabilization Grant	20,897	20,897	20,897	-
CT Fines Reimbursement	10,000	10,000	5,672	(4,328)
Pequot Funds	1,446,162	1,446,162	1,446,162	-
Municipal Grant in Aid	528,644	528,644	528,644	-
Miniature Surcharge	-	-	18,280	18,280
FEMA	-	-	28,077	28,077
COVID Reimbursement	-	-	4,977	4,977
Total State Grants Unspecified	<u>5,380,666</u>	<u>5,380,666</u>	<u>4,666,614</u>	<u>(714,052)</u>
Total Intergovernmental	18,621,613	18,621,613	17,984,727	(636,886)
<b>CHARGES FOR SERVICES</b>				
Licenses and Permits:				
Conveyance Tax	195,000	195,000	291,136	96,136
Town Clerk Fees	120,000	120,000	174,104	54,104
Dog Licenses	5,000	5,000	4,175	(825)
Dog Services for Salem	13,200	13,200	12,722	(478)
Dog Warden	1,000	1,000	931	(69)
Building Department	260,000	260,000	395,074	135,074
Miscellaneous Permits	20,000	20,000	14,203	(5,797)
Fire Marshal Permits	60,000	60,000	99,191	39,191
Transfer Station	208,000	208,000	232,462	24,462
Total Licenses and Permits	<u>882,200</u>	<u>882,200</u>	<u>1,223,998</u>	<u>341,798</u>
Revenue from Other Agencies:				
Planning and Zoning Board of Appeals	14,000	14,000	16,712	2,712
Parks & Recreation	142,400	142,400	130,122	(12,278)
Camp Oakdale/Other Rental	3,000	3,000	6,425	3,425
Fair Oaks Facility Rental	1,500	1,500	2,500	1,000
Housing Authority	29,000	29,000	-	(29,000)
Youth Services Program	55,248	55,248	60,722	5,474
Total Revenue from Other Agencies	<u>245,148</u>	<u>245,148</u>	<u>216,481</u>	<u>(28,667)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>CHARGES FOR SERVICES (CONTINUED)</b>				
Charges for Current Services:				
Tuition Regular	\$ -	\$ -	\$ -	\$ -
Tuition Special Ed	25,000	25,000	111,213	86,213
School Misc Revenue	1,500	1,500	1,022	(478)
Public Works Department	500	500	1,260	760
Commercial Tipping Fees	375,000	375,000	395,566	20,566
Copy Money	1,000	1,000	446	(554)
Community Booklet	9,000	9,000	3,760	(5,240)
Total Charges for Current Services	<u>412,000</u>	<u>412,000</u>	<u>513,267</u>	<u>101,267</u>
Miscellaneous:				
Police Reimbursement Private Duty	185,000	185,000	518,704	333,704
St. Bernards Health Clinic	24,000	24,000	24,046	46
Insurance Reimbursement	65,000	65,000	163,345	98,345
Millstone Reimbursement	15,000	15,000	47,659	32,659
Verizon	7,000	7,000	600	(6,400)
Fire Marshal Private Duty	5,000	5,000	-	(5,000)
Engineering Review Reimbursement	1,000	1,000	385	(615)
Miscellaneous	50,000	50,000	81,307	31,307
Sale of Town Property	15,000	15,000	150,398	135,398
Mohegan Contributions	500,000	500,000	500,000	-
Total Miscellaneous	<u>867,000</u>	<u>867,000</u>	<u>1,486,444</u>	<u>619,444</u>
Total Charges for Services	2,406,348	2,406,348	3,440,190	1,033,842
<b>REVENUE FROM USE OF TOWN MONEY</b>				
Investment Interest	20,000	20,000	58,305	38,305
Sewer Assessments	-	-	-	-
WPCA Revenue	10,000	10,000	10,000	-
Total Revenue from Use of Town Money	<u>30,000</u>	<u>30,000</u>	<u>68,305</u>	<u>38,305</u>
Total Revenues	64,676,166	64,676,166	65,726,997	1,050,831
<b>OTHER FINANCING SOURCES</b>				
Cancellation of Prior Year Encumbrances	-	-	31,168	31,168
Transfers In:				
Capital and Nonrecurring	-	-	291,434	291,434
BOE Nonlapsing	-	507,686	-	(507,686)
Total Other Financing Sources	<u>-</u>	<u>507,686</u>	<u>322,602</u>	<u>(185,084)</u>
Total Revenues and Other Financing Sources	<u>\$ 64,676,166</u>	<u>\$ 65,183,852</u>	<u>\$ 66,049,599</u>	<u>\$ 865,747</u>



