

**TOWN OF WOLCOTT, CONNECTICUT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**



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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Wolcott, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wolcott, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Wolcott, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wolcott, Connecticut, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wolcott, Connecticut's ability to continue as a going concern for 12 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 Wolcott, 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 Wolcott, 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, budgetary comparison information and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wolcott, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the Town of Wolcott, 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 Wolcott, 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 Wolcott, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 6, 2023

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

As management of the Town of Wolcott, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**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 \$21,454,751 (net position). Of this amount, \$15,806,448 represents a deficit in the Town's unrestricted net position. This deficit is primarily attributed to long-term liabilities for pension and other postemployment benefits.
- The Town's total net position increased by \$661,744 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$20,624,092, an increase of \$8,547,788 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,969,101 or 14.2% of the Town's fiscal year 2024 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.7 months of General Fund operating expenditures.
- The Town's total capital assets increased by \$789,782 or 1.1%.
- The Town's total long-term bonded debt increased by \$8,208,426 or 29%.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of 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 of resources and liabilities and deferred inflows of resources, with the difference reported as net position. 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 government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The government-wide financial statements display information about the Town's governmental activities which include general government, public safety, public works, culture and recreation, health and welfare, and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the town is financially accountable.

The government-wide financial statements can be found on pages 15 and 16 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 of Wolcott, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected or paid with cash during the current period, or, shortly after the end of the year.

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 Capital Improvement Fund, the Small Cities Grant Fund, and the American Rescue Plan Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

**Proprietary funds.** 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 self-insured healthcare activities. Because this service benefits governmental activities, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 26 through 75 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 76 through 87 of this report. Combining and individual fund financial statements and schedules can be found on pages 89 through 101 of this report.

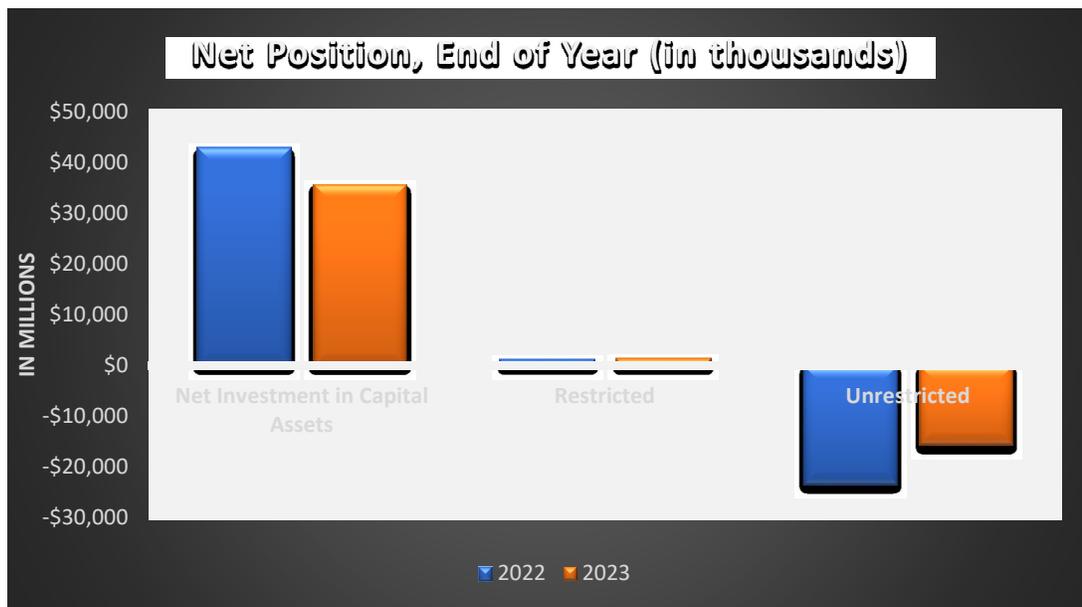
### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The net position of the Town totaled \$21,454,751 as of June 30, 2023 and \$20,793,007 as of June 30, 2022, as restated, and is summarized as follows:

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Town of Wolcott, Connecticut  
Summary Statement of Net Position (000's)**

	Governmental Activities	
	2023	2022
<b>ASSETS</b>		
Current Assets	\$ 35,609	\$ 35,778
Capital Assets, Net of Accumulated Depreciation	72,934	72,144
Other Assets	2,132	1,298
Total Assets	110,675	109,220
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	7,180	7,162
Current Liabilities	10,218	16,870
Long-Term Liabilities:		
Outstanding	78,664	75,212
Total Liabilities	88,882	92,082
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	7,518	3,507
<b>NET POSITION</b>		
Net Investment in Capital Assets	35,694	43,055
Restricted	1,567	1,274
Unrestricted	(15,806)	(23,537)
Total Net Position	\$ 21,455	\$ 20,793



**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

For more detailed information, see the Statement of Net Position (page 15).

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

7.3% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position represents an unrestricted deficit. Overall, the Town's net position increased by \$661,744.

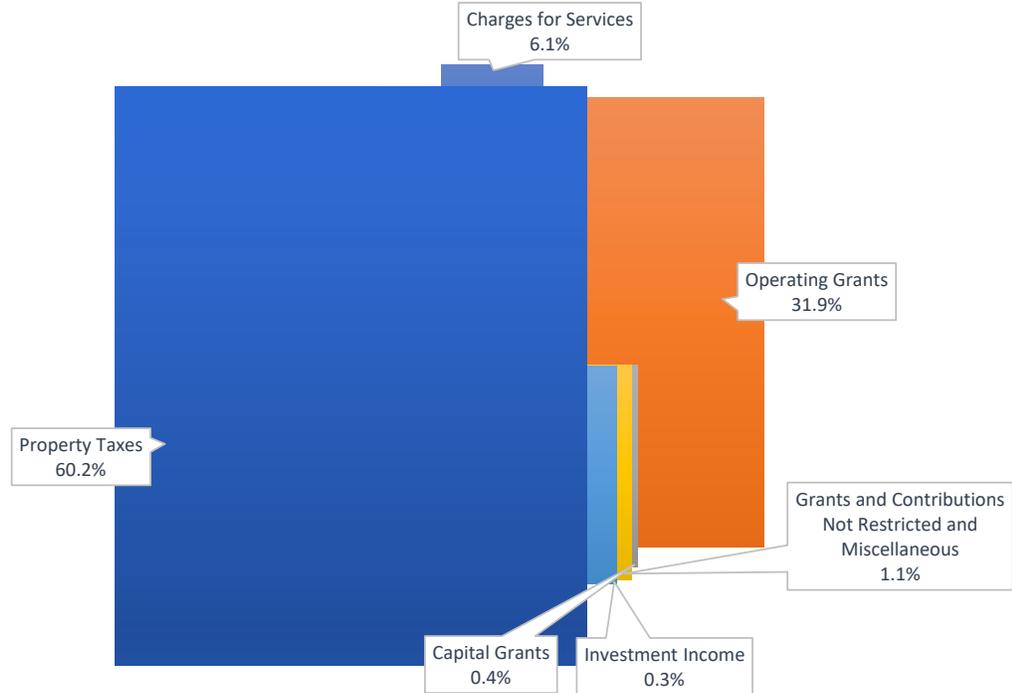
**Changes in Net Position.** Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

**Town of Wolcott, Connecticut  
Summary Statement of Activities (000's)**

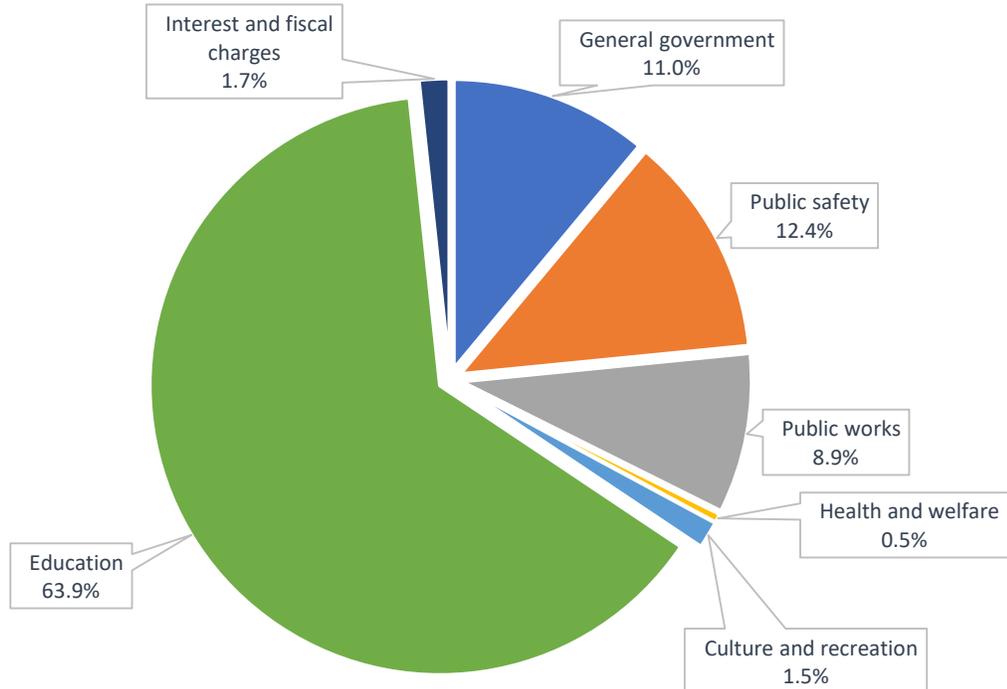
	Governmental Activities	
	2023	2022
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 4,615	\$ 3,936
Operating Grants and Contributions	24,283	24,215
Capital Grants and Contributions	303	357
General Revenues:		
Property Taxes	45,859	43,253
Grants Not Restricted to Specific Programs	-	-
Unrestricted Investment Earnings	256	4
Miscellaneous	807	274
Total Revenues	76,123	72,039
<b>EXPENSES</b>		
General Government	8,325	8,205
Public Safety	9,355	8,811
Public Works	6,753	7,671
Health and Welfare	372	333
Culture and Recreation	1,154	970
Education	48,235	45,170
Interest on Long-Term Debt	1,266	841
Total Expenses	75,461	72,001
Change in Net Position Before Transfers and Capital Contribution	\$ 662	\$ 38

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**2023 Revenues by Source - Governmental Activities**



**2023 Expense by Function - Governmental Activities**



**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Governmental Activities**

Governmental activities increased the Town's net position by \$661,744.

Revenues generated by the Town increased by \$4,083,862 or 5.6% in comparison to revenues reported in the prior year. Key elements of the current year change in revenues included an increase in property taxes of \$2,605,830 and an increase in charges for services of \$678,954.

Expenses incurred by the Town increased by \$3,460,458 or 4.8% in comparison to expenses reported in the prior year. This is attributed to a increase in education expenses as a result of the increase in the amount of pension expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut State Teachers' Retirement System.

**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$20,624,092, an increase of \$8,547,788 in comparison with the prior year balance. Of this amount, \$13,440,887 represents the total unassigned fund balance of the Town.

**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 \$8,969,101, while total fund balance was \$10,726,685. 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 14.2% of the Town's fiscal year 2024 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.7 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$1,365,390 during the current fiscal year as result of favorable budget results as outlined in the General Fund Budgetary Highlights section below.

**Capital Improvement Fund.** The fund balance of the Capital Improvement Fund is \$4,968,851. This is an increase of \$6,582,050 due to permanent financing.

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**Small Cities Grant Program Fund.** The fund balance of the Small Cities Grant Fund increased by \$53,498 during the current fiscal year.

**American Rescue Plan Fund.** As of June 30, 2023, total expenditures incurred were \$1,552,059, primarily attributed to capital asset purchases.

**General Fund Budgetary Highlights**

The original and final budgets for the year ended June 30, 2023 planned for the utilization of fund balance in the amount of \$750,000. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$1,423,530, resulting in a favorable budgetary variance of \$2,173,530. No supplemental appropriations were made during the fiscal year.

Revenues exceeded budgetary estimates by \$2,012,531 or 3.4%. The increase is primarily due to favorable collections on the current year and prior year delinquent property taxes levied, interest income and licenses and permits. Expenditures were \$160,999 or .2% less than budgeted.

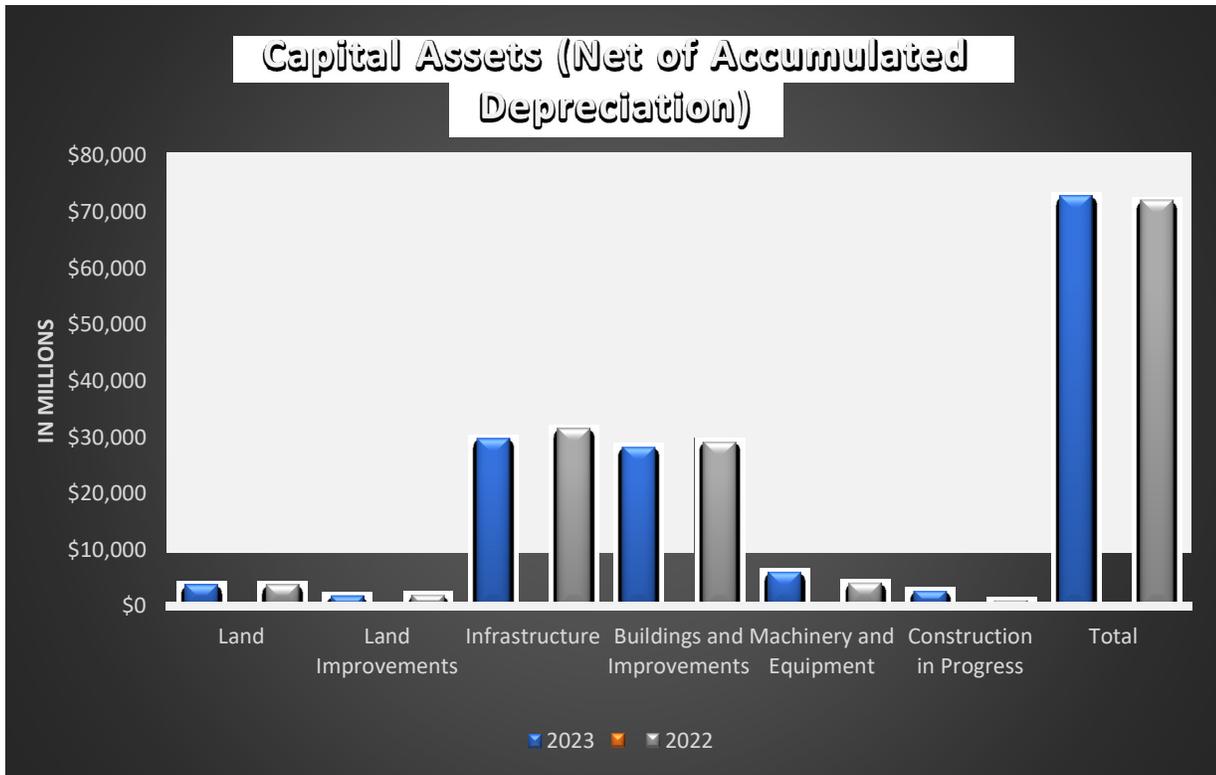
**Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental funds as of June 30, 2023, amounts to approximately \$72.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, roads, highways, bridges, machinery, furniture, vehicles, and equipment, as well as construction in progress. The Town's investment in capital assets increased by \$789,782.

