

TOWN OF WATERTOWN
CONNECTICUT



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

TOWN OF WATERTOWN
CONNECTICUT

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2024

Prepared By
Watertown Finance Department
Maria Guerrero, Finance Director

TOWN OF WATERTOWN, CONNECTICUT
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INTRODUCTORY SECTION

TOWN OF WATERTOWN, CONNECTICUT

Principal Officials

As of June 30, 20

Watertown Town Council

Mary Ann Rosa, Chair

Ken Demirs, Vice Chair

Anthony J. DiBona

Gary Lafferty

Carina Noyd

Jonathan Ramsay

Robert Retallick

Rachael Ryan

Board of Education

Krista Palomba, Chairman

Karen Hosking, Vice Chairman

Christine Faessa, Secretary

Cindy Phelan

John Gavallas

Karim Belica

Jason Malagutti

Elizabeth Lawton

Cathie Hillian

Appointed Officials

Mark Raimo, Town Manager

Dr. Alison Villanueva, Superintendent of Schools

Maria Guerrero, Finance Director

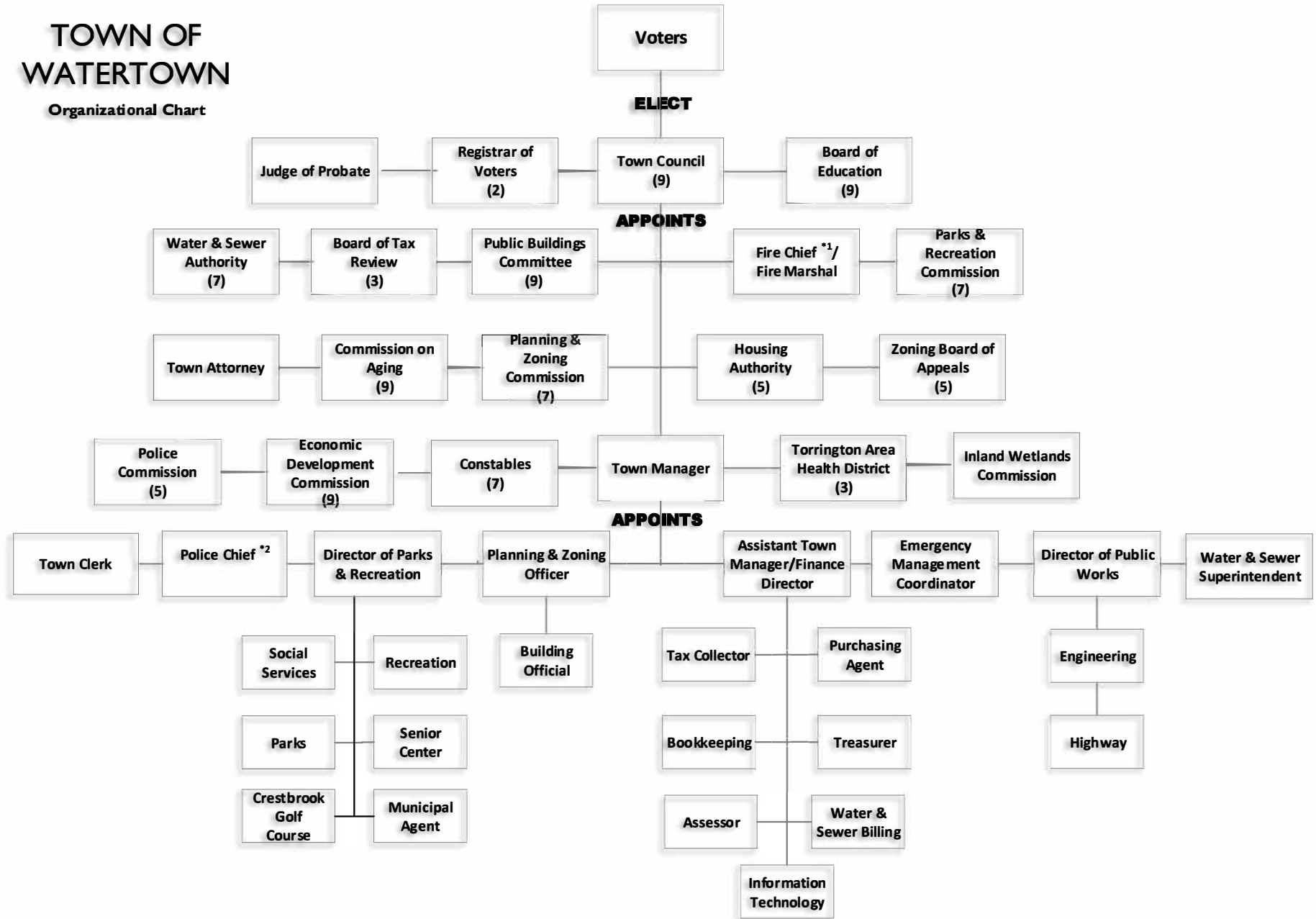
TOWN OF WATERTOWN, CONNECTICUT

Organizational Chart of the Town

Government

TOWN OF WATERTOWN

Organizational Chart



*1 Fire Department Volunteers elect their own Chief

*2 Police Chief Appointment made with concurrence of Town Council



WATERTOWN, CONNECTICUT
FINANCE DEPARTMENT

61 Echo Lake Road
Watertown, Connecticut 06795

June 30, 2025

To Members of the Town Council, Town Manager, Board of Education, Superintendent of Schools, and Citizens of the Town of Watertown:

We are pleased to present the Annual Comprehensive Financial Report of the Town of Watertown, Connecticut, for the fiscal year ended June 30, 2024. This report is the responsibility of Town management, which ensures the accuracy, completeness, and fairness of all data and disclosures contained herein. Recognizing that the cost of internal controls should not exceed their anticipated benefits, the Town maintains controls designed to provide reasonable—not absolute—assurance that financial statements are free from material misstatements. To the best of our knowledge and belief, this report presents the Town’s financial position and activities fairly and accurately in all material respects.