**TOWN OF MONTVILLE, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>GENERAL GOVERNMENT</b>				
Mayor:				
Human Services	\$ 143,855	\$ 143,855	\$ 144,032	\$ (177)
Contractual Services	58,100	58,100	52,364	5,736
Commodities	4,920	4,920	2,141	2,779
Total Mayor	<u>206,875</u>	<u>206,875</u>	<u>198,537</u>	<u>8,338</u>
Town Council:				
Human Services	18,000	18,000	17,293	707
Commodities	21,850	21,850	13,280	8,570
Total Town Council	<u>39,850</u>	<u>39,850</u>	<u>30,573</u>	<u>9,277</u>
Town Attorney	170,000	170,000	132,200	37,800
Town Hall/Central Services:				
Human Services	10,000	10,000	6,983	3,017
Contractual Services	179,250	179,250	187,890	(8,640)
Commodities	51,000	51,000	46,547	4,453
Capital	1,500	1,500	1,299	201
Total Town Hall/Central Services	<u>241,750</u>	<u>241,750</u>	<u>242,719</u>	<u>(969)</u>
Probate Court	16,037	16,037	16,037	-
Finance:				
Human Services	630,600	630,600	613,154	17,446
Contractual Services	71,000	71,000	97,378	(26,378)
Commodities	11,500	11,500	8,374	3,126
Total Finance	<u>713,100</u>	<u>713,100</u>	<u>718,906</u>	<u>(5,806)</u>
Insurance and Fringe Benefits:				
Contractual Services	5,095,000	5,095,000	5,381,407	(286,407)
Commodities	11,000	11,000	5,205	5,795
Total Insurance and Fringe Benefits	<u>5,106,000</u>	<u>5,106,000</u>	<u>5,386,612</u>	<u>(280,612)</u>
Board of Assessment Appeals:				
Human Services	200	200	-	200
Commodities	50	50	-	50
Total Board of Assessment Appeals	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Auditor:				
Contractual Services	25,000	25,000	20,350	4,650
Commodities	5,000	5,000	1,350	3,650
Total Auditor	<u>30,000</u>	<u>30,000</u>	<u>21,700</u>	<u>8,300</u>
Other	220,000	220,000	43,510	176,490
Town Clerk:				
Human Services	145,000	145,000	146,993	(1,993)
Contractual Services	275	275	241	34
Commodities	14,000	14,000	12,232	1,768
Total Town Clerk	<u>159,275</u>	<u>159,275</u>	<u>159,466</u>	<u>(191)</u>
Registrar of Voters:				
Human Services	39,536	39,536	39,418	118
Contractual Services	250	250	160	90
Commodities	2,700	2,700	2,646	54
Total Registrar of Voters	<u>42,486</u>	<u>42,486</u>	<u>42,224</u>	<u>262</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>GENERAL GOVERNMENT (CONTINUED)</b>				
Elections/Referendum:				
Contractual Services	\$ 17,000	\$ 17,000	\$ 10,725	\$ 6,275
Commodities	16,100	16,100	12,917	3,183
Total Elections/Referendum	<u>33,100</u>	<u>33,100</u>	<u>23,642</u>	<u>9,458</u>
Land Use Department:				
Human Services	278,829	278,829	253,480	25,349
Contractual Services	600	600	1,133	(533)
Commodities	12,000	12,000	9,280	2,720
Capital	800	800	449	351
Total Land Use Department	<u>292,229</u>	<u>292,229</u>	<u>264,342</u>	<u>27,887</u>
Conservation Commission	700	700	5,202	(4,502)
Inland Wetlands	1,000	1,000	278	722
Economic Development Commission:				
Human Services	1,000	1,000	811	189
Commodities	1,500	1,500	-	1,500
Total Economic Development Commission	<u>2,500</u>	<u>2,500</u>	<u>811</u>	<u>1,689</u>
Zoning Board of Appeals	600	600	374	226
Senior Center:				
Human Services	181,924	181,924	176,347	5,577
Contractual Services	38,200	38,200	34,106	4,094
Commodities	16,900	16,900	20,784	(3,884)
Total Senior Center	<u>237,024</u>	<u>237,024</u>	<u>231,237</u>	<u>5,787</u>
Youth Services:				
Human Services	185,475	185,475	181,093	4,382
Contractual Services	18,713	18,713	17,384	1,329
Commodities	5,900	5,900	13,689	(7,789)
Total Youth Services	<u>210,088</u>	<u>210,088</u>	<u>212,166</u>	<u>(2,078)</u>
Building Inspector:				
Human Services	209,648	209,648	175,921	33,727
Contractual Services	400	400	-	400
Commodities	2,690	2,690	525	2,165
Capital	350	350	449	(99)
Total Building Inspector	<u>213,088</u>	<u>213,088</u>	<u>176,895</u>	<u>36,193</u>
Information Technology:				
Human Services	157,800	157,800	144,047	13,753
Contractual Services	282,800	282,800	281,133	1,667
Commodities	4,160	4,160	16,785	(12,625)