**Town of Wolcott, Connecticut  
Capital Assets, Net of Depreciation (000's)**

	Governmental Activities	
	2023	2022
Land	\$ 3,956	\$ 3,956
Land Improvements	1,867	2,043
Infrastructure	29,846	31,646
Buildings and Improvements	28,298	29,217
Machinery and Equipment	6,152	4,237
Construction in Progress	2,815	1,045
Total	<u>\$ 72,934</u>	<u>\$ 72,144</u>

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**



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

- Additions of \$2.3 million in construction in progress include a new track at Wolcott High School and new ambulance headquarters renovations.
- Additions of \$2.9 Million in vehicles, machinery, and equipment related to costs incurred in connection with the purchase of new Town vehicles including an aerial platform fire truck, an ambulance, a public works truck and roadside cutter, and police vehicles.

Additional information on the Town’s capital assets can be found in Note 3C of this report.

**Debt Obligations.** At the end of the current fiscal year, the Town had total long-term debt (consisting of bonds, notes) outstanding of \$37,239,966, all of which is backed by the full faith and credit of the Town. The Town’s total principal long-term debt increased by \$7,610,000. This increase can be attributed to the issuance of general obligation bonds in the amount of \$10,155,000 offset by scheduled debt service payments.

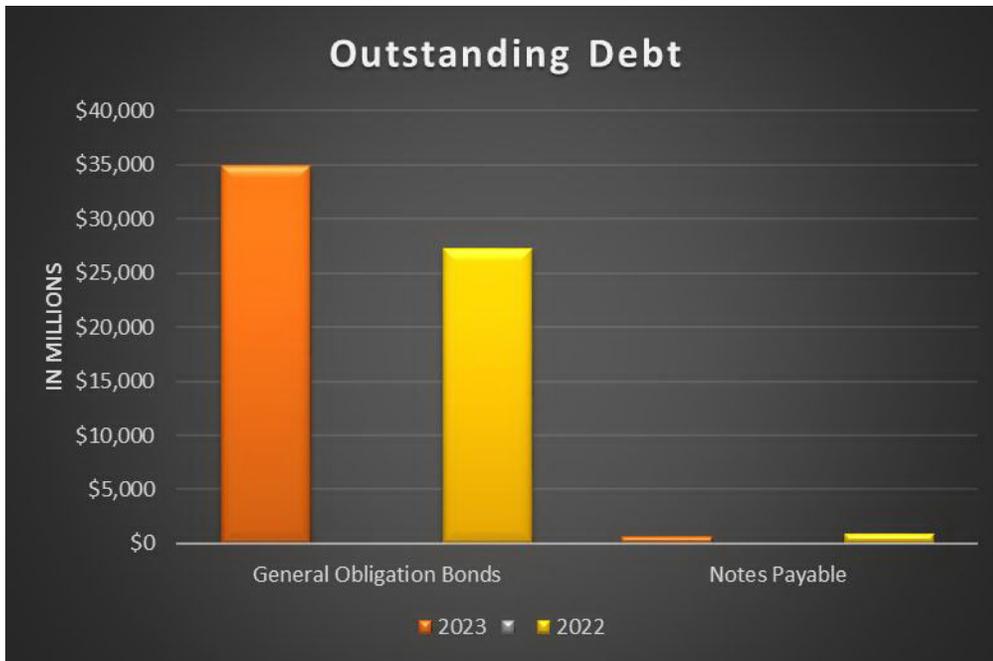
State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town’s outstanding general obligation debt.

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The following summarizes the changes in the Town's long-term debt:

**Town of Wolcott, Connecticut  
Changes in Town Debt (000's)**

	Governmental Activities	
	2023	2022
General Obligation Bonds	\$ 34,870	\$ 27,260
Notes Payable	729	910
Total	\$ 35,599	\$ 28,170



Additional information on the Town's long-term debt can be found in Note 3F of this report.

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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

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

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 2024, 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 budget for such grants were based on estimates from the State.
- It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All these factors were considered in preparing the Town's budget for fiscal year 2024.

The Town's fiscal year 2024 General Fund budget was approved by the Town Council on June 6, 2023. The approved budget contemplated expenditures of \$62,931,233, which is an increase of \$3,288,935 over the original fiscal year 2023 budgeted expenditures. The Town has assigned \$1,500,000 from fund balance of the General Fund for spending in the 2024 fiscal year 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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Town of Wolcott, 10 Keena Avenue, Wolcott, Connecticut 06716.

**TOWN OF WOLCOTT, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 26,175,605
Investments	260,177
Receivables, Net:	
Property Taxes, Current	2,154,565
Other	6,996,306
Inventories and Prepays	21,871
Net Pension Asset	2,132,337
Capital Assets, Nondepreciable	6,770,288
Capital Assets, Net of Accumulated Depreciation	66,163,474
Total Assets	<u>110,674,623</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	1,384,883
Deferred Outflows Related to OPEB	5,795,447
Total Deferred Outflows of Resources	<u>7,180,330</u>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Items	4,390,327
Unearned Revenue	1,367,637
Noncurrent Liabilities:	
Due Within One Year	4,460,424
Due in More Than One Year	78,664,010
Total Liabilities	<u>88,882,398</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Advance Property Tax Collections	130
Deferred Inflows Related to Pension	172,496
Deferred Inflows Related to OPEB	6,601,866
Lease Receivable	743,312
Total Deferred Inflows of Resources	<u>7,517,804</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	35,693,796
Restricted	1,567,403
Unrestricted	<u>(15,806,448)</u>
Total Net Position	<u>\$ 21,454,751</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

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	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 8,325,431	\$ 735,432	\$ 2,483,001	\$ 5,742	\$ (5,101,256)
Public Safety	9,355,154	682,797	51,237	-	(8,621,120)
Public Works	6,752,669	1,694,599	-	296,808	(4,761,262)
Health and Welfare	372,355	16,722	34,876	-	(320,757)
Culture and Recreation	1,153,717	340,722	6,936	-	(806,059)
Education	48,235,426	1,144,605	21,706,624	-	(25,384,197)
Interest on Long-Term Debt	1,266,438	-	-	-	(1,266,438)
<b>Total</b>	<b>\$ 75,461,190</b>	<b>\$ 4,614,877</b>	<b>\$ 24,282,674</b>	<b>\$ 302,550</b>	<b>(46,261,089)</b>
General Revenues:					
Property Taxes					45,859,050
Unrestricted Investment Earnings					256,344
Miscellaneous					807,439
Total General Revenues					<u>46,922,833</u>
<b>CHANGE IN NET POSITION</b>					661,744
Net Position - Beginning of Year					<u>20,793,007</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 21,454,751</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Capital Improvement Fund	Small Cities Grant Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 12,344,233	\$ 5,044,356	\$ 261,659	\$ 954,374	\$ 5,061,158	\$ 23,665,780
Investments	-	-	-	-	260,177	260,177
Receivables	3,178,405	878	2,189,173	-	3,483,444	8,851,900
Due from Other Funds	890,507	-	-	-	2,627	893,134
Inventories	-	-	-	-	21,871	21,871
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 16,413,145</u>	<u>\$ 5,045,234</u>	<u>\$ 2,450,832</u>	<u>\$ 954,374</u>	<u>\$ 8,829,277</u>	<u>\$ 33,692,862</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Items	\$ 2,654,097	\$ 19,129	\$ 1,582	\$ 1,184	\$ 854,054	\$ 3,530,046
Due to Other Funds	2,627	57,254	-	-	833,253	893,134
Unearned Revenue	48,721	-	-	934,081	384,835	1,367,637
Total Liabilities	<u>2,705,445</u>	<u>76,383</u>	<u>1,582</u>	<u>935,265</u>	<u>2,072,142</u>	<u>5,790,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	2,980,885	-	-	-	-	2,980,885
Unavailable Revenue - Advanced Tax Collections	130	-	-	-	-	130
Unavailable Revenue - Loans Receivable	-	-	2,182,673	-	-	2,182,673
Unavailable Revenue - Water and Sewer Use	-	-	-	-	1,370,953	1,370,953
Unavailable Revenue - Lease Receivables	-	-	-	-	743,312	743,312
Total Deferred Inflows of Resources	<u>2,981,015</u>	<u>-</u>	<u>2,182,673</u>	<u>-</u>	<u>2,114,265</u>	<u>7,277,953</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	21,871	21,871
Restricted	-	-	266,577	19,109	1,281,717	1,567,403
Committed	-	-	-	-	3,836,347	3,836,347
Assigned	1,757,584	-	-	-	-	1,757,584
Unassigned	8,969,101	4,968,851	-	-	(497,065)	13,440,887
Total Fund Balances	<u>10,726,685</u>	<u>4,968,851</u>	<u>266,577</u>	<u>19,109</u>	<u>4,642,870</u>	<u>20,624,092</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,413,145</u>	<u>\$ 5,045,234</u>	<u>\$ 2,450,832</u>	<u>\$ 954,374</u>	<u>\$ 8,829,277</u>	<u>\$ 33,692,862</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 20,624,092
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	\$ 145,104,942	
Less Accumulated Depreciation	<u>(72,171,180)</u>	
Net Capital Assets		72,933,762

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 30 Days	2,146,975
Interest Receivable on Property Taxes	833,910
Loan Receivable	2,182,673
Water and Sewer Receivables	1,370,953
Net Pension Asset	2,132,337
Deferred Outflows Related to Pension	1,384,883
Deferred Outflows Related to OPEB	5,795,447

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.

2,156,757

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 Payable	(34,870,000)
Bonds Premium	(1,641,426)
Deferred Inflows Related to OPEB	(6,601,866)
Deferred Inflows Related to Pension	(172,496)
Interest Payable on Bonds	(208,242)
Heart and Hypertension Claims	(1,039,939)
Notes Payable	(728,540)
Net OPEB Obligation	(30,200,198)
Compensated Absences	(2,596,563)
Net Pension Liability	<u>(12,047,768)</u>

Net Position of Governmental Activities (Exhibit I)

\$ 21,454,751

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Improvement Fund	Small Cities Grant Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 45,516,733	\$ -	\$ -	\$ -	\$ -	\$ 45,516,733
Intergovernmental Revenues	20,210,917	-	-	1,520,385	4,559,212	26,290,514
Investment Earnings	-	210,379	-	45,279	686	256,344
Charges for Services	860,639	-	-	-	3,348,521	4,209,160
Other Revenues	651,093	-	108,391	-	547,507	1,306,991
Total Revenues	<u>67,239,382</u>	<u>210,379</u>	<u>108,391</u>	<u>1,565,664</u>	<u>8,455,926</u>	<u>77,579,742</u>
<b>EXPENDITURES</b>						
Current:						
General Government	7,803,094	-	-	221,482	54,252	8,078,828
Public Safety	7,293,526	-	-	924,308	706,284	8,924,118
Public Works	2,006,150	-	-	375,022	1,666,262	4,047,434
Health and Welfare	220,084	-	54,893	-	52,753	327,730
Culture and Recreation	733,401	-	-	-	218,842	952,243
Education	44,092,919	-	-	31,247	4,997,785	49,121,951
Capital Outlay	-	4,463,959	-	-	26,643	4,490,602
Debt Service:						
Principal Retirement	2,846,406	-	-	-	-	2,846,406
Interest and Other Charges	1,249,604	205,288	-	-	-	1,454,892
Total Expenditures	<u>66,245,184</u>	<u>4,669,247</u>	<u>54,893</u>	<u>1,552,059</u>	<u>7,722,821</u>	<u>80,244,204</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	994,198	(4,458,868)	53,498	13,605	733,105	(2,664,462)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Notes Payable	-	216,136	-	-	-	216,136
Issuance of General Obligation Bonds	-	10,155,000	-	-	-	10,155,000
Issuance of General Obligation Bonds Premium	-	841,114	-	-	-	841,114
Transfers In	399,860	28,668	-	-	-	428,528
Transfers Out	(28,668)	(200,000)	-	-	(199,860)	(428,528)
Total Other Financing Sources (Uses)	<u>371,192</u>	<u>11,040,918</u>	<u>-</u>	<u>-</u>	<u>(199,860)</u>	<u>11,212,250</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,365,390	6,582,050	53,498	13,605	533,245	8,547,788
Fund Balances - Beginning of Year	9,361,295	(1,613,199)	213,079	5,504	4,109,625	12,076,304
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,726,685</u>	<u>\$ 4,968,851</u>	<u>\$ 266,577</u>	<u>\$ 19,109</u>	<u>\$ 4,642,870</u>	<u>\$ 20,624,092</u>

See accompanying Notes to Basic Financial Statements.