The Town undergoes an annual single audit in accordance with the provisions of the Federal Single Audit Act and Uniform Guidance. A separate report is issued covering the results of that audit. Similarly, the Town complies with the Connecticut State Single Audit Act, which also requires a separate report. This report encompasses all funds and activities of the Town. Watertown provides a broad array of services, including K-12 education, police and fire protection, zoning, building inspection, solid waste disposal, highway and infrastructure maintenance, and parks and recreational programming. The Town also operates public water and sewer utilities for a portion of the community and manages Crestbrook Park, an 18-hole municipal golf course.

Management’s Discussion and Analysis (MD&A), which follows the independent auditor’s report, offers additional insight into the Town’s financial position and operating results. It is intended to complement this letter and should be read in conjunction with it.

Profile of the Town

Watertown is located in the west-central part of Connecticut and is bordered by Plymouth and Thomaston to the north, Bethlehem and Woodbury to the west, and Middlebury and Waterbury to the south and southeast. While primarily a residential community, the Town benefits from a diversified economic base that includes metal fabrication, plastics, textiles, instrumentation, warehousing, and electronic manufacturing.

The Town operates under a Council-Manager form of government established by a Town Charter first adopted in 1961 and most recently revised in 2020. Nine Town Council members are elected to staggered four-year terms in biennial elections, with no political party permitted to nominate more than three members. The Council serves as the Town’s legislative body and appoints a Town Manager, who acts as the Chief Executive Officer and is responsible for implementing policy and managing day-to-day operations.

Factors Affecting Financial Condition

Budget

The Town Council serves as the fiscal authority, working in conjunction with the Director of Finance and Town Treasurer. Budgets are adopted via public referendum, and the Council sets the mill rate. The Town's adopted financial policies emphasize long-term planning and fiscal sustainability.