Total Information Technology	<u>444,760</u>	<u>444,760</u>	<u>441,965</u>	<u>2,795</u>
Total General Government	<u>8,380,712</u>	<u>8,380,712</u>	<u>8,349,396</u>	<u>31,316</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>PUBLIC SAFETY</b>				
Emergency Management:				
Human Services	\$ 100,900	\$ 100,900	\$ 75,991	\$ 24,909
Contractual Services	15,000	15,000	15,000	-
Commodities	3,200	3,200	4,295	(1,095)
Capital	-	-	-	-
Total Emergency Management	<u>119,100</u>	<u>119,100</u>	<u>95,286</u>	<u>23,814</u>
Police Department:				
Human Services	2,429,480	2,429,480	2,410,470	19,010
Contractual Services	231,222	231,222	184,481	46,741
Commodities	105,450	105,450	97,128	8,322
Capital	18,500	18,500	18,184	316
Total Police Department	<u>2,784,652</u>	<u>2,784,652</u>	<u>2,710,263</u>	<u>74,389</u>
Fire Marshal:				
Human Services	100,900	100,900	77,182	23,718
Commodities	5,040	5,040	3,702	1,338
Total Fire Marshal	<u>105,940</u>	<u>105,940</u>	<u>80,884</u>	<u>25,056</u>
Animal Control:				
Human Services	76,083	76,083	76,925	(842)
Contractual Services	2,452	2,452	488	1,964
Commodities	7,850	7,850	6,853	997
Total Animal Control	<u>86,385</u>	<u>86,385</u>	<u>84,266</u>	<u>2,119</u>
Public Safety Commission	1,000	1,000	1,073	(73)
Dispatch:				
Human Services	448,522	448,522	414,794	33,728
Commodities	7,250	7,250	15,080	(7,830)
Total Dispatch	<u>455,772</u>	<u>455,772</u>	<u>429,874</u>	<u>25,898</u>
Fire Protection:				
Human Services	1,021,625	1,021,625	1,054,491	(32,866)
Contractual Services	364,000	364,000	364,000	-
Commodities	99,850	99,850	83,867	15,983
Total Fire Protection	<u>1,485,475</u>	<u>1,485,475</u>	<u>1,502,358</u>	<u>(16,883)</u>
Public Safety Building:				
Contractual Services	67,000	67,000	78,976	(11,976)
Commodities	2,000	2,000	-	2,000
Total Public Safety Building	<u>69,000</u>	<u>69,000</u>	<u>78,976</u>	<u>(9,976)</u>
Private Duty:				
Human Services	105,000	105,000	347,085	(242,085)
Total Public Safety	<u>5,212,324</u>	<u>5,212,324</u>	<u>5,330,065</u>	<u>(117,741)</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>PUBLIC WORKS</b>				
Public Works:				
Human Services	\$ 1,629,020	\$ 1,629,020	\$ 1,551,743	\$ 77,277
Contractual Services	358,600	358,600	334,390	24,210
Commodities	1,007,512	1,007,512	909,418	98,094
Capital	10,400	10,400	97,102	(86,702)
Total Public Works	<u>3,005,532</u>	<u>3,005,532</u>	<u>2,892,653</u>	<u>112,879</u>
Camp Oakdale:				
Contractual Services	72,550	72,550	70,429	2,121
Commodities	18,700	18,700	16,155	2,545
Capital	500	500	-	500
Total Camp Oakdale	<u>91,750</u>	<u>91,750</u>	<u>86,584</u>	<u>5,166</u>
Solid Waste:				
Human Services	167,500	167,500	165,626	1,874
Contractual Services	720,000	720,000	743,147	(23,147)
Commodities	43,450	43,450	25,872	17,578
Capital	6,000	6,000	270	5,730
Total Solid Waste	<u>936,950</u>	<u>936,950</u>	<u>934,915</u>	<u>2,035</u>
Engineering Services	<u>170,000</u>	<u>170,000</u>	<u>79,733</u>	<u>90,267</u>
Total Public Works	<u>4,204,232</u>	<u>4,204,232</u>	<u>3,993,885</u>	<u>210,347</u>
Health and Welfare				
Contractual Services	194,186	194,186	182,376	11,810
Commodities	700	700	86	614
Total Health and Welfare	<u>194,886</u>	<u>194,886</u>	<u>182,462</u>	<u>12,424</u>
Social Services:				
Human Services	48,264	48,264	45,963	2,301
Commodities	275	275	168	107
Total Social Services	<u>48,539</u>	<u>48,539</u>	<u>46,131</u>	<u>2,408</u>
<b>RECREATION AND LEISURE</b>				
Recreation:				
Human Services	251,890	251,890	221,232	30,658
Contractual Services	1,280	1,280	771	509
Commodities	43,275	43,275	41,450	1,825
Capital	3,000	3,000	3,610	(610)
Total Recreation	<u>299,445</u>	<u>299,445</u>	<u>267,063</u>	<u>32,382</u>
Montville Community Center	27,300	27,300	29,625	(2,325)
Parks and Recreation Commission	1,200	1,200	1,527	(327)
Total Recreation and Leisure	<u>327,945</u>	<u>327,945</u>	<u>298,215</u>	<u>29,730</u>