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$	8,547,788
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay		4,855,094
Depreciation Expense		(4,025,762)
Loss on Disposition of Capital Assets		(39,550)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes Collected After 60 Days		228,340
Interest Receivable on Property Taxes		113,977
Grant Receivable Collected After 60 Days		(81,668)
Water and Sewer Collected After 60 Days		(45,466)
Loans Receivables		(48,369)
Change in Net OPEB Asset		833,978

Change in Deferred Outflows Related to Pension and OPEB		143,051
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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:

Proceeds on direct borrowings		(216,136)
Proceeds on Issuance of General Obligation Bonds		(10,155,000)
Premiums on General Obligation Bonds		(841,114)
Principal Payments on Bonds and Notes Payable		2,943,066

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		(124,734)
Amortization of Premium		242,688
Accrued Interest		(26,162)
Change in Heart and Hypertension Obligation		(6,604)
Change in Net OPEB Obligation		2,590,084
Change in Long-Term Compensated Absences		132,778
Change in Deferred Inflows Related to Pension and OPEB		(4,122,325)
Change in Net Pension Liability		298,289

The net expense of the internal service funds is reported with governmental activities.		(534,499)
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Change in Net Position of Governmental Activities (Exhibit II)	\$	<u>661,744</u>
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See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,509,825
Receivables	298,971
Total Assets	<u>2,808,796</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Accrued Items	64,039
Claims Payable	588,000
Total Liabilities	<u>652,039</u>
<b>NET POSITION</b>	
Unrestricted	<u>2,156,757</u>
Total Net Position	<u><u>\$ 2,156,757</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION –  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
<b>REVENUES</b>	
Operating Revenues	\$ 8,508,761
<b>EXPENSES</b>	
Operating Expenses	<u>9,043,260</u>
<b>OPERATING LOSS</b>	(534,499)
Net Position - Beginning of Year	<u>2,691,256</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 2,156,757</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Employer and Employees	\$ 8,209,790
Receipts from Interfund Services Provided	(20,861)
Payments for Premiums, Claims, and Administration	<u>(9,250,007)</u>
Net Cash Used by Operating Activities	<u>(1,061,078)</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (1,061,078)
Cash and Cash Equivalents - Beginning of Year	<u>3,570,903</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 <u>\$ 2,509,825</u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (534,499)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(298,971)
Increase (Decrease) in Due to other funds	(20,861)
Increase (Decrease) in Accounts Payable and Accrued Items	<u>(206,747)</u>
Total Adjustments	<u>(526,579)</u>
 Net Cash Used by Operating Activities	 <u>\$ (1,061,078)</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2023**

	Pension Trust Funds	Private Purpose Trust Fund Scholarship Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,631,154	\$ 221,012
Investments, at Fair Value:		
Mutual Funds	20,870,580	-
Insurance Contracts	4,075,845	-
Common Stock	1,840,266	-
Exchange Traded Funds	11,645,917	-
Total Investments	<u>38,432,608</u>	<u>-</u>
Accounts Receivable	89,725	-
Total Assets	<u>46,153,487</u>	<u>221,012</u>
 <b>NET POSITION</b>		
Restricted for Trust	<u>46,153,487</u>	<u>221,012</u>
 Total Net Position	<u><u>\$ 46,153,487</u></u>	<u><u>\$ 221,012</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Fund Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,516,968	\$ -
Plan Members and TRB Subsidy	89,725	-
Total Contributions	<u>1,606,693</u>	<u>-</u>
Investment Earnings:		
Net Change in Fair Value of Investments	3,992,319	-
Dividend and Interest	662,754	-
Total Investment Earnings	<u>4,655,073</u>	<u>-</u>
Less Investment Fees	<u>(108,132)</u>	<u>-</u>
Net Investment Income	<u>4,546,941</u>	<u>-</u>
Total Additions	<u>6,153,634</u>	<u>-</u>
 <b>DEDUCTIONS</b>		
Benefits	2,819,827	-
Administration and Other	51,749	3,541
Total Deductions	<u>2,871,576</u>	<u>3,541</u>
 <b>CHANGE IN NET POSITION</b>	 3,282,058	 (3,541)
 Net Position - Beginning of Year	 <u>42,871,429</u>	 <u>224,553</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 46,153,487</u></u>	 <u><u>\$ 221,012</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town, originally named Farmingbury, was incorporated as Wolcott in 1796, under the provisions of the Connecticut General Statutes. 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, culture and recreation, health and welfare, 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 the Mayor is responsible for presenting fiscal operating budgets for Town Council approval.

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

**Fiduciary Component Units**

The Town has established two single employer defined benefit pension plans to provide retirement benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and is required to make contributions to the pension plans.

In addition, the Olga Krasnovsky Endowment Fund has been established and amounts held in trust for the restricted use of scholarships for Wolcott High School students.

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

**B. Basis of Presentation**

The financial statements of the Town have been prepared in conformity with GAAP as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**TOWN OF WOLCOTT, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**C. 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's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Town's major individual governmental funds are reported as a separate column in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. 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 have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

*General Fund* – This fund is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

*Capital Improvement Fund* – This fund is used to account for financial resources designated for capital projects.

*Small Cities Grant Fund* – This fund accounts for the proceeds and expenditures related to the Community Development Block Grant Small Cities program operated by the Town. Funding is used to provide loans to low-income residents for home improvements.

*American Rescue Plan Fund* – This fund accounts for the proceeds and expenditures under the American Rescue Plan Act of 2021.

Additionally, the Town reports the following fund types:

*Internal Service Fund (Proprietary)* – 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 related to medical and dental insurance.

*Pension Trust Funds (Fiduciary)* – These funds are used to account for resources held in trust for the members and beneficiaries of the Town’s defined benefit pension plans. The Town utilizes these funds to account for activities of the following plans: Town and Police Pension Trust Fund and the Board of Education Pension Trust Fund.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

*Private Purpose Trust Fund (Fiduciary)* – This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of the School Scholarship Private Purpose Trust Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

**E. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

**F. Investments**

Investments are stated at fair value.

**TOWN OF WOLCOTT, CONNECTICUT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**G. Inventories and Prepaid Items**

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

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

**H. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon analysis of creditor's ability to pay.

**I. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**I. Capital Assets (Continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	20 Years
Buildings	50 Years
Vehicles, Machinery, and Equipment	5 to 15 Years
Infrastructure	10 to 50 Years

**J. Leases**

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in other current and noncurrent assets and deferred inflows of resources related to leases in the nonmajor governmental fund Farmingbury Hills Country Club Fund and in the Governmental Activities Statement of Net Position.

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

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**K. 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 position 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 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 pension and OPEB investment earnings, differences between expected and actual experience and change in proportionate share of the total pension liability. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**K. 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 position 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 advance property tax collections, deferred inflows of resources related to pensions and OPEB and deferred inflow on refundings in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from changes in the Town's proportionate share in liability. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). A deferred inflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. For governmental funds, the Town reports advance collections which represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. 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. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**L. Compensated Absences**

Based on union or employment contracts, certain employees may accumulate a certain amount of unused sick and vacation leave until retirement, termination, or death, at which time the accumulated amounts become vested and the employee is paid a percentage of the accumulated leave. The amount recorded as a liability is based upon current salary levels. Vacation time earned during the fiscal year may, in some situations, be carried over to the next fiscal year. All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**M. Net Pension (Asset) Liability**

The net pension (asset) 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 (asset) liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**N. Other Postemployment Benefit (OPEB) Liability**

The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability). The total OPEB (asset) 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.

**O. Long-Term Obligations**

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

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

**P. Equity**

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

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

*Restricted* – Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**P. Equity (Continued)**

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

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

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

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

*Assigned Fund Balance* – This includes amounts constrained for the intent to be used for a specific purpose by the Town Council that has been delegated authority to assign amounts by the Town Charter.

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

**Q. Property Taxes, Assessments, and Usage Charges**

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent 30 days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$222,087 and \$113,362, respectively, as of June 30, 2023.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Q. Property Taxes, Assessments, and Usage Charges (Continued)**

Upon completion of projects, water and sewer assessments are levied and assessed to the users annually. The timing of billings is based on which phase of the assessment the property is located in. Sewer usage charges are billed annually on July 1. Water usage charges are billed quarterly. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at a rate of 1.5% per month. Liens are filed on all delinquent properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible water and sewer assessments of \$47,700 and \$6,800, respectively, as of June 30, 2023. In addition, the Town has established an allowance for uncollectible water and sewer usage charges of \$3,000 and \$30,000, respectively, as of June 30, 2023.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 30 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**R. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**S. Adoption of New Accounting Standards**

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

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

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

**A. Budgetary Information**

As provided in the Town Charter, the Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements. The Mayor shall at least 90 days before the end of the fiscal year present to the Council an annual budget proposal. Not less than 30 days before the beginning of the fiscal year the Council shall hold a public hearing. The Council shall adopt an operating budget not less than 20 days before the beginning of the fiscal year. The General Fund operating budget includes proposed expenditures and the means of financing them.

The Mayor may approve additional expenditures for a budget item up to \$5,000 not to exceed the contingent fund and shall notify the Council within 30 days and the Council shall make necessary appropriations, therefore.

Effective January 1, 2022, appropriations that exceed \$5,000 but less than \$50,000 can be made upon recommendation of the Mayor with the approval by the Council up to a maximum additional appropriation of \$100,000.

Any additional appropriation during the fiscal year that exceeds \$100,000 must be voted by the Town at a meeting called for such purpose, provided that the appropriation has been recommended by the Mayor and approved by the Council.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**A. Budgetary Information (Continued)**

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

**B. Deficit Fund Equity**

For the year ended June 30, 2023, the Farmingbury Hills Country Club Fund, the Miscellaneous Grants Fund and the Local Capital Improvement Program Fund had fund balance deficits of \$423,620, \$10,780, and \$62,665, respectively.

The Town now leases the golf club associated with the Farmingbury Hills Country Club deficit. Pursuant to the lease, the Town will receive rental income on a monthly basis and the lessee is responsible for managing and paying the costs to operate the golf course. The Town expects to eliminate the deficit within this Fund through future rental income from the lease. The Miscellaneous Grants Fund and the Local Capital Improvement Program fund deficits will be funded from reimbursements related to those programs.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. 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 WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. 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). These investment pools are under the control of the state treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and are regulated under the state statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$17,298,290 of the Town’s bank balance of \$18,846,884 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 15,476,144
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the Town’s Name	<u>1,822,146</u>
Total Amount Subject to Custodial Risk	<u><u>\$ 17,298,290</u></u>

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, 2023, the Town’s cash equivalents amounted to \$16,198,424. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor’s</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash, Cash Equivalents, and Investments (Continued)**

Investments

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

Investment Type	Fair Value	Investment Maturities (Years)			
		Less Than 1	1 - 10	More Than 10	
Interest-Bearing Investments:					
Certificates of Deposit	*	\$ 260,177	\$ -	\$ 260,177	\$ -
Total		<u>260,177</u>	<u>\$ -</u>	<u>\$ 260,177</u>	<u>\$ -</u>
Other Investments:					
Mutual Funds		20,870,580			
Insurance Contracts		4,075,845			
Common Stock		1,840,266			
Exchange Traded Funds		11,645,917			
Total Investments		<u>\$ 38,692,785</u>			

\*Subject to coverage by Federal Depository Insurance and collateralization.

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 if its investment or collateral securities that are in the possession of an outside party.

Credit Risk

The Town has an investment policy that would limit its investment choices due to credit risk other than state statutes governing investments in obligations of any state or political subdivision or in obligations of the state of Connecticut or political subdivision.

Concentration of Credit Risk

The Town places limits on the amount invested 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.

Interest Rate Risk

The Town does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash, Cash Equivalents, and Investments (Continued)**

Interest Rate Risk (Continued)

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

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Common Stock	\$ 1,840,266	\$ 1,840,266	\$ -	\$ -
Exchange Traded Funds	11,645,917	11,645,917	-	-
Mutual Funds	20,870,580	20,870,580	-	-
Total Investments by Fair Value Level	34,356,763	\$ 34,356,763	\$ -	\$ -
Other Investments:				
Certificate of Deposit	Unrated	260,177		
Insurance Contracts	Unrated	4,075,845		
Total		\$ 38,692,785		

**B. Receivables**

Receivables by type at year-end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvement Fund	Small Cities Grant	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 2,490,014	\$ -	\$ -	\$ -	\$ 2,490,014
Interest	947,272	-	-	-	947,272
Sewer	-	-	-	1,400,354	1,400,354
Water	-	-	-	94,316	94,316
Assessments	-	-	-	831,214	831,214
Loans	-	-	2,189,173	-	2,189,173
Intergovernmental	542	-	-	359,032	359,574
Leases	-	-	-	800,448	800,448
Other	76,026	878	-	473,576	550,480
Less: Allowance for Uncollectible Accounts	(335,449)	-	-	(86,800)	(422,249)
Net Accounts Receivable	\$ 3,178,405	\$ 878	\$ 2,189,173	\$ 3,872,140	\$ 9,240,596

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,955,774	\$ -	\$ -	\$ 3,955,774
Construction in Progress	1,045,394	2,324,291	555,171	2,814,514
Total Capital Assets Not Being Depreciated	5,001,168	2,324,291	555,171	6,770,288
Capital Assets Being Depreciated:				
Land Improvements	5,970,637	-	679,555	5,291,082
Buildings and Improvements	61,881,290	206,465	23,242	62,064,513
Machinery and Equipment	18,373,126	2,879,509	272,745	20,979,890
Infrastructure	49,999,169	-	-	49,999,169
Total Capital Assets Being Depreciated	136,224,222	3,085,974	975,542	138,334,654
Less Accumulated Depreciation for:				
Land Improvements	3,927,670	175,849	679,554	3,423,965
Buildings and Improvements	32,664,848	1,108,245	6,739	33,766,354
Machinery and Equipment	14,136,211	941,722	249,699	14,828,234
Infrastructure	18,352,681	1,799,946	-	20,152,627
Total Accumulated Depreciation	69,081,410	4,025,762	935,992	72,171,180
Total Capital Assets Being Depreciated, Net	67,142,812	(939,788)	39,550	66,163,474
Governmental Activities Capital Assets, Net	<u>\$ 72,143,980</u>	<u>\$ 1,384,503</u>	<u>\$ 594,721</u>	<u>\$ 72,933,762</u>

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

Governmental Activities:	
General Government	\$ 94,905
Public Safety	403,423
Public Works	2,368,613
Health and Welfare	80,264
Culture and Recreation	153,828
Education	924,729
Total Depreciation Expense - Governmental Activities	<u>\$ 4,025,762</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

Construction Commitments

The active construction projects as of June 30, 2023, are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Ambulance Building	\$ 1,001,888	\$ 1,098,112
High School Turf Field and Track	1,359,072	5,497
Total	<u>\$ 2,360,960</u>	<u>\$ 1,103,609</u>

**D. Interfund Receivables, Payables, and Transfers**

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 2,627
General Fund	Nonmajor Governmental Funds	833,253
General Fund	Capital Improvement Fund	57,254
	Total	<u>\$ 893,134</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>		
	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Transfers</u>
Transfers Out:			
General Fund	\$ -	\$ 28,668	\$ 28,668
Nonmajor Governmental Funds	199,860	-	199,860
Capital Improvement Fund	200,000	-	200,000
Total	<u>\$ 399,860</u>	<u>\$ 28,668</u>	<u>\$ 428,528</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Lease Receivable**

The Town, acting as a lessor, leases the Farmingbury Hills Golf Course under a long-term noncancelable lease agreement. The initial lease term commenced March 1, 2020, through February 28, 2025, with three five-year renewal terms through February 28, 2040. The initial term of the lease was \$9,800 a month increased annually based on the lesser of 3% or the percentage change in the Consumer Price Index. During the year ended June 30, 2023, the Town recognized \$111,492 and \$37,698 in lease revenue and interest revenue, respectively, pursuant to this contract.