Public Buildings and Infrastructure

In FY2024, the Town of Watertown successfully executed a series of capital improvement projects funded through bonding approved in July 2022. As planned, the athletic turf fields at both the Middle School and High School were replaced. Roof replacement at Watertown High School has been completed, and work at the John Trumbull Primary School is nearing final completion. Multiple road infrastructure projects were also carried out, including substantial progress on the Woolson Street Bridge replacement and the Guernseytown Road realignment, both scheduled for final completion in 2024. Additionally, a new municipal parking lot was constructed and is now open on Main Street in Watertown, enhancing access and supporting downtown revitalization.

Complementing these infrastructure investments, the Town has also initiated a comprehensive design phase for the full redevelopment of Main Street in Watertown and creating a 30% design plan for Main Street in Oakville. These projects aim to improve safety, accessibility, and aesthetic appeal, while fostering greater economic vibrancy in both of the Town's primary downtown areas.

Economic Activity

The Town of Watertown is actively pursuing economic development opportunities by aggressively recruiting and soliciting interest from qualified developers. Two prominent parcels of land have been identified and are being marketed for strategic development. One of these sites is particularly advantageous, located directly adjacent to Route 8, a major transportation corridor in the region. The Town is committed to showcasing these development-ready properties and is working to attract proposals that align with long-term growth objectives and community priorities.

Long-Term Financial Planning

The Town is actively exploring a future capital investment to construct a new Senior/Community Center co-located with a new Police Department headquarters. Watertown maintains a strong AA bond rating, healthy fund balance in accordance with policy, and consistent budgetary performance and liquidity levels.

Significant Financial Policies

The Town of Watertown's debt management policy establishes a formal framework for the issuance, monitoring, and reporting of all municipal debt obligations. This policy guides the Town's approach to maintaining responsible borrowing practices and long-term financial stability. In alignment with this commitment, the Town is actively reviewing and updating its financial policies and procedures to ensure continued transparency, fiscal sustainability, and compliance with recognized best practices in public finance.

Financial Information

Budgetary Controls

Budgetary controls are maintained to ensure expenditures do not exceed appropriations approved by voters. Additional appropriations under \$50,000 may be authorized by the Town Council; those exceeding \$50,000 require Town Meeting approval.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The audit also satisfies federal and state single audit requirements, and related reports are issued separately.

Single Audit

As a recipient of federal and state aid, the Town is responsible for maintaining internal controls that ensure compliance with applicable laws and regulations. These controls are regularly reviewed by management.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Watertown for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

This report could not have been prepared without the dedication of Town and School District staff. Special thanks are extended to the Town Council, Board of Education, Town Manager, and Superintendent of Schools for their support and leadership on financial matters.

Respectfully submitted,



Maria Guerrero
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Watertown
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

**FINANCIAL
SECTION**



Independent Auditors' Report

To the Town Council
Town of Watertown, Connecticut
Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Watertown, CT, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Watertown's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Watertown, CT, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Watertown 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 Watertown's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Watertown's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Watertown'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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Watertown's basic financial statements. The accompanying supplementary information such as 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2025, on our consideration of the Town of Watertown's internal control over financial reporting and on our test 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 Watertown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Watertown's internal control over financial reporting and compliance.



Sinnamon & Associates, LLC
Certified Public Accountants

Litchfield, Connecticut
June 30, 2025

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

This discussion and analysis of the Town of Watertown, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read this management discussion and analysis in conjunction with the transmittal letter and the Town's financial statements.

Financial Highlights

- The Town's total net position increased by \$4,759,000 million as a result of this year's operations. Net position of the governmental activities increased by \$7,916,182 and net position of the business-type activities decreased by \$3,157,102.
- As described in Note 15, the business-type activities have accrued a liability of \$24,054,266 as of June 30, 2024 in relation to an unexpected judgment resulting from a trial during fiscal year 2023 and 2024 with regards to the dispute with the Town of Waterbury and the usage rates being charged to the Town of Watertown. The court denied the Town's appeal and the Town Council is currently exploring its options regarding this matter.
- In the Town's business-type activities, total net position decreased by \$3,157,102 which includes recording interest due on the judgement through June 30, 2024.
- Total cost of all the Town's programs was \$112,436,916 on a government-wide basis.
- The General Fund reported an unassigned fund balance as of June 30, 2024 of \$10,900,083 which represents 11.8% of the subsequent years budgeted general fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position has 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 future cash inflows (revenues) and outflows (expenditures).