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Nonprofit Organizations	\$ 80,800	\$ 80,800	\$ 74,300	\$ 6,500
Education	39,816,140	39,816,140	39,816,140	-
Capital Outlay	1,371,072	1,371,072	1,463,994	(92,922)
Debt Service:				
Redemption of Debt - Principle	4,570,927	4,570,927	4,570,925	2
Interest Payments	468,589	468,589	468,587	2
Total Debt Service	<u>5,039,516</u>	<u>5,039,516</u>	<u>5,039,512</u>	<u>4</u>
Total Expenditures	64,676,166	64,676,166	64,594,100	82,066
<b>OTHER FINANCING USES</b>				
Transfers Out - BOE Nonlapsing	-	514,663	514,663	-
Total Other Financing Uses	<u>-</u>	<u>514,663</u>	<u>514,663</u>	<u>-</u>
Total Expenditures and Other Uses	<u>\$ 64,676,166</u>	<u>\$ 65,190,829</u>	<u>\$ 65,108,763</u>	<u>\$ 82,066</u>

**TOWN OF MONTVILLE, CONNECTICUT  
REPORT OF PROPERTY TAX COLLECTIONS  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

Grand List of October 1,	Uncollected Taxes July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Adjusted Tax Levy	Collections			Uncollected Taxes June 30, 2022
			Additions	Deletions				Taxes	Interest Liens and Other Fees	Total	
2006	\$ (3,053)	\$ -	\$ 3,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	(10)	-	10	-	-	-	-	-	-	-	-
2008	240	-	18	-	-	258	-	-	-	-	258
2009	(1,538)	-	1,575	-	-	37	-	-	-	-	37
2010	(3,455)	-	4,350	855	-	40	-	-	-	-	40
2011	1,457	-	8,503	1,296	-	8,664	1,512	1,866	3,378	7,152	
2012	11,213	-	4,111	3,602	-	11,722	2,842	4,385	7,227	8,880	
2013	26,381	-	4,046	3,844	630	25,953	6,396	6,874	13,270	19,557	
2014	47,177	-	12,487	3,937	-	55,727	26,113	25,618	51,731	29,614	
2015	151,460	-	123	4,559	85,726	61,298	38,192	34,061	72,253	23,106	
2016	145,979	-	3,816	4,177	117	145,501	26,427	24,439	50,866	119,074	
2017	149,658	-	165	4,510	117	145,196	26,183	21,738	47,921	119,013	
2018	223,298	-	65	6,623	386	216,354	55,003	25,072	80,075	161,351	
2019	610,336	-	12,065	19,355	898	602,148	336,959	70,917	407,876	265,189	
Total Prior Years	1,359,143	-	54,387	52,758	87,874	1,272,898	519,627	214,970	734,597	753,271	
2020	-	43,576,403	62,331	102,084	8,899	43,527,751	42,888,922	199,054	43,087,976	638,829	
Total All Years	\$ 1,359,143	\$ 43,576,403	\$ 116,718	\$ 154,842	\$ 96,773	\$ 44,800,649	\$ 43,408,549	\$ 414,024	\$ 43,822,573	\$ 1,392,100	

**NONMAJOR GOVERNMENTAL FUNDS**

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	Special Revenue Funds										
	Town Aid Road	Small Cities	Mental Health Grant	Hot Lunch Program	Special Education Grants	Student Activities	Scholarship Fund	Nonbudget Funds	Social Services	Town Historic Preservation	Youth Service Bureau
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ -	\$ 35,253	\$ -	\$ 546,046	\$ 125,487	\$ 358,269	\$ 217,418	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	338,036	-	-	-	-
Receivables, Net:											
Loans	-	272,364	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	250,120	48,952	-	-	-	-	-	-
Due from Other Funds	243,791	-	17,399	-	-	-	-	8,509	357,799	64,063	88,484
Inventories	-	-	-	5,067	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 243,791</b>	<b>\$ 307,617</b>	<b>\$ 17,399</b>	<b>\$ 801,233</b>	<b>\$ 174,439</b>	<b>\$ 358,269</b>	<b>\$ 555,454</b>	<b>\$ 8,509</b>	<b>\$ 357,799</b>	<b>\$ 64,063</b>	<b>\$ 88,484</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts Payable	\$ -	\$ -	\$ 640	\$ 35,120	\$ -	\$ -	\$ -	\$ -	\$ 6,597	\$ -	\$ 991
Accrued Payroll and Other Liabilities	-	-	-	5,687	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	3,810	16,710	174,439	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,450</b>	<b>57,517</b>	<b>174,439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,597</b>	<b>-</b>	<b>991</b>
<b>Deferred Inflows of Resources:</b>											
Unavailable Revenue	-	272,364	-	-	-	-	-	-	-	-	-
<b>Fund Balances:</b>											
Nonspendable	-	-	-	5,067	-	-	-	-	-	-	-
Restricted	243,791	35,253	12,949	-	-	-	555,454	-	-	64,063	-
Committed	-	-	-	738,649	-	358,269	-	8,509	351,202	-	87,493
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>243,791</b>	<b>35,253</b>	<b>12,949</b>	<b>743,716</b>	<b>-</b>	<b>358,269</b>	<b>555,454</b>	<b>8,509</b>	<b>351,202</b>	<b>64,063</b>	<b>87,493</b>
<b>Total Liabilities, Deferred Inflows of Resources :</b>	<b>\$ 243,791</b>	<b>\$ 307,617</b>	<b>\$ 17,399</b>	<b>\$ 801,233</b>	<b>\$ 174,439</b>	<b>\$ 358,269</b>	<b>\$ 555,454</b>	<b>\$ 8,509</b>	<b>\$ 357,799</b>	<b>\$ 64,063</b>	<b>\$ 88,484</b>



**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Special Revenue Funds						Capital Project Funds				
	Police Donations	Recreation Services	Parks and Recreation	Dog Warden Donations	Montville Farmer's Market	Police Forfeiture	Comstock Book Fund	Road Bonding	Old Colchester/Black Ash Road	Public Works Facility Improvement	Transfer Station
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,495	\$ 588,861	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, Net:											
Loans	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	70,830	72,655
Due from Other Funds	14,043	-	90,109	443	3,539	5,520	-	3,356,162	95,152	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,043</b>	<b>\$ -</b>	<b>\$ 90,109</b>	<b>\$ 443</b>	<b>\$ 3,539</b>	<b>\$ 5,520</b>	<b>\$ 6,495</b>	<b>\$ 3,945,023</b>	<b>\$ 95,152</b>	<b>\$ 70,830</b>	<b>\$ 72,655</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ -	\$ 694	\$ 5,739	\$ -	\$ 100	\$ -	\$ -	\$ 6,493	\$ -	\$ -	\$ -
Accrued Payroll and Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	4,125	-	-	-	-	-	-	-	70,828	165,970
Unearned Revenue	-	-	-	-	-	-	-	-	95,152	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>4,819</b>	<b>5,739</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>6,493</b>	<b>95,152</b>	<b>70,828</b>	<b>165,970</b>
Deferred Inflows of Resources:											
Unavailable Revenue	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	14,043	-	-	443	3,439	5,520	6,495	-	-	-	-
Committed	-	-	84,370	-	-	-	-	3,938,530	-	2	-
Unassigned	-	(4,819)	-	-	-	-	-	-	-	-	(93,315)
<b>Total Fund Balances</b>	<b>14,043</b>	<b>(4,819)</b>	<b>84,370</b>	<b>443</b>	<b>3,439</b>	<b>5,520</b>	<b>6,495</b>	<b>3,938,530</b>	<b>-</b>	<b>2</b>	<b>(93,315)</b>
<b>Total Liabilities, Deferred Inflows of Resources:</b>	<b>\$ 14,043</b>	<b>\$ -</b>	<b>\$ 90,109</b>	<b>\$ 443</b>	<b>\$ 3,539</b>	<b>\$ 5,520</b>	<b>\$ 6,495</b>	<b>\$ 3,945,023</b>	<b>\$ 95,152</b>	<b>\$ 70,830</b>	<b>\$ 72,655</b>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