Total future minimum lease payments to be received under lease agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 94,404	\$ 33,628	\$ 128,032
2025	102,671	29,197	131,868
2026	111,445	24,383	135,828
2027	120,737	19,163	139,900
2028	130,583	13,513	144,096
2029 - 2033	240,608	8,717	249,325
Total	<u>\$ 800,448</u>	<u>\$ 128,601</u>	<u>\$ 929,049</u>

**F. Long-Term Debt**

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 27,260,000	\$ 10,155,000	\$ 2,545,000	\$ 34,870,000	\$ 2,545,000
Unamortized Premium	1,043,000	841,114	242,688	1,641,426	-
Total Bonds Payable	<u>28,303,000</u>	<u>10,996,114</u>	<u>2,787,688</u>	<u>36,511,426</u>	<u>2,545,000</u>
Direct Borrowings:					
Notes Payable	910,470	216,136	398,066	728,540	297,149
Compensated Absences	2,729,341	14,648	147,426	2,596,563	501,262
Heart and Hypertension	1,033,333	75,000	68,394	1,039,939	125,786
Net Pension Liability	12,346,057	-	298,289	12,047,768	-
Total OPEB Liability	<u>32,790,282</u>	<u>-</u>	<u>2,590,084</u>	<u>30,200,198</u>	<u>991,227</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 78,112,483</u>	<u>\$ 11,301,898</u>	<u>\$ 6,289,947</u>	<u>\$ 83,124,434</u>	<u>\$ 4,460,424</u>

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Debt (Continued)**

General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2023
Bonds Payable:						
General Obligation Refunding						
General Obligation Bonds	10/2014	10/2033	2.0%-4.0%	\$ 6,960,000	Various	\$ 4,210,000
General Obligation Refunding						
Bonds	1/2015	8/2025	2.0%-4.0%	4,030,000	Various	1,010,000
General Obligation	10/2016	10/2033	2.0%-5.0%	4,590,000	Various	3,155,000
General Obligation	10/2017	10/2042	2.0%-5.0%	11,300,000	Various	9,400,000
General Obligation Refunding						
Bonds	11/2017	6/2030	4.0%-5.0%	2,630,000	Various	1,610,000
General Obligation	10/2019	11/2039	2.0%-5.0%	6,845,000	Various	5,810,000
General Obligation	8/2023	69/2043	4.0%-5.0%	10,115,000	Various	9,675,000
Total Outstanding				<u>\$ 46,470,000</u>		<u>\$ 34,870,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,545,000	\$ 1,198,269
2025	2,530,000	1,086,319
2026	2,475,000	976,650
2027	2,200,000	877,228
2028	2,200,000	792,700
2029 - 2033	10,305,000	2,895,321
2034 - 2038	7,160,000	1,504,041
2039 - 2043	5,455,000	490,206
Total	<u>\$ 34,870,000</u>	<u>\$ 9,820,734</u>

Notes Payable – Direct Borrowings

The Town has entered into numerous financing agreements with vendors to purchase equipment and vehicles. Annual debt service requirements to maturity for these direct payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 297,149	\$ 19,552
2025	191,721	12,235
2026	118,113	6,993
2027	121,557	3,549
Total	<u>\$ 728,540</u>	<u>\$ 42,329</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Long-Term Debt (Continued)**

Authorized But Unissued Bonds

There is currently \$40,000 of authorized but unissued debt related to schools. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

The summary of activity related to bond anticipation notes are as follows:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
8/24/21	8/23/22	1.25%	\$ 9,000,000	\$ -	\$ 9,000,000	\$ -

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 97,202,934	\$ 30,341,065	\$ 66,861,869
Schools	194,405,868	4,011,910	190,393,958
Sewers	162,004,890	-	162,004,890
Urban Renewal	140,404,238	-	140,404,238
Pension Deficit	129,603,912	-	129,603,912

Heart and Hypertension Obligations

The Town maintains the risk related to heart and hypertension claims payable to police employees under state benefit requirements. The Town does not maintain a separate cash reserve to cover the benefits provided by the heart and hypertension program and does not prefund the benefits to be paid in future years. Expenditures related to this program are funded annually through General Fund appropriations. The estimated liability at June 30, 2023, is \$1,039,939.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2023, are as follows:

	General Fund	Capital Improvement Fund	Small Cities Grant	American Rescue Plan Fund	Nonmajor and Other Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 21,871	\$ 21,871
Restricted for:						
Grant Programs	-	-	266,577	19,109	89,240	374,926
Donor Restrictions	-	-	-	-	18,367	18,367
Public Safety	-	-	-	-	56,194	56,194
School Lunch Programs	-	-	-	-	843,792	843,792
Student Activities	-	-	-	-	198,434	198,434
Open Space	-	-	-	-	75,690	75,690
Committed to:						
General Government	-	-	-	-	4,391	4,391
Public Safety	-	-	-	-	221,619	221,619
Culture and Recreation	-	-	-	-	69,868	69,868
Health and Welfare	-	-	-	-	22,694	22,694
Education	-	-	-	-	248,309	248,309
Capital Purposes	-	-	-	-	889	889
Water and Sewer Operations	-	-	-	-	3,268,577	3,268,577
Assigned to:						
Education - Reserve	24,329	-	-	-	-	24,329
Education - Encumbrances	233,255	-	-	-	-	233,255
Subsequent Year's Budget	1,500,000	-	-	-	-	1,500,000
Unassigned	8,969,101	4,968,851	-	-	(497,065)	13,440,887
Total Fund Balances	<u>\$ 10,726,685</u>	<u>\$ 4,968,851</u>	<u>\$ 266,577</u>	<u>\$ 19,109</u>	<u>\$ 4,642,870</u>	<u>\$ 20,624,092</u>

Encumbrances of \$233,255 at June 30, 2023, are contained in the above table in the assigned category of the General Fund.

**NOTE 4 EMPLOYEE RETIREMENT PLANS**

The Town maintains two single employer defined benefit pension plans: the Town General Pension Plan and the Board of Education Pension Plan. The Plans cover substantially all full-time employees except professional personnel at the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The Plans do not issue stand-alone financial statements and are part of the Town' financial reporting entity. As such, the Plans are accounted for in the fiduciary fund financial statements as Pension Trust Funds.

**Town General Pension Plan**

**A. Plan Description and Membership**

The Town administers a single-employer, contributory defined benefit pension plan (the Town Plan). The Town Plan provides retirement, disability, and survivorship benefits for eligible employees. The Town Plan is administered by a Retirement Board composed of selected members.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**A. Plan Description and Membership (Continued)**

Eligible regular full-time employees of the Town and Police are members of the Town Plan. Eligible employees become members after completion of one year of service. Nonunion Town employees are not permitted to participate in the plan after June 30, 2011. The Town Plan was closed to new Police union hires in September 2015, Town Hall union Dispatchers in October 2011, and Public Works union employees in September 2018. At January 1, 2023, the valuation date, Town Plan membership consisted of the following:

Retired Participants and Beneficiaries Receiving Benefits	77
Terminated Members Entitled to, But Not Yet Receiving Benefits	24
Active Plan Members	43
Total	144

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

**Value of Investments**

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**B. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)**

Benefits Provided

The Town Plan provides retirement and disability benefits. The normal retirement age for police officers is either 60 with 20 years of service, age 50 with 25 years of service, or age 65. The normal retirement age for public works is age 62 with 30 years of service or age 65. The normal retirement age for all other employees is 65. Normal retirement benefits consist of yearly annuity. Police officers vest after seven years of service and are fully vested at that time. All other employees will vest in accordance with the following schedule in regard to Town contributions:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less Than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or More	100%

For police officers, the benefit is based on 50% of final average earnings less 2.5% for each year of service if less than 20 years plus 2.5% of final earnings for years of service in excess of 25 years, with a maximum of 30 years of service. Final average salary is defined as average total earnings that are subject to federal income taxes for the 5 consecutive calendar years in the last 10 calendar years that gives the highest average.

For other employees, the benefit is based on 1.8% of final average salary times years of credited service, to a maximum of 30 years. For participants who contribute to the plan, the multiplier is 1.9%. Final average salary is defined as an average of gross wages for the 3 highest consecutive years out of the last 10 years of service.

Police officers are eligible for early retirement not more than ten years prior to normal retirement age with at least 15 years of service. Benefits include normal pension benefits reduced by applying actuarial reduction for each year earlier than normal retirement date. For all other employees, the early retirement age is 55 with 15 years of service. Normal pension benefits are reduced by appropriate plan factors for each month younger than normal retirement age.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**B. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)**

Disability benefits are available for police officers based on non-service and service disability. Nonservice disability includes 50% of salary at point of disability and is available for all police officers who are at least age 50 and have 10 years of services. Service disability for full-time officers who are disabled in the performance of their duties includes 50% of salary reduced by any other compensation from the Town. Payments continue if no employment is available upon the officer's maximum recovery. All other employees who are at least age 47 with 10 years of service are eligible for annuity payments calculated in accordance with normal retirement benefits.

**C. Funding Policy**

The contribution requirements of plan members are established and may be amended by the Town Council, subject to union contract negotiation. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. Police officers as of October 1, 1996 contribute 2% of W-2 wages. Any officers hired after October 1, 1996 contribute 5% of W-2 wages. Employee contributions are 1.5% for members of UPSEU Local 424, Unit 58 and Local 1303-63 of Council 4 AFSCME, AFL-CIO. All other employees are not required to make contributions to the Town Plan.

**D. Investments**

**Investment Policy**

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

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Town Plan was 11.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town Plan at June 30, 2023, were as follows:

Total Pension Liability	\$ 38,518,722
Plan Fiduciary Net Position	26,470,954
Net Pension Liability	<u>\$ 12,047,768</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.72%
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**Actuarial Assumptions**

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

Discount Rate	7.00%
Salary Increases	Varies by age and position
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) 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	75.00 %	9.31%
Core Fixed Income	16.00	4.01%
High-Yield Fixed Income	5.00	6.11%
Cash	4.00	3.11%
Total	<u>100.00 %</u>	

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**E. Net Pension Liability of the Town (Continued)**

Discount Rate

The discount rate used to measure the total pension liability of the Town Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate for the Town plan changed from 7.25% to 7.00% as of June 30, 2023.

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

The following presents the net pension liability of the Town Plan, calculated using the discount rate of 7.00% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 16,534,563	\$ 12,047,768	\$ 8,293,277

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**E. Net Pension Liability of the Town (Continued)**

Changes in the Net Pension Liability

	Town Pension Plan		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2022	\$ 36,767,245	\$ 24,421,188	\$ 12,346,057
Changes for the Year:			
Service Cost	374,622	-	374,622
Interest on Total Pension Liability	2,622,466	-	2,622,466
Differences Between Expected and Actual Experience	(64,352)	-	(64,352)
Changes in Assumptions	758,586	-	758,586
Employer Contributions	-	1,266,750	(1,266,750)
Member Contributions	-	89,725	(89,725)
Net Investment Income	-	2,684,885	(2,684,885)
Benefit Payments, Including Refund to Employee Contributions	(1,939,845)	(1,939,845)	-
Administrative Expenses	-	(51,749)	51,749
Net Changes	<u>1,751,477</u>	<u>2,049,766</u>	<u>(298,289)</u>
Balances as of June 30, 2023	<u>\$ 38,518,722</u>	<u>\$ 26,470,954</u>	<u>\$ 12,047,768</u>

Schedule of Plan Net Position

	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,631,154	\$ -	\$ 7,631,154
Investments	18,750,075	19,682,533	38,432,608
Receivables	89,725	-	89,725
Due from Other Funds	-	-	-
Total Assets	<u>26,470,954</u>	<u>19,682,533</u>	<u>46,153,487</u>
<b>LIABILITIES</b>			
Due to Other Funds	-	-	-
<b>NET POSITION</b>			
Restricted for Pension Benefits	<u>\$ 26,470,954</u>	<u>\$ 19,682,533</u>	<u>\$ 46,153,487</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**E. Net Pension Liability of the Town (Continued)**

	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,266,750	\$ 250,218	\$ 1,516,968
Plan Members	89,725	-	89,725
Total Contributions	<u>1,356,475</u>	<u>250,218</u>	<u>1,606,693</u>
Investment Income:			
Net Change in Fair Value of Investments	2,130,263	1,862,056	3,992,319
Interest and Dividends	662,754	-	662,754
Total Investment Earnings	<u>2,793,017</u>	<u>1,862,056</u>	<u>4,655,073</u>
Less: Investment Fees	<u>(108,132)</u>	<u>-</u>	<u>(108,132)</u>
Net Investment Income	<u>2,684,885</u>	<u>1,862,056</u>	<u>4,546,941</u>
Total Additions	4,041,360	2,112,274	6,153,634
<b>DEDUCTIONS</b>			
Benefits	1,939,845	879,982	2,819,827
Administration	51,749	-	51,749
Total Deductions	<u>1,991,594</u>	<u>879,982</u>	<u>2,871,576</u>
<b>CHANGE IN NET POSITION</b>	2,049,766	1,232,292	3,282,058
Net Position - Beginning of Year	<u>24,421,188</u>	<u>18,450,241</u>	<u>42,871,429</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 26,470,954</u>	<u>\$ 19,682,533</u>	<u>\$ 46,153,487</u>

**F. Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the Town recognized pension expense related to the Town Plan of \$1,573,625. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Governmental Activities</u>		
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 575,852	\$ -
Differences Between Expected and Actual Experience	2,900	40,340
Changes in Assumptions	475,532	9,196
Total	<u>\$ 1,054,284</u>	<u>\$ 49,536</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Town General Pension Plan (Continued)**

**F. Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions (Continued)**

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2024	\$ 429,138
2025	106,718
2026	656,366
2027	(187,474)
Total	<u>\$ 1,004,748</u>

**Board of Education Pension Plan**

**A. Plan Description and Membership**

The Town's Board of Education administers a single-employer, contributory defined benefit pension plan (the BOE Plan). The BOE Plan provides retirement, disability, and survivorship benefits for eligible employees. The BOE Plan is administered by a Retirement Board composed of selected members.

Eligible regular full-time employees of the Board of Education are members of the BOE Plan. Eligible employees become members after completion of one year of service. At September 1, 2022, the valuation date, BOE Plan membership consisted of the following:

Retired Participants and Beneficiaries Receiving Benefits	85
Terminated Members Entitled to, But Not Yet Receiving Benefits	22
Active Plan Members	58
Total	<u>165</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Board of Education Pension Plan (Continued)**

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

**Value of Investments**

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

**Benefits Provided**

The BOE Plan provides retirement, disability, and death benefits. The normal retirement age for the custodial group is either 62 with 30 years of service, or age 65 with 5 years of service. The normal retirement age for the noncustodial group (secretaries, nurses, cafeteria workers, and paraprofessionals) is 62 with 5 years of service. The normal retirement age for the business manager is 60 with 22 years of service. The secretarial group is fully vested after 10 years of service and all other employees vest after 5 years of service and are fully vested at that time. Normal retirement benefits consist of yearly annuity.

For all employees, the benefit is based on 50% of final average salary. Final average salary is defined as the highest five-year average within the last 10 years. The benefit is reduced by 1/20 for every year of service less than 20.