In the statement of net position and the statement of activities, we divide the Town into two types of activities:

- *Governmental Activities* – Most of the Town's basic services are reported here, including education, public safety, public works, parks and recreation, health and welfare and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-Type Activities* – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's sewer, water and golf course operations are reported here.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like Board of Education Community Service Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from state and federal governments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, that is the Town's most basic services. Unlike the government-wide financial statements, however, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains individual government 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 and the ARPA Grant Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 20-25 of this report.

Proprietary Funds

The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water funds as well as the Crestbrook Golf operations. Internal service funds are used for the financing of goods and services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis. The Town uses internal service funds to report activities that provide supplies and services for the Town's Health and Dental Benefits and Workers Compensation Internal Service Funds.

The basic proprietary fund financial statements can be found on pages 26-29 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 31- 92 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 and an important determinant of its ability to finance services in the future. In the case of the Town of Watertown, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$49,908,174 at the close of the most recent fiscal year.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, buildings, machinery, and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's net position increased by \$4,759,080 during the current fiscal year.

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

NET POSITION - June 30, 2024 and June 30, 2023

	6/30/2024 Net Position			6/30/2023 Net Position		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
<u>Assets</u>						
Current and Other Assets	\$ 47,687,981	\$ 10,814,796	\$ 58,502,777	\$ 41,167,128	\$ 10,078,198	\$ 51,245,326
Capital Assets	183,406,945	17,314,226	200,721,171	178,451,651	17,630,401	196,082,052
Total Assets	231,094,926	28,129,022	259,223,948	219,618,779	27,708,599	247,327,378
Deferred Outflows of Resources	17,858,851	161,416	18,020,267	27,747,959	91,336	27,839,295
<u>Liabilities</u>						
Current Liabilities	28,841,959	24,543,909	53,385,868	26,765,523	20,966,889	47,732,412
Non Current Liabilities	152,895,526	400,012	153,295,538	154,658,493	401,562	155,060,055
Total Liabilities	181,737,485	24,943,921	206,681,406	181,424,016	21,368,451	202,792,467
Deferred Inflows Of Resources	20,308,118	354,157	20,662,275	26,950,730	282,022	27,232,752
<u>Net Position</u>						
Net Investment in Capital Assets	136,540,586	17,283,239	153,823,825	131,585,292	17,565,976	149,151,268
Restricted	2,003,202	-	2,003,202	1,757,965	-	1,757,965
Unrestricted	(91,635,614)	(14,290,879)	(105,926,493)	(94,351,265)	(11,416,514)	(105,767,779)
Total Net Position	\$ 46,908,174	\$ 2,992,360	\$ 49,900,534	\$ 38,991,992	\$ 6,149,462	\$ 45,141,454

The Town's negative unrestricted net position of \$(105,926,493) is primarily attributed to the recoding of pension and Other Post Employment Benefits (OPEB) debt as a liability on the government-wide statements. Those obligations total approximately \$109,000,000 of the negative balance. See the financial statement footnotes and supplementary schedules information for more information on these plans.

The comparative analysis below separately considers the operations of the governmental and business-type activities for the last two fiscal years. The prior fiscal year ended June 30, 2023 includes a charge for the \$18,800,445 water and sewer judgment on behalf of Waterbury that is further discussed in Note 15.

Approximately 62% of the governmental activities' revenue was derived from property taxes, followed by 25% from operating and capital grants, 10% from service charges, and 3% from other sources

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Approximately 60% of the Town's governmental activities expenses relate to education, 7% relate to public works, 14% for general government, 7% for public safety and 12% for all other activities.