Capital Project Funds

ASSETS	LOCIP	Capital and Nonrecurring	Capital Projects Fund	Open Space	Bridges	Bridge St. Remediation	Total
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,877,829
Investments	-	-	-	-	-	-	338,036
Receivables, Net:							
Loans	-	-	-	-	-	-	272,364
Intergovernmental	-	-	-	-	5,040	-	447,597
Due from Other Funds	89,008	413,554	871,507	5,000	-	353	5,724,435
Inventories	-	-	-	-	-	-	5,067
<b>Total Assets</b>	<b>\$ 89,008</b>	<b>\$ 413,554</b>	<b>\$ 871,507</b>	<b>\$ 5,000</b>	<b>\$ 5,040</b>	<b>\$ 353</b>	<b>\$ 8,665,328</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ -	\$ 26,961	\$ -	\$ -	\$ -	\$ -	\$ 83,335
Accrued Payroll and Other Liabilities	-	-	-	-	-	-	5,687
Due to Other Funds	-	-	-	-	5,040	-	245,963
Unearned Revenue	-	-	-	-	-	-	290,111
<b>Total Liabilities</b>	<b>-</b>	<b>26,961</b>	<b>-</b>	<b>-</b>	<b>5,040</b>	<b>-</b>	<b>625,096</b>
Deferred Inflows of Resources:							
Unavailable Revenue	-	-	-	-	-	-	272,364
Fund Balances:							
Nonspendable	-	-	-	-	-	-	5,067
Restricted	-	-	-	-	-	-	941,450
Committed	89,008	386,593	871,507	5,000	-	353	6,919,485
Unassigned	-	-	-	-	-	-	(98,134)
<b>Total Fund Balances</b>	<b>89,008</b>	<b>386,593</b>	<b>871,507</b>	<b>5,000</b>	<b>-</b>	<b>353</b>	<b>7,767,868</b>
<b>Total Liabilities, Deferred Inflows of Resources:</b>	<b>\$ 89,008</b>	<b>\$ 413,554</b>	<b>\$ 871,507</b>	<b>\$ 5,000</b>	<b>\$ 5,040</b>	<b>\$ 353</b>	<b>\$ 8,665,328</b>

**TOWN OF MONTVILLE, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds										
	Town Aid Road	Small Cities	Mental Health Grant	Hot Lunch Program	Special Education Grants	Student Activities	Scholarship Fund	Nonbudget Funds	Social Services	Town Historic Preservation	Youth Service Bureau
<b>REVENUES</b>											
Intergovernmental Revenues	\$ 318,916	\$ -	\$ 11,587	\$ 1,396,447	\$ 2,077,891	\$ -	\$ -	\$ -	\$ 75,150	\$ 18,676	\$ -
Charges for Services	-	33,407	-	43,653	-	354,246	-	3,000	39,124	-	29,870
Investment Income (Loss)	-	-	-	-	-	-	(37,358)	-	-	-	-
Contributions and Other	-	-	-	-	-	-	23,000	-	15,919	-	-
<b>Total Revenues</b>	<b>318,916</b>	<b>33,407</b>	<b>11,587</b>	<b>1,440,100</b>	<b>2,077,891</b>	<b>354,246</b>	<b>(14,358)</b>	<b>3,000</b>	<b>130,193</b>	<b>18,676</b>	<b>29,870</b>
<b>EXPENDITURES</b>											
General Government	-	500	-	-	-	-	-	-	-	5,500	16,916
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Public Works	275,033	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	6,259	-	-	-	-	-	121,010	-	-
Recreation and Leisure	-	-	-	-	-	-	-	750	-	-	-
Education	-	-	-	1,064,822	1,986,337	317,316	6,309	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>275,033</b>	<b>500</b>	<b>6,259</b>	<b>1,064,822</b>	<b>1,986,337</b>	<b>317,316</b>	<b>6,309</b>	<b>750</b>	<b>121,010</b>	<b>5,500</b>	<b>16,916</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>43,883</b>	<b>32,907</b>	<b>5,328</b>	<b>375,278</b>	<b>91,554</b>	<b>36,930</b>	<b>(20,667)</b>	<b>2,250</b>	<b>9,183</b>	<b>13,176</b>	<b>12,954</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>43,883</b>	<b>32,907</b>	<b>5,328</b>	<b>375,278</b>	<b>91,554</b>	<b>36,930</b>	<b>(20,667)</b>	<b>2,250</b>	<b>9,183</b>	<b>13,176</b>	<b>12,954</b>
Fund Balance - Beginning of Year, as Restated	199,908	2,346	7,621	368,438	(91,554)	321,339	576,121	6,259	342,019	50,887	74,539
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 243,791</b>	<b>\$ 35,253</b>	<b>\$ 12,949</b>	<b>\$ 743,716</b>	<b>\$ -</b>	<b>\$ 358,269</b>	<b>\$ 555,454</b>	<b>\$ 8,509</b>	<b>\$ 351,202</b>	<b>\$ 64,063</b>	<b>\$ 87,493</b>