All participants are eligible for early retirement not more than 10 years prior to normal retirement age with at least 15 years of service. Benefits include normal pension benefits reduced by applying actuarial reduction for each year earlier than normal retirement date. In addition, disability benefits are available for all participants. Disability benefits are available for employees at least 45 years of age with 8 years of completed service. Payments consist of the employees accrued benefit to date of the disability and are payable immediately.

**C. Funding Policy**

The contribution requirements are established and may be amended by the Board of Education, superintendent, or his/her designee, subject to union contract negotiation. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Currently, the plan members do not contribute.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Board of Education Pension Plan (Continued)**

**D. Investments**

Investment Policy

The BOE Plan's policy in regard to the allocation of invested assets is established and may be amended by the superintendent and Board of Education. It is the policy of the Board of Education to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the BOE Plan was 10.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension (Asset) Liability of the BOE**

The components of the net pension (asset) liability of the BOE Plan at June 30, 2023, were as follows:

Total Pension Liability	\$ 17,550,196
Plan Fiduciary Net Position	<u>19,682,533</u>
Net Pension (Asset) Liability	<u>\$ (2,132,337)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 112.15%

Actuarial Assumptions

The total pension liability for the BOE Plan was determined by an actuarial valuation as of September 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	6.50%
Salary Increases	3.50%
Investment Rate of Return	6.50%, net of pension plan investment expense, including inflation

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Board of Education Pension Plan (Continued)**

**E. Net Pension (Asset) Liability of the BOE (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	60.00 %	9.31%
Core Fixed Income	40.00	4.01%
Total	100.00 %	

**Discount Rate**

The discount rate used to measure the total pension liability of the BOE Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Board of Education contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the BOE 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.

The discount rate of 6.50% for the BOE plan did not change as of June 30, 2023.

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

The following presents the net pension liability of the BOE Plan, calculated using the discount rate of 6.50% as well as what the BOE Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability (Asset)	\$ (340,366)	\$ (2,132,337)	\$ (3,660,076)

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Board of Education Pension Plan (Continued)**

**E. Net Pension (Asset) Liability of the BOE (Continued)**

Changes in the Net Pension Liability (Asset)

	BOE Pension Plan		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2022	\$ 17,151,882	\$ 18,450,241	\$ (1,298,359)
Changes for the Year:			
Service Cost	194,624	-	194,624
Interest on Total Pension Liability	1,098,923	-	1,098,923
Differences Between Expected and Actual Experience	(269,342)	-	(269,342)
Changes in Assumptions	254,091	-	254,091
Employer Contributions	-	250,218	(250,218)
Member Contributions	-	-	-
Net Investment Income (Loss)	-	1,862,056	(1,862,056)
Benefit Payments, Including Refund to Employee Contributions	(879,982)	(879,982)	-
Administrative Expenses	-	-	-
Net Changes	<u>398,314</u>	<u>1,232,292</u>	<u>(833,978)</u>
Balances as of June 30, 2023	<u>\$ 17,550,196</u>	<u>\$ 19,682,533</u>	<u>\$ (2,132,337)</u>

**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the Town recognized pension expense related to the BOE Plan of \$(117,398). At June 30, 2023, the Town reported deferred outflows and inflows of resources related to the BOE Plan from the following sources:

<u>Governmental Activities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	\$ 214,601	\$ -
Differences Between Expected and Actual Experience	-	122,960
Changes in Assumptions	115,998	-
Total	<u>\$ 330,599</u>	<u>\$ 122,960</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Board of Education Pension Plan (Continued)**

**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2024	\$ (138,053)
2025	(129,449)
2026	611,793
2027	(136,652)
Total	<u>\$ 207,639</u>

**Connecticut Teachers Retirement System – Pension**

**A. Plan Description**

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

**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers' Retirement System – Pension (Continued)**

**B. Benefit Provisions (Continued)**

Disability Retirement

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

**C. Contributions**

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

Employer (School Districts)

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

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$5,826,076.

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 WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers' Retirement System – Pension (Continued)**

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

At June 30, 2023, the Town reports 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		73,894,824
Total		\$ 73,894,824

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

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$7,142,017 in Exhibit II for the benefits provided by the State.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary Increase	3.00-6.50%, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period ending June 30, 2019.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers' Retirement System – Pension (Continued)**

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

Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

Cost-of-Living Allowance

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

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

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

Long-Term Rate of Return

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Connecticut Teachers' Retirement System – Pension (Continued)**

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

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Private Credit	6.50	5.00
Emerging Market Debt Fund	3.80	5.00
High Yield Bond Fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

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.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Money Purchase Defined Contribution Pension Plan**

The Town established a defined contribution pension plan to recognize the contributions made to the successful operation of the Town by its employees and to reward such contributions by providing retirement benefits to eligible participants under this plan. The trustee of the plan is VOYA Retirement Insurance and Annuity Company with the Town serving as the plan administrator. The plan operates on a calendar year. Employees who are 18 years of age and have 1,000 hours of service to the Town shall become participants under the plan. Employees who are eligible under the Town's defined benefit pension plan are excluded from participation in this plan. The Town contributes 6% of the employee's salary to the plan. Employees are obligated to make mandatory contributions of 3%, with a maximum of 10%, of aggregate compensation. Town and employee contributions for the year ended June 30, 2023, were \$156,588 and \$77,990, respectively. Employees are 100% vested in mandatory participant contributions. Participants vest in accordance with the following schedule in regard to Town contributions:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less Than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

In addition, participants become 100% vested in their Town contribution account upon retirement, death, or becoming totally and permanently disabled. Normal retirement age under the plan is 62.

Changes to the plan must be approved by resolution of the Town Council, except for plan changes necessary to comply with changes to Code, Regulation, Revenue Ruling, and other Internal Revenue Service (IRS) published statements.

**Tax Sheltered Annuity Defined Contribution Pension Plan**

The Town's Board of Education established a tax-sheltered annuity plan, also known as a 403(b) Plan. The Wolcott Public Schools 403(b) Plan is a type of defined contribution plan that allows for eligible employees to contribute a portion of their salary to the plan. Participant contributions are solely allowed through salary reduction and are deferred on a pre-tax basis. Employer discretionary contributions are permitted under the plan. This amount is determined uniformly with respect to each employee classification within the applicable collective bargaining agreement, if applicable. Employer contributions for the year ended June 30, 2023, were \$13,254.

Changes to the plan must be approved by resolution of the Board of Education, except for plan changes necessary to comply with changes to Code, Regulation, Revenue Ruling, and other IRS published statements.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Town, in accordance with collective bargaining agreements, provides other postemployment benefits to certain eligible retirees, spouses and beneficiaries. The program is considered to be a single-employer defined benefit plan, which is administered by the Town. The other postemployment benefit plan (the OPEB Plan) covers certain Town and Board of Education eligible retirees, spouses, and beneficiaries. Benefit provisions are established through negotiations between the Town Council or the Board of Education and the union representing the employees and are renegotiated each three-year 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 has opted not to create a trust fund and to remain on a pay-as-you go basis, therefore there is no fund statement presented for this plan within the financial statements. The Town recognizes annual benefit payments as expenses within the internal service fund.

**Benefits Provided**

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses, and beneficiaries. All retired program members receiving benefits are required to contribute to the program, except for Medicare retirees in the Town Hall/Dispatchers union hired prior to July 1, 2005, and retirees in the Custodian union hired prior to July 1, 2002. The percentage contribution of the employees and retirees for these benefits vary and are detailed in the Town's various collective bargaining agreements. Fulltime employees of the Town or Board of Education who retire from the Town are eligible if they meet the following criteria:

**Town**

- Town Hall/Dispatchers/Nonunion: Age 62 with 15 years of service
- Nonunion Town Administrators: Age 62 with 15 years of service
- Highway - Hired prior to July 1, 2004: Age 60 with 15 years of service
- Highway - Hired after July 1, 2004: Age 60 with 18 years of service
- Police: The earlier of age 50 with 25 years of service, or age 60 with 20 years of service, or age 65
- Elected officials: 15 years of service

**BOE**

- Administrators - hired prior to July 1, 2002: 12 years of service
- Administrators - hired after July 1, 2002: 15 years of service
- CILU Secretaries and Nurses: 15 years of service
- Custodians: Age 55 with 15 years of service
- Teachers: 35 years of service as a Teacher with 25 in the state of Connecticut or age 60 with 20 years of service in the state of Connecticut

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Benefits Provided (Continued)**

The July 1, 2022, plan membership consisted of the following:

Retirees and Beneficiaries Receiving Benefits	140
Active Plan Members	302
Total	<u>442</u>

**Total OPEB Liability**

The Town's total OPEB liability of \$30,200,198 was measured as of June 30, 2023.

**Actuarial Assumptions**

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

Salary Increases	3.50%
Discount Rate	3.54%
Healthcare Cost Trend Rate:	
Medical and Prescriptions	Non-Medical Plans: 7.00%, reduced by .25% per year, 4.50%
	Medical Plans: 6.00% reduced by .25% per year, 4.5% ultimate
Dental	4.00%
Mortality Rates	Varies by group

Mortality rates were projected to date of decrement using Scale MP-2019 (generational mortality).

**Changes in Total OPEB (Asset) Liability**

	<u>Total OPEB Liability</u>
Balances as of July 1, 2022	\$ 32,790,282
Changes for the Year:	
Service Cost	1,036,908
Interest on Total Pension Liability	719,664
Differences Between Expected and Actual	
Experience	2,401,865
Changes in Assumptions	(5,724,267)
Benefit Payments, Including Refund to Employee	
Contributions	<u>(1,024,254)</u>
Net Changes	<u>(2,590,084)</u>
Balances as of June 30, 2023	<u>\$ 30,200,198</u>

The discount rate increased from 2.16% to 3.54% as of June 30, 2023.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

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

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$ 34,974,986	\$ 30,200,198	\$ 26,399,774

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

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

	<u>1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 26,334,672	\$ 30,200,198	\$ 35,093,029

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,454,453. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Governmental Activities</u>		
Town Contributions After the Measurement Date	\$ 1,136,789	\$ -
Changes in Assumptions	2,536,731	6,149,219
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Differences Between Expected and Actual Experience	2,121,927	452,647
Total	<u>\$ 5,795,447</u>	<u>\$ 6,601,866</u>

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (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>Governmental Activities</u>
2024	\$ (302,119)
2025	(62,296)
2026	(392)
2027	(106,945)
2028	(351,156)
Thereafter	(1,120,300)
Total	<u>\$ (1,943,208)</u>

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**

**A. Plan Description**

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

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

**B. 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 \$2200 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**B. Benefit Provisions (Continued)**

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

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

**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 \$220 monthly subsidy or participate in the CTRB Sponsored Medicare Supplement or Medicare Advantage Plan options, as long as they do not remarry.

**C. Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**C. Eligibility (Continued)**

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

**D. Contributions**

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the state was \$82,404 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.

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

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

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

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability Associated with the Town		6,471,492
Total	\$	<u>6,471,492</u>

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

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$390,085 in Exhibit II for the benefits provided by the state.

**F. Actuarial Assumptions**

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

Inflation	2.50%
Health Care Costs Trend Rate:	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.5% by 2031
Salary Increase	3.00-6.50%, including inflation
Investment Rate of Return	3.53%, net of OPEB plan investment expense, including inflation
Year Fund Net Position Will be Depleted	2027

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.5%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

**I. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**J. Other Information**

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

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 OTHER INFORMATION**

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2023.

The Town purchases commercial insurance for all other risks of loss. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in the past three years. There has been no reduction in any insurance coverage from coverage in the prior year.

The internal service fund was established on July 1, 1996, to provide health coverage for Town and Board of Education employees previously covered by insured hospital and major medical insurance. 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 \$225,000 for combined hospital and major medical.

Changes in the claims liability for the past two years are as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2021 - 2022	\$ 446,972	\$ 8,892,093	\$ 8,540,065	\$ 799,000
2022 - 2023	\$ 799,000	\$ 9,043,260	\$ 9,254,260	\$ 588,000

**TOWN OF WOLCOTT, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**Contingent Liabilities**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

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 WOLCOTT, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property Taxes:				
Current Levy	\$ 44,123,241	\$ 44,123,241	\$ 44,246,837	\$ 123,596
Prior Year Levies	600,000	600,000	798,998	198,998
Interest and Lien Fees	240,000	240,000	465,984	225,984
Credit Card Collection	6,500	6,500	4,914	(1,586)
Total Property Taxes	44,969,741	44,969,741	45,516,733	546,992
Intergovernmental Revenues:				
Education Equalization Grant	12,387,171	12,387,171	12,402,582	15,411
School Bonded Projects - Principal	177,000	177,000	177,000	-
School Bonded Projects - Interest	22,860	22,860	22,860	-
Municipal Aid Adjustment Grant	234,916	234,916	234,916	-
Municipal Stabilization Grant	136,938	136,938	136,938	-
Pequot Grant	16,939	16,939	16,939	-
Medicare Reimbursement	55,000	55,000	30,164	(24,836)
Municipal Revenue Sharing	-	-	329,140	329,140
Municipal Stabilization Grant	-	-	110,011	110,011
Veterans Tax Relief	21,145	21,145	22,322	1,177
Regional Water Authority - PILOT Program	10,426	10,426	10,128	(298)
Adult Education	5,020	5,020	5,149	129
Totally Disabled Tax Relief	3,112	3,112	2,565	(547)
Payment in Lieu of Taxes: State-Owned Property	2,015	2,015	2,015	-
Total Intergovernmental Revenues	13,072,542	13,072,542	13,502,729	430,187
Charges for Services:				
Special Education - Tuition	-	-	33,735	33,735
Records Money	1,100	1,100	1,677	577
Parks and Recreation	10,000	10,000	24,697	14,697
Zoning Board of Appeals	1,000	1,000	1,006	6
Rainbow Day Camp Fees	-	-	2,100	2,100
Solicitor and Vendor Permits	75	75	60	(15)
Inland Wetlands Permits	1,000	1,000	855	(145)
Parking Tickets	50	50	20	(30)
Public Works Salvage Revenue	50,000	50,000	76,336	26,336
In-Kind Services	14,200	14,200	14,200	-
Total Charges for Services	77,425	77,425	154,686	77,261
License and Permits:				
Town Clerk	280,000	280,000	309,584	29,584
Planning and Zoning	11,000	11,000	14,728	3,728
Building Permits	135,000	135,000	343,394	208,394
Recycling Permits	60,000	60,000	50,568	(9,432)
Gun Permits	10,990	10,990	10,430	(560)
Fire Marshal Permits	500	500	220	(280)
Game Permits	150	150	165	15
Total License and Permits	497,640	497,640	729,089	231,449
Interest Income	12,000	12,000	651,093	639,093