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

CHANGES IN NET POSITION - June 30, 2024 and June 30, 2023 Governmental Activities

	June 30, 2024			June 30, 2023		
	Changes in Net Position			Changes in Net Position		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
Revenues						
General Revenues						
Property Taxes	\$72,658,651	\$ -	\$72,658,651	\$67,767,491	\$ -	\$67,767,491
Grants and contributions, unrestricted	1,916,711	-	1,916,711	2,111,325	-	2,111,325
Unrestricted investment earnings	999,185	110,011	1,109,196	649,881	77,061	726,942
Other general revenue	205,000	-	205,000	313,750	-	313,750
Program Revenues						
Charges for services	5,721,009	5,741,723	11,462,732	4,766,816	5,557,095	10,323,911
Operating grants and contributions	24,610,209	-	24,610,209	27,600,774	-	27,600,774
Capital grants and contributions	5,233,497	-	5,233,497	880,056	-	880,056
Total Revenues	<u>111,344,262</u>	<u>5,851,734</u>	<u>117,195,996</u>	<u>104,090,093</u>	<u>5,634,156</u>	<u>109,724,249</u>
Expenses						
Governmental Activities						
General government	16,039,183	-	16,039,183	16,759,909	-	16,759,909
Public safety	7,984,294	-	7,984,294	10,388,843	-	10,388,843
Public works	8,008,302	-	8,008,302	6,660,561	-	6,660,561
Parks and recreation	1,858,229	-	1,858,229	1,577,256	-	1,577,256
Health and welfare	393,743	-	393,743	232,592	-	232,592
Education	67,701,207	-	67,701,207	70,593,082	-	70,593,082
Interest on Long Term Debt	1,327,215	-	1,327,215	1,588,682	-	1,588,682
Business-Type Activities						
Sewer	-	5,301,726	5,301,726	-	16,756,086	16,756,086
Water	-	2,868,532	2,868,532	-	7,571,815	7,571,815
Golf	-	954,485	954,485	-	829,073	829,073
Total Expenses	<u>103,312,173</u>	<u>9,124,743</u>	<u>112,436,916</u>	<u>107,800,925</u>	<u>25,156,974</u>	<u>132,957,899</u>
Change in Net Position Before Transfers	8,032,089	(3,273,009)	4,759,080	(3,710,832)	(19,522,818)	(23,233,650)
Transfers	(115,907)	115,907	-	425,414	(425,414)	-
Change in Net Position	7,916,182	(3,157,102)	4,759,080	(3,285,418)	(19,948,232)	(23,233,650)
Net Position, beginning	<u>38,991,992</u>	<u>6,149,462</u>	<u>45,141,454</u>	<u>42,277,410</u>	<u>26,097,694</u>	<u>68,375,104</u>
Net Position, ending	<u>\$46,908,174</u>	<u>\$ 2,992,360</u>	<u>\$49,900,534</u>	<u>\$38,991,992</u>	<u>\$ 6,149,462</u>	<u>\$45,141,454</u>

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

Governmental Activities

The Town's governmental activities reported an increase of \$7,916,182 in net position in 2024. The Town's total governmental revenue for the year was \$114,344,262. total program expenses were \$103,312,173.

The table below presents the costs of each of the Town's governmental programs, as well as each program's net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town's taxpayers by each of these functions. Note that historically the cost of the health insurance fund has been reported under general government for governmental activities. It is now allocated between general government and education.

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
General government	\$ 16,039,183	\$ 16,759,909	\$ 9,790,713	\$ 15,275,085
Public safety	7,984,294	10,388,843	6,266,356	8,386,568
Public works	8,008,302	6,660,561	6,091,061	5,201,292
Parks and recreation	1,858,229	1,577,256		942,896
Health and welfare	393,743	232,592	315,121	8,532
Education	67,701,207	70,593,082	42,762,089	43,150,224
Interest on Long Term Debt	1,327,215	1,588,682	1,327,215	1,588,682
	\$ 103,312,173	\$ 107,800,925	\$ 66,552,555	\$ 74,553,279

Business-Type Activities

The Town's business-type activities reported a decrease \$3,157,102 net position in 2024. The business-type activities consist of the Water and Sewer Authority and the Crestbrook Golf Operations. The table below presents the cost of the Town's business-type programs as well as the business-type programs net cost (total cost less revenues generated by the activities). As discussed above and in Note 15, during FY2023 there was an unexpected unfavorable judgment against the Town for past Water and Sewer usage rates. As a result of that judgment, the Town has accrued a balance for water and sewer usage fees, plus interest through June 30, 2024, at the rates stated by the court.