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

	Special Revenue Funds						Capital Project Funds				
	Police Donations	Recreation Services	Parks and Recreation	Dog Warden Donations	Montville Farmer's Market	Police Forfeiture	Comstock Book Fund	Road Bonding	Old Colchester/Black Ash Road	Public Works Facility Improvement	Transfer Station
<b>REVENUES</b>											
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,165	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	108,169	-	4,241	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	30	30	-	-	-
Contributions and Other	19,619	2,808	-	1,309	-	-	-	-	-	-	-
Total Revenues	19,619	2,808	108,169	1,309	4,241	3,165	30	30	-	-	-
<b>EXPENDITURES</b>											
General Government	-	-	-	-	2,105	-	1,821	-	-	-	-
Public Safety	5,758	-	-	1,584	-	1,500	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-	93,315
Health and Welfare	-	-	-	-	-	-	-	-	-	-	-
Recreation and Leisure	-	7,627	80,097	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	793,958	-	-	-
Debt Service	-	-	-	-	-	-	-	196,813	-	-	-
Total Expenditures	5,758	7,627	80,097	1,584	2,105	1,500	1,821	990,771	-	-	93,315
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	13,861	(4,819)	28,072	(275)	2,136	1,665	(1,791)	(990,741)	-	-	(93,315)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	13,861	(4,819)	28,072	(275)	2,136	1,665	(1,791)	(990,741)	-	-	(93,315)
Fund Balance - Beginning of Year, as Restated	182	-	56,298	718	1,303	3,855	8,286	4,929,271	-	2	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 14,043	\$ (4,819)	\$ 84,370	\$ 443	\$ 3,439	\$ 5,520	\$ 6,495	\$ 3,938,530	\$ -	\$ 2	\$ (93,315)

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

	Capital Project Funds						Total
	LOCIP	Capital and Nonrecurring	Capital Projects Fund	Open Space	Bridges	Bridge St. Remediation	
<b>REVENUES</b>							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 745	\$ -	\$ 3,902,577
Charges for Services	7,506	-	-	-	-	-	623,216
Investment Income (Loss)	-	-	-	-	-	-	(37,298)
Contributions and Other	30	-	-	-	-	-	62,685
Total Revenues	<u>7,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745</u>	<u>-</u>	<u>4,551,180</u>
<b>EXPENDITURES</b>							
General Government	-	-	-	-	-	-	26,842
Public Safety	-	-	-	-	-	-	8,842
Public Works	-	-	-	-	-	-	368,348
Health and Welfare	-	-	-	-	-	-	127,269
Recreation and Leisure	-	-	-	-	-	-	88,474
Education	-	-	-	-	-	-	3,374,784
Capital Outlay	-	443,616	158,772	-	10,567	-	1,406,913
Debt Service	-	-	-	-	-	-	196,813
Total Expenditures	<u>-</u>	<u>443,616</u>	<u>158,772</u>	<u>-</u>	<u>10,567</u>	<u>-</u>	<u>5,598,285</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	7,536	(443,616)	(158,772)	-	(9,822)	-	(1,047,105)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	596,418	-	-	-	596,418
Transfers Out	-	(59,982)	(231,452)	-	-	-	(291,434)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(59,982)</u>	<u>364,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,984</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,536	(503,598)	206,194	-	(9,822)	-	(742,121)
Fund Balance - Beginning of Year, as Restated	<u>81,472</u>	<u>890,191</u>	<u>665,313</u>	<u>5,000</u>	<u>9,822</u>	<u>353</u>	<u>8,509,989</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 89,008</u>	<u>\$ 386,593</u>	<u>\$ 871,507</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 353</u>	<u>\$ 7,767,868</u>

## STATISTICAL SECTION

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

Grand List Dated 10/1	Real Property Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List <sup>(1)</sup>	Less Exemptions <sup>(1)</sup>	Net Taxable Grand List <sup>(1)</sup>	Percent Change
2011	79.7 %	10.5 %	9.8 %	\$ 1,531,006	\$ 222,785	\$ 1,308,221	(17.09)%
2012	82.6	7.4	10.0	1,602,427	347,898	1,254,529	(4.28)
2013	82.1	7.8	10.1	1,605,569	346,271	1,259,298	0.38
2014	76.8	13.7	9.5	1,619,701	350,045	1,269,656	0.82
2015	81.1	8.9	10.0	1,636,050	355,646	1,280,404	0.84
2016	78.3	11.2	10.5	1,640,413	369,988	1,270,425	(0.79)
2017	77.6	11.9	10.4	1,656,074	367,257	1,288,817	1.43
2018	77.4	12.0	10.5	1,666,847	367,643	1,299,204	0.80
2019	77.7	13.7	8.6	1,713,751	369,461	1,344,290	3.35
2020	74.7	15.4	9.9	1,730,700	375,081	1,355,619	0.84

Source: Town of Montville, Office of the Assessor

<sup>(1)</sup>In thousands

**TOWN OF MONTVILLE, CONNECTICUT  
MAJOR TAXPAYERS  
2019 GRANT LIST  
(IN THOUSANDS)  
(UNAUDITED)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount<sup>(1)</sup></u>	<u>Percentage of Net Taxable Grand List<sup>(2)</sup></u>
Eversource	Utility	\$ 111,018,740	8.19 %
Yankee Gas Services Company	Utility	20,063,360	1.48
Montville Power LLC	Utility	12,587,257	0.93
Montville Station LLC	Utility	12,001,090	0.89
Home Depot USA Inc.	Retail Shopping Center	10,680,880	0.79
Hitalk Hotels LLC	Hotel	10,634,480	0.78
Rand Whitney Containerboard LTD	Paper / Paperboard	9,515,917	0.70
Algonquin Gas Transmission LLC	Utility	8,230,530	0.61
KVNRB LLC	Hotel	6,216,930	0.46
Meadows of Montville LLC	Apartments	<u>4,560,350</u>	<u>0.34</u>
Total		<u><u>\$ 205,509,534</u></u>	<u><u>15.16 %</u></u>