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES (CONTINUED)</b>				
Other Revenues:				
Library Fines	\$ 5,000	\$ 5,000	\$ 4,874	\$ (126)
False Alarm Fines	450	450	725	275
Telephone Access Grant	20,000	20,000	26,712	6,712
Pavilion	2,500	2,500	5,000	2,500
Unanticipated Revenues	35,000	35,000	113,188	78,188
Total Other Revenues	62,950	62,950	150,499	87,549
Total Revenues	58,692,298	58,692,298	60,704,829	2,012,531
<b>OTHER FINANCING SOURCES</b>				
Transfers In:				
Capital Improvement Fund	200,000	200,000	200,000	-
Appropriation of Fund Balance	750,000	750,000	-	(750,000)
Total Other Financing Sources	950,000	950,000	200,000	(750,000)
Total Revenues and Other Financing Sources	\$ 59,642,298	\$ 59,642,298	60,904,829	\$ 1,262,531
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			5,826,076	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			82,404	
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes			825,933	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 67,639,242	

**TOWN OF WOLCOTT, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Mayor's Office	\$ 248,377	\$ 247,244	\$ 247,244	\$ -
Treasurer's Office	142,246	131,855	131,855	-
Finance Office	333,966	333,566	333,566	-
Town Council	89,070	81,778	81,778	-
Town Clerk	215,618	210,216	210,216	-
Tax Collector	212,110	200,103	200,103	-
Assessor	200,553	191,077	191,077	-
Board of Assessment Appeals	4,360	2,619	2,619	-
Building Inspector	90,780	81,260	81,260	-
Planning and Zoning	78,577	79,930	80,011	(81)
Inland/Wetlands Conservation	8,050	1,756	1,756	-
Industrial Development	13,500	12,668	12,668	-
Zoning Board of Appeals	2,540	2,238	2,238	-
Registrar of Voters	96,388	87,734	87,734	-
<b>Other General Government:</b>				
Wages	405,045	393,504	393,504	-
Benefits and Insurance	2,597,388	2,820,033	2,820,033	-
Refuse and Recycling	1,985,080	1,977,200	1,977,200	-
Legal and Consulting	185,000	189,740	187,978	1,762
Tri-Town Health District	168,987	168,987	168,987	-
Street Lighting	47,000	58,736	58,736	-
Other	535,307	532,283	532,531	(248)
<b>Total General Government</b>	<b>7,659,942</b>	<b>7,804,527</b>	<b>7,803,094</b>	<b>1,433</b>
<b>Public Safety:</b>				
Police Department	4,448,534	4,455,636	4,455,636	-
Public Safety Communication	520,625	499,324	495,659	3,665
Animal Control Officer	94,531	98,729	98,729	-
Public Safety Building	119,031	110,342	105,342	5,000
Fire Department	737,282	711,414	692,346	19,068
Fire Marshal	60,002	57,515	57,515	-
Civil Preparedness	38,444	23,522	23,522	-
Volunteer Ambulance	1,364,805	1,364,777	1,364,777	-
<b>Total Public Safety</b>	<b>7,383,254</b>	<b>7,321,259</b>	<b>7,293,526</b>	<b>27,733</b>
<b>Public Works:</b>				
Highway and Streets	1,971,219	2,006,150	2,006,150	-
<b>Culture and Recreation:</b>				
Parks and Recreation	201,360	189,382	187,182	2,200
Library	528,067	499,102	495,799	3,303
<b>Total Culture and Recreation</b>	<b>729,427</b>	<b>688,484</b>	<b>682,981</b>	<b>5,503</b>

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Welfare:				
Commission on Aging	\$ 245,703	\$ 222,085	\$ 220,084	\$ 2,001
Commission for Special Needs	53,393	50,420	50,420	-
Total Health and Welfare	299,096	272,505	270,504	2,001
Education:				
Board of Education	37,453,363	37,453,363	37,329,034	124,329
Debt Service:				
Principal	2,866,406	2,846,406	2,846,406	-
Interest	1,279,591	1,249,604	1,249,604	-
Total Debt Service	4,145,997	4,096,010	4,096,010	-
Total Expenditures	59,642,298	59,642,298	59,481,299	160,999
Other Financing Uses:				
Transfers Out	-	28,668	28,668	-
Total Expenditures and Other Financing Uses	\$ 59,642,298	\$ 59,670,966	59,509,967	\$ 160,999

Budgetary expenditures are different than GAAP expenditures because:

Encumbrances outstanding at June 30, 2022	(233,255)
Liquidation of prior year encumbrances	262,727
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension	5,826,076
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB	82,404
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes	825,933

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

\$ 66,273,852

**TOWN OF WOLCOTT, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**BOARD OF EDUCATION PENSION PLAN**  
**LAST TEN YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability:</b>										
Service Cost	\$ 299,308	\$ 278,025	\$ 278,025	\$ 266,565	\$ 269,588	\$ 279,024	\$ 302,826	\$ 234,683	\$ 241,897	\$ 194,624
Interest	947,559	992,977	1,019,622	1,077,943	1,100,555	1,139,751	1,076,636	1,104,654	1,074,336	1,098,923
Differences Between Expected and Actual Experience	-	(684,393)	-	(367,559)	-	(314,074)	-	(808,999)	-	(269,342)
Changes of Assumptions	353,104	508,697	-	1,161,385	-	18,233	-	(116,259)	-	254,091
Benefit Payments, Including Refunds of Member Contributions	(670,184)	(719,995)	(760,100)	(800,602)	(795,309)	(843,977)	(886,523)	(874,036)	(901,406)	(879,982)
Net Change in Total Pension Liability	929,787	375,311	537,547	1,337,732	574,834	278,957	492,939	(459,957)	414,827	398,314
Total Pension Liability - Beginning	12,669,905	13,599,692	13,975,003	14,512,550	15,850,282	16,425,116	16,704,073	17,197,012	16,737,055	17,151,882
Total Pension Liability - Ending	13,599,692	13,975,003	14,512,550	15,850,282	16,425,116	16,704,073	17,197,012	16,737,055	17,151,882	17,550,196
<b>Plan Fiduciary Net Position:</b>										
Contributions - Employer	557,457	1,226,677	610,934	764,343	724,012	909,674	715,673	583,536	259,597	250,218
Net Investment Income (Loss)	1,458,383	788,429	202,366	2,086,366	1,231,080	810,052	1,048,226	4,798,653	(2,368,168)	1,862,056
Benefit Payments, Including Refunds of Member Contributions	(670,184)	(719,995)	(760,100)	(800,602)	(795,309)	(843,977)	(886,523)	(874,036)	(901,406)	(879,982)
Administrative Expense	(57,505)	(61,684)	(19,498)	(20,581)	-	(19,998)	(21,902)	-	-	-
Net Change in Plan Fiduciary Net Position	1,288,151	1,233,427	33,702	2,029,526	1,159,783	855,751	855,474	4,508,153	(3,009,977)	1,232,292
Plan Fiduciary Net Position - Beginning	9,496,251	10,784,402	12,017,829	12,051,531	14,081,057	15,240,840	16,096,591	16,952,065	21,460,218	18,450,241
Plan Fiduciary Net Position - Ending	10,784,402	12,017,829	12,051,531	14,081,057	15,240,840	16,096,591	16,952,065	21,460,218	18,450,241	19,682,533
<b>Net Pension Liability (Asset) - Ending</b>	<b>\$ 2,815,290</b>	<b>\$ 1,957,174</b>	<b>\$ 2,461,019</b>	<b>\$ 1,769,225</b>	<b>\$ 1,184,276</b>	<b>\$ 607,482</b>	<b>\$ 244,947</b>	<b>\$ (4,723,163)</b>	<b>\$ (1,298,359)</b>	<b>\$ (2,132,337)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>79.30%</b>	<b>86.00%</b>	<b>83.04%</b>	<b>88.84%</b>	<b>92.79%</b>	<b>96.36%</b>	<b>98.58%</b>	<b>128.22%</b>	<b>107.57%</b>	<b>112.15%</b>
<b>Covered Payroll</b>	<b>\$ 3,196,222</b>	<b>\$ 2,984,471</b>	<b>\$ 2,984,471</b>	<b>\$ 2,721,990</b>	<b>\$ 2,721,990</b>	<b>\$ 2,736,267</b>	<b>\$ 2,736,267</b>	<b>\$ 2,552,488</b>	<b>\$ 2,552,488</b>	<b>\$ 2,277,926</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>88.08%</b>	<b>65.58%</b>	<b>82.46%</b>	<b>65.00%</b>	<b>43.51%</b>	<b>22.20%</b>	<b>8.95%</b>	<b>-185.04%</b>	<b>-50.87%</b>	<b>-93.61%</b>

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
BOARD OF EDUCATION PENSION PLAN  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 570,934	\$ 642,343	\$ 642,343	\$ 640,013	\$ 673,012	\$ 673,012	\$ 583,536	\$ 583,536	\$ 250,218	\$ 250,218
Contributions in Relation to the Actuarially Determined Contribution	544,934	655,743	610,934	764,343	727,092	909,674	715,673	583,536	259,597	250,218
Contribution Deficiency (Excess)	\$ 26,000	\$ (13,400)	\$ 31,409	\$ (124,330)	\$ (54,080)	\$ (236,662)	\$ (132,137)	\$ -	\$ (9,379)	\$ -
Covered Payroll	\$ 3,196,222	\$ 2,984,471	\$ 2,984,471	\$ 2,721,990	\$ 2,721,990	\$ 2,736,267	\$ 2,736,267	\$ 2,552,488	\$ 2,552,488	\$ 2,277,926
Contributions as a Percentage of Covered-Employee Payroll	17.05%	21.97%	20.47%	28.08%	26.71%	33.25%	26.16%	22.86%	10.17%	10.98%

**Notes to Schedule**

Valuation Date: September 1, 2022  
 Measurement Date: June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:  
 Actuarial Cost Method: Entry age actuarial cost method  
 Amortization Method: Amortization of unfunded liability as a level dollar  
 Single Equivalent Amortization Period: 12 years as of September 1, 2022  
 Salary Increases: 3.50%  
 Investment Rate of Return: 6.50%

**TOWN OF WOLCOTT, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TOWN GENERAL PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability:</b>										
Service Cost	\$ 774,852	\$ 745,140	\$ 745,140	\$ 612,282	\$ 634,477	\$ 634,477	\$ 506,514	\$ 497,787	\$ 374,267	\$ 374,622
Interest	1,888,726	1,974,211	2,104,216	2,291,920	2,225,628	2,331,665	2,409,463	2,499,527	2,510,510	2,622,466
Changes of Benefit Terms	-	-	-	140,289	-	-	-	-	512,355	-
Differences Between Expected and Actual Experience	-	(1,339,217)	-	(1,137,220)	-	83,390	-	(669,545)	-	(64,352)
Changes of Assumptions	(1,497,403)	(674,595)	-	1,506,515	-	(264,646)	-	(325,514)	-	758,586
Benefit Payments, Including Refunds of Member Contributions	(981,367)	(1,024,906)	(1,065,813)	(1,164,865)	(1,439,016)	(1,525,488)	(1,642,195)	(1,687,800)	(1,766,685)	(1,939,845)
Net Change in Total Pension Liability	184,808	(319,367)	1,783,543	2,248,921	1,421,089	1,259,398	1,273,782	314,455	1,630,447	1,751,477
Total Pension Liability - Beginning	26,970,169	27,154,977	26,835,610	28,619,153	30,868,074	32,289,163	33,548,561	34,822,343	35,136,798	36,767,245
Total Pension Liability - Ending	27,154,977	26,835,610	28,619,153	30,868,074	32,289,163	33,548,561	34,822,343	35,136,798	36,767,245	38,518,722
<b>Plan Fiduciary Net Position:</b>										
Contributions - Employer	1,025,000	1,058,150	1,158,500	1,345,461	1,399,948	1,336,547	1,238,367	1,287,726	1,298,058	1,266,750
Contributions - Employee	92,812	107,189	119,043	114,683	103,928	97,180	93,018	91,578	88,798	89,725
Net Investment Income (Loss)	2,814,892	1,185,216	(182,181)	2,278,742	1,668,453	532,881	378,194	5,238,206	(2,263,931)	2,684,885
Benefit Payments, Including Refunds of Member Contributions	(981,367)	(1,024,906)	(1,065,813)	(1,164,865)	(1,439,016)	(1,525,488)	(1,642,195)	(1,687,800)	(1,766,685)	(1,939,845)
Administrative Expense	(121,809)	(102,275)	(84,969)	(55,341)	(29,526)	(59,917)	(31,272)	(53,364)	(188,377)	(51,749)
Net Change in Plan Fiduciary Net Position	2,829,528	1,223,374	(55,420)	2,518,680	1,703,787	381,203	36,112	4,876,346	(2,832,137)	2,049,766
Plan Fiduciary Net Position - Beginning	13,739,715	16,569,243	17,792,617	17,737,197	20,255,877	21,959,664	22,340,867	22,376,979	27,253,325	24,421,188
Plan Fiduciary Net Position - Ending	16,569,243	17,792,617	17,737,197	20,255,877	21,959,664	22,340,867	22,376,979	27,253,325	24,421,188	26,470,954
Net Pension Liability - Ending	\$ 10,585,734	\$ 9,042,993	\$ 10,881,956	\$ 10,612,197	\$ 10,329,499	\$ 11,207,694	\$ 12,445,364	\$ 7,883,473	\$ 12,346,057	\$ 12,047,768
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.02%	66.30%	61.98%	65.62%	68.01%	66.59%	64.26%	77.56%	66.42%	68.72%
Covered Payroll	\$ 5,408,348	\$ 5,635,836	\$ 5,635,836	\$ 5,513,671	\$ 5,513,671	\$ 4,959,996	\$ 4,959,996	\$ 3,898,387	\$ 3,898,387	\$ 3,558,382
Net Pension Liability as a Percentage of Covered Payroll	195.73%	160.46%	193.09%	192.47%	187.34%	225.96%	250.91%	202.22%	316.70%	338.57%

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TOWN GENERAL PENSION PLAN  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,022,367	\$ 1,058,150	\$ 1,158,247	\$ 1,345,461	\$ 1,399,948	\$ 1,336,546	\$ 1,238,367	\$ 1,287,726	\$ 1,122,944	\$ 1,222,735
Contributions in Relation to the Actuarially Determined Contribution	<u>1,025,000</u>	<u>1,058,150</u>	<u>1,158,500</u>	<u>1,345,461</u>	<u>1,399,948</u>	<u>1,336,547</u>	<u>1,238,367</u>	<u>1,287,726</u>	<u>1,298,058</u>	<u>1,266,750</u>
Contribution Deficiency (Excess)	<u>\$ (2,633)</u>	<u>\$ -</u>	<u>\$ (253)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,114)</u>	<u>\$ (44,015)</u>
Covered Payroll	\$ 5,408,348	\$ 5,635,836	\$ 5,635,836	\$ 5,513,671	\$ 5,513,671	\$ 4,959,996	\$ 4,959,996	\$ 3,898,387	\$ 3,898,387	\$ 3,558,382
Contributions as a Percentage of Covered-Employee Payroll	18.95%	18.78%	20.56%	24.40%	25.39%	26.95%	24.97%	33.03%	33.30%	35.60%

**Notes to Schedule**

Valuation Date: January 1, 2023  
 Measurement Date: June 30, 2023

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method      Entry age actuarial cost method  
 Amortization Method      Amortization assuming 3.50% per year increase, closed  
 Remaining Amortization Period      18 years remaining as of January 1, 2023  
 Asset Valuation Method      The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.  
 Salary Increases      Varies by age and position  
 Investment Rate of Return      7.00%, net of pension plan investment expense, including inflation

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
PENSION PLANS  
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
Board of Education Plan	15.11%	7.18%	1.51%	16.84%	8.74%	5.31%	6.55%	28.55%	-11.20%	10.27%
General Pension Plan	20.98%	7.18%	-1.02%	13.04%	8.16%	2.55%	1.71%	25.00%	-8.39%	11.14%

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER'S RETIREMENT PLAN  
LAST NINE FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	43,148,000	46,682,000	57,772,000	54,759,000	52,281,000	67,804,000	75,576,967	59,857,598	73,894,824
<b>Total</b>	<b>\$ 43,148,000</b>	<b>\$ 46,682,000</b>	<b>\$ 57,772,000</b>	<b>\$ 54,759,000</b>	<b>\$ 52,281,000</b>	<b>\$ 67,804,000</b>	<b>\$ 75,576,967</b>	<b>\$ 59,857,598</b>	<b>\$ 73,894,824</b>
Town's Covered Payroll	\$ 16,707,000	\$ 17,333,000	\$ 16,748,000	\$ 17,376,000	\$ 17,163,000	\$ 17,433,000	\$ 17,484,983	\$ 18,213,040	\$ 19,043,938
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%	54.06%

**Notes to Schedule**

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-year smoothed market
Inflation	2.50%
Salary Increase	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, net of investment related expense

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

\*\* The measurement date is one year earlier than the employer's reporting date.