	Business-Type Activities			
	Total Cost of Services		Net Cost of Services	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Sewer	\$ 5,301,726	\$ 16,756,086	\$ 2,396,011	\$ 14,013,501
Water	2,868,532	7,571,815	917,117	5,709,013
Golf	954,485	829,073	69,892	122,635
	\$ 9,124,743	\$ 25,156,974	\$ 3,383,020	\$ 19,845,149

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

Financial Analysis of the Town's Government 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.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29,637,126, an increase of \$11,391,695 in comparison with the prior year. A large contributing factor to this was the issuance of \$9,000,000 in general obligation bonds along with \$6,000,000 in bond anticipation notes that were not all fully spent during the fiscal year and are restricted for future use.

Of the total governmental fund balances, \$10,846,625 constitutes unassigned fund balance, which is primarily derived from the General Fund. The remainder of the Town's fund balance has been classified as either nonspendable, restricted, committed or assigned, and is not available for other use without authorization from the governing bodies of the Town or external parties.

Proprietary Funds

Net position of the Town's three self-insured internal service funds decreased by 749,051 during the year. Net position of The Health and Dental Benefits Fund decreased by \$955,169. Net position of the Town's Workers Compensation Fund increased \$206,117. Net position of the Town's General Liabilities Deductibles Fund increased by \$1.

The Town operates three enterprise funds that comprise the Town's business-type activities. The enterprise funds account for the operations of providing sewer and water services to Town businesses and residents and to account for the Town's Crestbrook golf course. Analysis of the Town's enterprise funds is included in the above business-type activities section.

General Fund Budgetary Highlights

The original budget did not anticipate the use of fund balance to balance the budget. During the year, there were additional appropriations from fund balance of 1,224,653. The largest items making up this increase were approved at town meeting where an additional \$654,000 for police special duty services, \$71,000 for legal and fiscal services and an additional appropriation to the health fund of up to \$411,000 were approved. In addition the Town council makes smaller appropriations during the year as allowed by the town charter up to \$50,000.

The actual revenues without the use of fund balance exceeded the budgetary revenues \$89,780,880 by \$1,373,614 due to building permits, grants, investment income, and other local revenues being higher than anticipated. The Town expended \$1,229,339 less than the amended appropriations budget amount of \$891,005,553, with a large part of that coming from savings in the general government, public works, and miscellaneous lines.

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

Capital Asset and Debt Administration

Capital Assets

The Town of Watertown's reported value in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$200,721,142 net of accumulated depreciation. The reported value in capital assets includes land and buildings, vehicles, machinery and equipment, infrastructure, right of use equipment, and right of use subscription-based IT arrangements. The following is a comparison of capital assets over the last two fiscal years:

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 3,147,876	\$ 1,019,600	\$ 4,167,476	\$ 3,147,876	\$ 1,019,600	\$ 4,167,476
Construction in process	4,440,860	-	4,440,860	818,514	-	818,514
Building and improvements	118,480,453	573,234	119,053,687	119,985,978	626,246	120,612,224
Vehicles	703,059	55,820	758,879	347,827	2	347,829
Machinery and equipment	1,916,639	92,389	2,009,028	2,312,785	61,950	2,374,735
Infrastructure	54,143,051	15,555,220	69,698,271	50,944,744	15,868,801	66,813,545
Right of use equipment	225,275	17,934	243,209	450,551	53,802	504,353
Right of use SBITA	349,732	-	349,732	443,376	-	443,376
Total	\$ 183,406,945	\$ 17,314,197	\$ 200,721,142	\$ 178,451,651	\$ 17,630,401	\$ 196,082,052

Additional information on the Town of Watertown's capital assets can be found in Note 9 of this report.