Source: Town of Montville, Office of the Assessor

<sup>(1)</sup>Net taxable grand list 10/1/20

<sup>(2)</sup>Net taxable grand list as of 10/1/20 was \$1,355,619,000



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

Fiscal Year Ended June 30,	Grand List Year	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2011	\$ 38,212,245	\$ 36,735,621	96.14 %	\$ 1,253,879	\$ 37,989,500	99.42 %
2014	2012	36,173,699	35,271,962	97.51	461,081	35,733,043	98.78
2015	2013	36,794,710	35,912,024	97.60	506,318	36,418,342	98.98
2016	2014	37,925,442	37,067,885	97.74	57,465	37,125,350	97.89
2017	2015	38,989,997	38,044,641	97.58	624,943	38,669,584	99.18
2018	2016	40,017,994	39,214,729	97.99	815,596	40,030,325	100.03
2019	2017	40,671,178	40,007,599	98.37	754,541	40,762,140	100.22
2020	2018	42,007,460	41,397,727	98.55	551,791	41,949,518	99.86
2021	2019	43,291,232	42,680,896	98.59	336,959	43,017,855	99.37
2022	2020	43,527,751	42,888,922	98.53	-	42,888,922	98.53

Source: Town audit reports

**TOWN OF MONTVILLE, CONNECTICUT**  
**RATIOS OF GENERAL BONDED DEBT**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

Fiscal Year June 30,	Total Bonded Debt	Clean Water Fund Notes	Total Net Bonded Debt	Ratio of Net Bonded Debt to Est. Actual Taxable Value *	Percentage of Personal Income**	Per Capita **
Governmental Activities:						
2013	\$ 43,484,200	\$ -	\$ 43,484,200	3.32 %	7.41 %	2,207
2014	40,650,200	-	40,650,200	3.24	7.17	2,084
2015	37,631,200	-	37,631,200	2.99	5.23	1,929
2016	34,937,500	-	34,937,500	2.75	5.61	1,779
2017	31,723,800	-	31,723,800	2.48	5.46	1,621
2018	28,293,300	-	28,293,300	2.23	4.73	1,451
2019	27,369,000	-	27,369,000	2.12	4.58	1,403
2020	23,380,000	-	23,380,000	1.80	3.69	1,196
2021	22,576,000	-	22,576,000	1.68	3.57	1,155
2022	18,636,000	-	18,636,000	1.37	2.67	989
Business-Type Activities:						
2013	\$ 2,745,800	\$ -	\$ 2,745,800	0.21 %	0.47 %	139
2014	2,534,800	-	2,534,800	0.20	0.45	130
2015	2,263,800	245,631	2,509,431	0.20	0.35	129
2016	1,966,500	224,008	2,190,508	0.17	0.35	112
2017	1,669,200	213,623	1,882,823	0.15	0.32	96
2018	1,373,700	203,026	1,576,726	0.12	0.26	81
2019	1,080,000	192,515	1,272,515	0.10	0.21	65
2020	990,000	181,184	1,171,184	0.09	0.18	60
2021	900,000	169,933	1,069,933	0.08	0.17	55
2022	810,000	158,454	968,454	0.07	0.14	51
Town-Wide:						
2013	\$ 46,230,000	\$ -	\$ 46,230,000	3.53 %	7.88 %	2,346
2014	43,185,000	-	43,185,000	3.44	7.62	2,214
2015	39,895,000	245,631	40,140,631	3.19	5.58	2,057
2016	36,904,000	224,008	37,128,008	2.92	5.96	1,891
2017	33,393,000	213,623	33,606,623	2.62	5.78	1,717
2018	29,667,000	203,026	29,870,026	2.35	4.99	1,531
2019	28,449,000	192,515	28,641,515	2.22	4.79	1,468
2020	24,370,000	181,184	24,551,184	1.89	3.88	1,256
2021	23,476,000	169,933	23,645,933	1.76	3.73	1,210
2022	19,446,000	158,454	19,604,454	1.45	2.81	1,041

**Notes:**

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.

The Town of Montville has no overlapping debt nor does it collect taxes for any other entity.

\* See Table 1 for property value data.

\*\* Personal income and population data can be found in Table 5.

**TOWN OF MONTVILLE, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year June 30,	Population <sup>(1)</sup>	Personal Income (000)s	Personal Capita Personal Income <sup>(2)</sup>	Median Age <sup>(1)</sup>	Unemployment Rate <sup>(3)</sup>
2013	19,703	\$ 586,696	\$ 29,777	42	8.0 %
2014	19,505	566,640	29,051	42	6.7
2015	19,511	719,780	36,891	40	6.0
2016	19,635	623,278	31,743	43	4.2
2017	19,571	581,043	29,689	43	4.3
2018	19,505	598,199	30,669	43	4.3
2019	19,505	598,199	30,669	42	3.2
2020	19,546	633,251	32,398	42	8.6
2021	19,546	633,251	32,398	42	8.6
2022	18,835	697,853	37,051	43	10.0