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
OTHER POSTEMPLOYMENT BENEFITS  
LAST SIX FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability:						
Service Cost	\$ 888,651	\$ 758,253	\$ 724,895	\$ 778,513	\$ 988,774	\$ 1,036,908
Interest	816,041	941,186	1,095,304	1,040,718	734,024	719,664
Changes of Benefit Terms	-	-	-	24,661	-	-
Differences Between Expected and Actual Experience	-	(1,018,432)	-	(216,428)	-	2,401,865
Changes of Assumptions	(3,068,057)	2,261,354	544,656	2,651,813	(658,455)	(5,724,267)
Benefit Payments, Including Refunds of Member Contributions	(860,811)	(837,454)	(955,922)	(1,025,086)	(992,674)	(1,024,254)
Net Change in Total OPEB Liability	<u>(2,224,176)</u>	<u>2,104,907</u>	<u>1,408,933</u>	<u>3,254,191</u>	<u>71,669</u>	<u>(2,590,084)</u>
Total OPEB Liability - Beginning	<u>28,174,758</u>	<u>25,950,582</u>	<u>28,055,489</u>	<u>29,464,422</u>	<u>32,718,613</u>	<u>32,790,282</u>
Total OPEB Liability - Ending	<u>\$ 25,950,582</u>	<u>\$ 28,055,489</u>	<u>\$ 29,464,422</u>	<u>\$ 32,718,613</u>	<u>\$ 32,790,282</u>	<u>\$ 30,200,198</u>

Note: No assets are accumulated in a trust for the payment of OPEB benefits.

\* 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 WOLCOTT, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER'S RETIREMENT PLAN  
LAST SIX FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>14,094,000</u>	<u>10,451,000</u>	<u>10,574,000</u>	<u>11,272,307</u>	<u>6,521,376</u>	<u>6,471,492</u>
Total	<u>\$ 14,094,000</u>	<u>\$ 10,451,000</u>	<u>\$ 10,574,000</u>	<u>\$ 11,272,307</u>	<u>\$ 6,521,376</u>	<u>\$ 6,471,492</u>
Town's Covered Payroll	\$ 17,376,000	\$ 17,163,000	\$ 17,433,000	\$ 17,484,983	\$ 18,213,040	\$ 19,043,938
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79%	1.49%	2.08%	2.50%	6.11%	9.46%

**Notes to Schedule**

Changes in Benefit Terms      There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

Changes of Assumptions      Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;  
Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;  
The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;  
Long-term health care cost trend rates were updated; and  
The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial Cost Method      Entry age  
Amortization Method      Level percent of payroll over an open period  
Remaining Amortization Period      30 years  
Asset Valuation Method      Market value of assets  
Investment Rate of Return      3.00%, net of investment related expense including price inflation  
Price Inflation      2.50%

\* 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.

**TOWN OF WOLCOTT, CONNECTICUT  
PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING  
YEAR ENDED JUNE 30, 2023**

Grand List of October 1,	Uncollected Taxes June 30, 2022 and Current Levy	Lawful Additions	Lawful Deductions	Suspense Transfers	Balance To Be Collected	Collections			Uncollected Taxes June 30, 2023
						Taxes	Interest and Liens	Total	
2021	\$ 45,354,000	\$ 83,556	\$ 110,395	\$ -	\$ 45,327,161	\$ 44,246,549	\$ 158,062	\$ 44,404,611	\$ 1,080,612
2020	930,269	4,520	16,822	-	917,967	430,739	92,440	523,179	487,228
2019	469,602	6,222	7,672	-	468,152	151,915	66,991	218,906	316,237
2018	320,174	-	747	-	319,427	95,106	54,544	149,650	224,321
2017	219,033	-	-	-	219,033	49,260	42,506	91,766	169,773
2016	199,347	1,263	1,347	2,730	196,533	37,809	28,740	66,549	158,724
2015	103,340	1,815	-	49,302	55,853	10,781	9,404	20,185	45,072
2014	2,607	6,508	86	330	8,699	6,422	7,369	13,791	2,277
2013	2,292	1,866	-	-	4,158	2,246	3,950	6,196	1,912
2012	742	1,785	-	-	2,527	1,785	3,528	5,313	742
2011	631	1,208	-	-	1,839	1,207	2,296	3,503	632
2010 and Prior	-	-	-	-	-	-	-	-	-
	<u>\$ 47,602,037</u>	<u>\$ 108,743</u>	<u>\$ 137,069</u>	<u>\$ 52,362</u>	<u>\$ 47,521,349</u>	<u>\$ 45,033,819</u>	<u>\$ 469,830</u>	<u>\$ 45,503,649</u>	<u>\$ 2,487,530</u>

**TOWN OF WOLCOTT, CONNECTICUT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forfeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 35,260	\$ 74,293	\$ 233,212	\$ 9,774	\$ 18,367	\$ 474,703	\$ 218,905
Investments	-	-	-	-	-	-	-
Receivables	801,434	-	767,254	-	-	44,460	10,160
Inventories	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	327	-
<b>Total Assets</b>	<b>\$ 836,694</b>	<b>\$ 74,293</b>	<b>\$ 1,000,466</b>	<b>\$ 9,774</b>	<b>\$ 18,367</b>	<b>\$ 519,490</b>	<b>\$ 229,065</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable and Accrued Items	\$ 986	\$ 3,757	\$ -	\$ -	\$ -	\$ 7,756	\$ -
Due to Other Funds	516,016	5,268	-	-	-	238,404	-
Unearned Revenue	-	-	-	-	-	284,110	-
<b>Total Liabilities</b>	<b>517,002</b>	<b>9,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>530,270</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	743,312	-	767,254	-	-	-	10,160
<b>Total Deferred Inflows of Resources</b>	<b>743,312</b>	<b>-</b>	<b>767,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,160</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	9,774	18,367	-	-
Committed	-	65,268	233,212	-	-	-	218,905
Unassigned	(423,620)	-	-	-	-	(10,780)	-
<b>Total Fund Balances</b>	<b>(423,620)</b>	<b>65,268</b>	<b>233,212</b>	<b>9,774</b>	<b>18,367</b>	<b>(10,780)</b>	<b>218,905</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 836,694</b>	<b>\$ 74,293</b>	<b>\$ 1,000,466</b>	<b>\$ 9,774</b>	<b>\$ 18,367</b>	<b>\$ 519,490</b>	<b>\$ 229,065</b>

TOWN OF WOLCOTT, CONNECTICUT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

	Special Revenue Funds						
	Water Usage Fund	Dog Fund	School Lunch Fund	Peterson Park Fund	Planning and Zoning Fund	Open Space Fund	LOCIP Land Preservation Fund
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 952,959	\$ 55,023	\$ 614,212	\$ 4,600	\$ 2,091	\$ 75,690	\$ 57,806
Investments	-	-	-	-	-	-	-
Receivables	91,316	10,024	249,207	-	-	-	486
Inventories	-	-	21,871	-	-	-	-
Due from Other Funds	-	-	-	-	2,300	-	-
Total Assets	<u>\$ 1,044,275</u>	<u>\$ 65,047</u>	<u>\$ 885,290</u>	<u>\$ 4,600</u>	<u>\$ 4,391</u>	<u>\$ 75,690</u>	<u>\$ 58,292</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable and Accrued Items	\$ 196,717	\$ 8,853	\$ 350	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	1,760	-	-	-	-	-	-
Unearned Revenue	-	-	19,277	-	-	-	-
Total Liabilities	<u>198,477</u>	<u>8,853</u>	<u>19,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	69,861	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>69,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	21,871	-	-	-	-
Restricted	-	56,194	843,792	-	-	75,690	58,292
Committed	775,937	-	-	4,600	4,391	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>775,937</u>	<u>56,194</u>	<u>865,663</u>	<u>4,600</u>	<u>4,391</u>	<u>75,690</u>	<u>58,292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,044,275</u>	<u>\$ 65,047</u>	<u>\$ 885,290</u>	<u>\$ 4,600</u>	<u>\$ 4,391</u>	<u>\$ 75,690</u>	<u>\$ 58,292</u>

TOWN OF WOLCOTT, CONNECTICUT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

	Special Revenue Funds					
	Police Private Duty Fund	Insurance Claims Fund	Senior Center Fund	BOE School Studies Fund	BOE Latch Key Program Fund	Town Aid Road Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 225,816	\$ (19,156)	\$ 14,566	\$ 24,008	\$ 227,141	\$ -
Investments	-	-	-	-	-	-
Receivables	41,224	29,350	-	-	-	-
Inventories	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Assets	<u>\$ 267,040</u>	<u>\$ 10,194</u>	<u>\$ 14,566</u>	<u>\$ 24,008</u>	<u>\$ 227,141</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Items	\$ 40,957	\$ 2,066	\$ -	\$ -	\$ 2,840	\$ -
Due to Other Funds	4,464	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	<u>45,421</u>	<u>2,066</u>	<u>-</u>	<u>-</u>	<u>2,840</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	221,619	8,128	14,566	24,008	224,301	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>221,619</u>	<u>8,128</u>	<u>14,566</u>	<u>24,008</u>	<u>224,301</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 267,040</u>	<u>\$ 10,194</u>	<u>\$ 14,566</u>	<u>\$ 24,008</u>	<u>\$ 227,141</u>	<u>\$ -</u>

**TOWN OF WOLCOTT, CONNECTICUT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Funds			Capital Project Funds		Debt Service Funds	Total
	Student Activities Fund	Education Special Grants and Programs Fund	Sewer Usage Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Debt Service Reserve Fund	
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 198,434	\$ 63,853	\$ 1,498,712	\$ 889	\$ -	\$ -	\$ 5,061,158
Investments	-	-	260,177	-	-	-	260,177
Receivables	-	5,509	1,370,354	-	62,666	-	3,483,444
Inventories	-	-	-	-	-	-	21,871
Due from Other Funds	-	-	-	-	-	-	2,627
<b>Total Assets</b>	<b>\$ 198,434</b>	<b>\$ 69,362</b>	<b>\$ 3,129,243</b>	<b>\$ 889</b>	<b>\$ 62,666</b>	<b>\$ -</b>	<b>\$ 8,829,277</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable and Accrued Items	\$ -	\$ 29,406	\$ 556,955	\$ -	\$ 3,411	\$ -	\$ 854,054
Due to Other Funds	-	-	8,087	-	59,254	-	833,253
Unearned Revenue	-	18,782	-	-	62,666	-	384,835
<b>Total Liabilities</b>	<b>-</b>	<b>48,188</b>	<b>565,042</b>	<b>-</b>	<b>125,331</b>	<b>-</b>	<b>2,072,142</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	-	-	523,678	-	-	-	2,114,265
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>523,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,114,265</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	21,871
Restricted	198,434	21,174	-	-	-	-	1,281,717
Committed	-	-	2,040,523	889	-	-	3,836,347
Unassigned	-	-	-	-	(62,665)	-	(497,065)
<b>Total Fund Balances</b>	<b>198,434</b>	<b>21,174</b>	<b>2,040,523</b>	<b>889</b>	<b>(62,665)</b>	<b>-</b>	<b>4,642,870</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 198,434</b>	<b>\$ 69,362</b>	<b>\$ 3,129,243</b>	<b>\$ 889</b>	<b>\$ 62,666</b>	<b>\$ -</b>	<b>\$ 8,829,277</b>

**TOWN OF WOLCOTT, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forfeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,885	\$ -	\$ 128,574	\$ -
Interest and Dividends	-	-	-	-	-	-	-
Charges for Services	149,190	130,136	96,254	-	13,475	17,819	8,279
Miscellaneous	-	-	-	-	-	4,849	-
Total Revenues	<u>149,190</u>	<u>130,136</u>	<u>96,254</u>	<u>1,885</u>	<u>13,475</u>	<u>151,242</u>	<u>8,279</u>
<b>EXPENDITURES</b>							
General Government	-	-	-	-	-	52,668	-
Public Safety	-	-	-	2,380	-	68,909	-
Public Works	-	-	-	-	-	-	-
Culture and Recreation	15,595	160,676	-	-	-	10,072	-
Health and Welfare	-	-	-	-	-	51,588	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>15,595</u>	<u>160,676</u>	<u>-</u>	<u>2,380</u>	<u>-</u>	<u>183,237</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	133,595	(30,540)	96,254	(495)	13,475	(31,995)	8,279
<b>OTHER FINANCING USES</b>							
Transfers Out	-	-	(199,860)	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(199,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	133,595	(30,540)	(103,606)	(495)	13,475	(31,995)	8,279
Fund Balances - Beginning of Year	<u>(557,215)</u>	<u>95,808</u>	<u>336,818</u>	<u>10,269</u>	<u>4,892</u>	<u>21,215</u>	<u>210,626</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (423,620)</u>	<u>\$ 65,268</u>	<u>\$ 233,212</u>	<u>\$ 9,774</u>	<u>\$ 18,367</u>	<u>\$ (10,780)</u>	<u>\$ 218,905</u>

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

	Special Revenue Funds						
	Water Usage Fund	Dog Fund	School Lunch Fund	Peterson Park Fund	Planning and Zoning Fund	Open Space Fund	LOCIP Land Preservation Fund
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ 1,301,874	\$ -	\$ -	\$ 2,000	\$ 5,742
Interest and Dividends	-	-	485	-	-	-	-
Charges for Services	438,554	18,429	221,587	-	-	-	-
Miscellaneous	-	14,281	-	3	79	2,144	-
Total Revenues	<u>438,554</u>	<u>32,710</u>	<u>1,523,946</u>	<u>3</u>	<u>79</u>	<u>4,144</u>	<u>5,742</u>
<b>EXPENDITURES</b>							
General Government	-	-	-	-	-	-	-
Public Safety	-	43,948	-	-	-	-	-
Public Works	362,727	-	-	-	-	-	-
Culture and Recreation	-	132	-	2,023	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	1,287,293	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>362,727</u>	<u>44,080</u>	<u>1,287,293</u>	<u>2,023</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	75,827	(11,370)	236,653	(2,020)	79	4,144	5,742
<b>OTHER FINANCING USES</b>							
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	75,827	(11,370)	236,653	(2,020)	79	4,144	5,742
Fund Balances - Beginning of Year	<u>700,110</u>	<u>67,564</u>	<u>629,010</u>	<u>6,620</u>	<u>4,312</u>	<u>71,546</u>	<u>52,550</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 775,937</u>	<u>\$ 56,194</u>	<u>\$ 865,663</u>	<u>\$ 4,600</u>	<u>\$ 4,391</u>	<u>\$ 75,690</u>	<u>\$ 58,292</u>

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

	Special Revenue Funds					
	Police Private Duty Fund	Insurance Claims Fund	Senior Center Fund	BOE School Studies Fund	BOE Latch Key Program Fund	Town Aid Road Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,808
Interest and Dividends	-	-	-	-	162	-
Charges for Services	629,581	44,149	-	-	411,502	-
Miscellaneous	-	1,525	2,145	22,929	-	-
Total Revenues	<u>629,581</u>	<u>45,674</u>	<u>2,145</u>	<u>22,929</u>	<u>411,664</u>	<u>296,808</u>
<b>EXPENDITURES</b>						
General Government	-	1,584	-	-	-	-
Public Safety	583,033	8,014	-	-	-	-
Public Works	-	36,711	-	-	-	296,808
Culture and Recreation	-	30,344	-	-	-	-
Health and Welfare	-	-	1,165	-	-	-
Education	-	-	-	22,996	355,927	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>583,033</u>	<u>76,653</u>	<u>1,165</u>	<u>22,996</u>	<u>355,927</u>	<u>296,808</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	46,548	(30,979)	980	(67)	55,737	-
<b>OTHER FINANCING USES</b>						
Transfers Out	-	-	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	46,548	(30,979)	980	(67)	55,737	-
Fund Balances - Beginning of Year	<u>175,071</u>	<u>39,107</u>	<u>13,586</u>	<u>24,075</u>	<u>168,564</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 221,619</u>	<u>\$ 8,128</u>	<u>\$ 14,566</u>	<u>\$ 24,008</u>	<u>\$ 224,301</u>	<u>\$ -</u>

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

	Special Revenue Funds			Capital Project Funds		Debt Service Funds	Total
	Student Activities Fund	Education Special Grants and Programs Fund	Sewer Usage Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Debt Service Reserve Fund	
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ 2,822,329	\$ -	\$ -	\$ -	\$ -	\$ 4,559,212
Interest and Dividends	-	5	-	34	-	-	686
Charges for Services	-	9,864	1,159,702	-	-	-	3,348,521
Miscellaneous	499,552	-	-	-	-	-	547,507
Total Revenues	499,552	2,832,198	1,159,702	34	-	-	8,455,926
<b>EXPENDITURES</b>							
General Government	-	-	-	-	-	-	54,252
Public Safety	-	-	-	-	-	-	706,284
Public Works	-	-	970,016	-	-	-	1,666,262
Culture and Recreation	-	-	-	-	-	-	218,842
Health and Welfare	-	-	-	-	-	-	52,753
Education	498,520	2,833,049	-	-	-	-	4,997,785
Capital Outlay	-	-	-	-	26,643	-	26,643
Total Expenditures	498,520	2,833,049	970,016	-	26,643	-	7,722,821
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,032	(851)	189,686	34	(26,643)	-	733,105
<b>OTHER FINANCING USES</b>							
Transfers Out	-	-	-	-	-	-	(199,860)
Total Other Financing Uses	-	-	-	-	-	-	(199,860)
<b>NET CHANGE IN FUND BALANCES</b>	1,032	(851)	189,686	34	(26,643)	-	533,245
Fund Balances - Beginning of Year	197,402	22,025	1,850,837	855	(36,022)	-	4,109,625
<b>FUND BALANCES - END OF YEAR</b>	\$ 198,434	\$ 21,174	\$ 2,040,523	\$ 889	\$ (62,665)	\$ -	\$ 4,642,870

**TOWN OF WOLCOTT, CONNECTICUT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
 BUDGET AND ACTUAL – BUDGETARY BASIS –  
 FARMINGBURY HILLS COUNTRY CLUB  
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Facility Rentals	\$ 123,066	\$ 123,066	\$ 149,190	\$ 26,124
Total Revenues	<u>123,066</u>	<u>123,066</u>	<u>149,190</u>	<u>26,124</u>
<b>EXPENDITURES</b>				
Repair and Maintenance - Equipment	15,000	15,000	4,814	10,186
Contracted Services	15,000	15,000	5,254	9,746
Water System Testing	1,000	1,000	434	566
Dues and Fees	2,500	2,500	893	1,607
Liability Insurance	4,200	4,200	4,200	-
Total Expenditures	<u>37,700</u>	<u>37,700</u>	<u>15,595</u>	<u>22,105</u>
Excess in Revenues Over Expenditures	85,366	85,366	133,595	48,229
<b>OTHER FINANCING SOURCES</b>				
Payment of Debt to General Fund	<u>85,366</u>	<u>85,366</u>	-	<u>85,366</u>
Total Other Financing Sources	<u>85,366</u>	<u>85,366</u>	-	<u>85,366</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,595</u>	<u>\$ 133,595</u>

**TOWN OF WOLCOTT, CONNECTICUT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
 BUDGET AND ACTUAL – BUDGETARY BASIS –  
 ACQUIRED FACILITIES FUND  
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Gate Receipts	\$ 70,000	\$ 70,000	\$ 77,747	\$ 7,747
Rental of Facilities	18,000	18,000	27,100	9,100
Food Sales	15,846	15,846	17,479	1,633
Security Deposits	6,000	6,000	5,800	(200)
Housing Rental Income	3,000	3,000	2,000	(1,000)
Unanticipated Revenue	-	-	10	10
Appropriation of Fund Balance	41,000	47,830	-	(47,830)
Total Revenues	<u>153,846</u>	<u>160,676</u>	<u>130,136</u>	<u>(30,540)</u>
<b>EXPENDITURES</b>				
Salary - Administrative	18,058	20,372	20,372	-
Wages - Operations	57,800	58,828	58,828	-
FICA	5,803	6,059	6,059	-
Workers' Compensation Insurance	2,350	2,350	2,350	-
Legal Services	500	-	-	-
Electricity	3,700	4,637	4,637	-
Repairs & Maintenance - Equipment	5,500	5,694	5,694	-
Dam & Reservoirs - Maintenance	5,000	1,560	1,560	-
Repairs & Maintenance - Buildings	7,685	4,915	4,915	-
Snack Bar Supplies	11,200	11,996	11,996	-
Maintenance Supplies	4,000	1,339	1,339	-
Tele-Communications	150	150	150	-
Liability Insurance	3,000	3,000	3,000	-
Operations	6,000	5,832	5,832	-
Office Supplies	700	56	56	-
Capital Outlay - Equipment	15,000	2,088	2,088	-
Capital Outlay - Buildings	-	24,500	24,500	-
Refunds	6,000	5,900	5,900	-
In-Kind Services	1,400	1,400	1,400	-
Total Expenditures	<u>153,846</u>	<u>160,676</u>	<u>160,676</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,540)</u>	<u>\$ (30,540)</u>

**TOWN OF WOLCOTT, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – BUDGETARY BASIS –**  
**WATER USAGE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Water Usage	\$ 453,011	\$ 453,011	\$ 368,603	\$ (84,408)
Water Meter Set-Up Parts	11,000	11,000	5,415	(5,585)
Unanticipated Revenue	15,000	15,000	43,304	28,304
Water Connection Revenues	18,000	18,000	19,600	1,600
Water Permits and Applications	1,000	1,000	1,300	300
CD Interest	800	800	332	(468)
Total Revenues	<u>498,811</u>	<u>498,811</u>	<u>438,554</u>	<u>(60,257)</u>
<b>EXPENDITURES</b>				
Salary - Administrative	19,872	19,948	19,948	-
Wages - Clerical	13,942	13,942	11,798	2,144
Wages - Operations	20,168	20,092	14,933	5,159
Group Life Insurance	170	170	170	-
Medical Insurance	22,475	22,475	22,475	-
FICA	4,130	4,130	3,620	510
Pension - Defined Benefit Plan	5,015	5,015	5,015	-
Workers' Compensation Insurance	1,975	1,975	1,975	-
Postage	1,300	1,738	1,738	-
Legal Services	2,000	2,000	-	2,000
Testing Expense	15,574	15,574	10,013	5,561
QDS Assessment Support	1,287	1,287	1,286	1
QDS Bill Preparations	1,428	1,428	1,392	36
Education & Professional Development	1,500	1,500	510	990
Electricity	29,000	29,000	21,042	7,958
Fuel - Heating	550	550	289	261
Water Usage	280,000	280,000	213,972	66,028
Repairs and Maintenance - Water	20,000	20,000	12,969	7,031
Water Meter Set-Up Parts	17,700	17,700	3,962	13,738
Tele-Communications	7,190	6,690	4,148	2,542
In-Kind Services	2,800	2,800	2,800	-
Liability Insurance	6,535	6,535	6,535	-
Office Supplies	950	512	245	267
Dues and Fees	2,400	2,400	620	1,780
Capital Outlay - Equipment	20,000	20,000	-	20,000
Bank Service Fees	850	1,350	1,272	78
Total Expenditures	<u>498,811</u>	<u>498,811</u>	<u>362,727</u>	<u>136,084</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,827</u>	<u>\$ 75,827</u>

**TOWN OF WOLCOTT, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – BUDGETARY BASIS –**  
**SEWER USAGE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Sewer Usage	\$ 973,256	\$ 973,256	\$ 1,059,121	\$ 85,865
Connection Fees	30,000	30,000	52,600	22,600
CD Interest	1,500	1,500	650	(850)
Sewer Permits and Applications	1,000	1,000	4,300	3,300
STIF Interest Sewer Usage	800	800	41,266	40,466
STIF Interest STP Upgrade	-	-	78	78
Unanticipated Revenue	-	-	1,687	1,687
Total Revenues	<u>1,006,556</u>	<u>1,006,556</u>	<u>1,159,702</u>	<u>153,146</u>
<b>EXPENDITURES</b>				
Salary - Administrative	79,488	79,793	79,793	-
Wages - Clerical	48,359	47,191	47,191	-
Wages - Operations	81,221	54,549	54,549	-
Wages - Part-Time	5,000	1,263	1,263	-
Wages - Part-Time Billing Clerk	23,296	23,680	23,680	-
Wages - Overtime	5,000	913	913	-
Uniform Allowance	1,100	275	275	-
Group Life Insurance	700	700	700	-
Medical Insurance	89,890	89,890	89,890	-
FICA	18,618	14,451	14,451	-
Pension - Defined Benefit Plan	20,065	20,065	20,065	-
Pension - Deferred Contribution	1,398	1,420	1,420	-
Workers' Compensation Insurance	5,975	5,975	5,975	-
Postage	1,750	2,000	2,000	-
Legal Services	15,000	2,475	2,475	-
QDS Assessment Support	1,287	1,287	1,286	1
QDS Bill Preparations	1,534	1,364	1,364	-
Electricity	9,900	9,900	6,774	3,126
Fuel - Heating	4,000	4,000	1,258	2,742
Sewer Usage	450,000	555,839	555,839	-
Repairs and Maintenance - Equipment	10,000	1,031	1,031	-
Repairs and Maintenance - Buildings	1,250	-	-	-
Repairs and Maintenance - Sewer	20,000	7,584	7,584	-
Contracted Services	4,000	-	-	-
Tele-Communications	6,030	936	936	-
In-Kind Services	10,000	10,000	10,000	-
Liability Insurance	24,070	24,070	24,070	-
Vehicle Gasoline and Diesel	8,225	8,225	8,071	154
Office Supplies	3,000	3,000	2,195	805
Capital Outlay - Equipment	55,000	32,838	3,126	29,712
Bank Service Fees	1,400	1,842	1,842	-
Total Expenditures	<u>1,006,556</u>	<u>1,006,556</u>	<u>970,016</u>	<u>36,540</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,686</u>	<u>\$ 189,686</u>

**TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF DEBT LIMITATION  
JUNE 30, 2023**

Total tax collections, including interest and lien fees for fiscal year ended June 30, 2022	\$ 43,176,516
State Reimbursement for Revenue Loss on Tax Relief for Elderly	<u>24,788</u>
<b>BASE</b>	<b><u><u>\$ 43,201,304</u></u></b>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
<b>Debt Limitation:</b>					
2-1/4 Times Base	\$ 97,202,934	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	194,405,868	-	-	-
3-3/4 Times Base	-	-	162,004,890	-	-
3-1/4 Times Base	-	-	-	140,404,238	-
3 Times Base	-	-	-	-	129,603,912
Total Debt Limitation	<u>97,202,934</u>	<u>194,405,868</u>	<u>162,004,890</u>	<u>140,404,238</u>	<u>129,603,912</u>
<b>Indebtedness:</b>					
Bonds Payable	30,341,065	3,971,910	-	-	-
Authorized But Unissued Debt	-	40,000	-	-	-
Net Indebtedness	<u>30,341,065</u>	<u>4,011,910</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 66,861,869</u></u>	<u><u>\$ 190,393,958</u></u>	<u><u>\$ 162,004,890</u></u>	<u><u>\$ 140,404,238</u></u>	<u><u>\$ 129,603,912</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$302,409,128).