<sup>(1)</sup>CT Economic Resource Center Inc., Annual Town Profile

<sup>(2)</sup>State of Connecticut, Department of Economic and Community Development

<sup>(3)</sup>State of Connecticut, Labor Department, By Town, Not Seasonally Adjusted

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2021  
(UNAUDITED)**

Total Tax Collections, (Including Interest and Lien Fees)  
For the year ended June 30, 2021 (Prior Fiscal Year)  
Taxes, Interest, and Lien Fees \$ 43,534,446

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation:						
2.25 Times Base	\$ 97,952,504	\$ -	\$ -	\$ -	\$ -	\$ 97,952,504
4.50 Times Base	-	195,905,007	-	-	-	195,905,007
3.75 Times Base	-	-	163,254,173	-	-	163,254,173
3.25 Times Base	-	-	-	141,486,950	-	141,486,950
3 Times Base	-	-	-	-	130,603,338	130,603,338
Total Debt Limitation	97,952,504	195,905,007	163,254,173	141,486,950	130,603,338	729,201,971
Indebtedness:						
Bonds Payable	13,494,870	4,547,850	-	-	-	18,042,720
Financed Purchases	1,182,230	-	-	-	-	1,182,230
Authorized, But Unissued Debt	7,500,000	-	-	-	-	7,500,000
Less: Anticipated Grant Proceeds	-	(1,163,251)	-	-	-	(1,163,251)
Total Indebtedness	22,177,100	3,384,599	-	-	-	25,561,699
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 75,775,404	\$ 192,520,408	\$ 163,254,173	\$ 141,486,950	\$ 130,603,338	\$ 703,640,272

- Notes:
1. In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$ 304,741,122
  2. There is no overlapping debt for the Town of Montville.
  3. Water bonds, notes, and capital leases of \$1,561,734 have been omitted from this schedule as the debt is self supporting and or excluded by statute.

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS – PHASE II  
YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

Year Ended June 30,	Uncollected Assessments Beginning of Year	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deletions		Assessments Collected	Interest Liens and Other Fees	Total	
2002	\$ 3,274,736	\$ 61	\$ 1,424	\$ 3,273,373	\$ 422,036	\$ 258,963	\$ 680,999	\$ 2,851,337
2003	2,851,337	-	4,108	2,847,229	466,519	297,766	764,285	2,380,710
2004	2,380,710	65	3,584	2,377,191	323,598	15,781	339,379	2,053,593
2005	2,053,593	218	-	2,053,811	299,662	138,600	438,262	1,754,149
2006	1,754,149	24	46,244	1,707,929	367,903	91,784	459,687	1,340,026
2007	1,340,026	142	-	1,340,168	260,239	74,600	334,839	1,079,929
2008	1,079,929	-	2,702	1,077,227	211,382	64,108	275,490	865,845
2009	865,845	-	4,106	861,739	184,117	41,507	225,624	677,622
2010	677,622	-	175	677,447	189,341	31,885	221,226	488,106
2011	488,106	20	-	488,126	154,173	25,776	179,949	333,953
2012	333,953	-	20	333,933	138,002	21,363	159,365	195,931
2013	195,931	-	1,338	194,593	134,573	9,246	143,819	60,020
2014	60,020	-	-	60,020	18,244	4,376	22,620	41,776
2015	41,776	-	5,971	35,805	8,041	7,535	15,576	27,764
2016	27,764	-	-	27,764	4,707	7,534	12,241	23,057
2017	23,057	-	-	23,057	2,152	3,075	5,227	20,905
2018	20,905	-	-	20,905	2,163	3,651	5,814	18,742
2019	18,742	-	-	18,742	2,909	8,267	11,176	15,833
2020	15,833	-	-	15,833	537	1,563	2,100	15,296
2021	15,296	-	-	15,296	-	-	-	15,296

**TOWN OF MONTVILLE, CONNECTICUT  
SCHEDULE OF SEWER ASSESSMENT COLLECTIONS – PHASE IV  
YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

Year Ended June 30,	Uncollected Assessments Beginning of Year	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments at Year End
		Additions	Deletions		Assessments Collected	Interest Liens and Other Fees	Total	
2002	\$ 154,119	\$ -	\$ -	\$ 154,119	\$ 15,255	\$ 7,520	\$ 22,775	\$ 138,864
2003	138,864	-	-	138,864	18,057	5,775	23,832	120,807
2004	120,807	-	-	120,807	11,026	4,686	15,712	109,781
2005	109,781	-	-	109,781	12,041	4,836	16,877	97,740
2006	97,740	-	14,521	83,219	26,527	13,500	40,027	56,692
2007	56,692	-	-	56,692	10,359	2,638	12,997	46,333
2008	46,333	-	-	46,333	8,714	1,896	10,610	37,619
2009	37,619	-	-	37,619	12,898	1,829	14,727	24,721
2010	24,721	-	-	24,721	8,811	1,720	10,531	15,910
2011	15,910	82	-	15,992	9,319	1,528	10,847	6,673
2012	6,673	-	-	6,673	537	268	805	6,136
2013	6,136	-	-	6,136	1,967	2,686	4,653	4,169
2014	4,169	-	-	4,169	927	468	1,395	3,242
2015	3,242	-	-	3,242	463	178	641	2,779
2016	2,779	-	-	2,779	463	153	616	2,316
2017	2,316	-	-	2,316	463	127	590	1,853
2018	1,853	-	-	1,853	463	102	565	1,390
2019	1,390	-	-	1,390	463	76	539	927
2020	927	-	-	927	464	51	515	463
2021	463	-	-	463	-	-	-	463