Long-Term Debt

At year-end, the Town had \$49,535,000 in governmental activities bonds outstanding. This is an increase of \$3,530,000 from the prior year. The Town's general obligation bond rating carries an AA rating. Additional information on the Town of Watertown's long-term debt can be found in Note 11 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2024/2025 budget tax rates, and fees that will be charged for the business-type activities.

Revenue & Expenditures

- The Town approved a balanced fiscal year 2024–2025 budget via referendum, with a mill rate set at 28.37 which is reduction from the mill rate for fiscal 2023-2024 which was 36.86. This rate reduction was due to the town-wide revaluation completed for the grand list October 1, 2023.
- No undesignated fund balance was required to balance the budget.

TOWN OF WATERTOWN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

Long-Term Financial Strategy

- Prioritized sustainable growth through disciplined receivables/payables management and capital planning.
- Continued enhancements to financial systems aimed at operational efficiency.
- Future budget development will prioritize financial transparency, fund equity, and preservation of essential service levels, even under debt-related stress.

Economic Environment

- Regional inflation remained below national averages.
- The post-pandemic economic climate contributed to rising costs and marginally reduced revenues.

Legal Liability

- A June 6, 2025, appellate court ruling upheld a \$18.8 million judgment against the Town for unpaid water and sewer charges owed to the City of Waterbury.
- The Town Council is evaluating four response strategies: petitioning the state Supreme Court, selling the system, negotiating a structured repayment or bonds, or seeking alternate water sources.
- The Waterbury judgment represents a significant fiscal obligation. Management continues to explore financing strategies that isolate costs to system users, avoiding general levy increases.

Enterprise Funds (Water/Sewer)

- The Town will evaluate and adjust water and sewer rates to ensure consistency with the actual rates being billed by the City of Waterbury.
- Operating revenues were previously constrained due to temporarily reduced rate levels pending the outcome of the Waterbury litigation.
- During this period, capital and operating expenditures were managed carefully to maintain service continuity and avoid operational deficits, despite limitations on revenue flexibility.

Request for Information

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Watertown, 61 Echo Lake Road, Watertown, Connecticut 06795.

**BASIC
FINANCIAL
STATEMENTS**

TOWN OF WATERTOWN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 37,717,563	\$ 9,166,776	\$ 46,884,339
Restricted cash and cash equivalents	281,077	-	281,077
Investments	1,584	-	1,584
Receivables	9,581,505	1,648,020	11,229,525
Inventory and prepaid expenses	106,252	-	106,252
Due From Business-Type Activities	-	-	-
Capital Assets, not being depreciated	7,588,736	1,019,600	8,608,336
Capital Assets, net of accumulated depreciation	175,818,209	16,294,626	192,112,835
<u>Total Assets</u>	<u>231,094,926</u>	<u>28,129,022</u>	<u>259,223,948</u>
<u>Liabilities</u>			
<u>Deferred Outflows of Resources</u>			
Deferred outflows related to pension	1,074,559	161,416	1,235,975
Deferred outflows related to post-employment benefits	15,619,580	-	15,619,580
Deferred outflows on refunding bonds	1,164,712	-	1,164,712
<u>Total Deferred Outflows of Resources</u>	<u>17,858,851</u>	<u>161,416</u>	<u>18,020,267</u>
<u>Liabilities</u>			
Accounts payable and accrued items	5,750,602	24,422,447	30,173,049
Accrued interest payable	452,230	-	452,230
Long-Term claims payable	2,908,683	-	2,908,683
Unearned revenue	5,780,530	4,861	5,785,391
Performance bonds	281,077	-	281,077
Due to Governmental Funds	-	-	-
Noncurrent Liabilities:			
Due within one year	13,668,837	116,601	13,785,438
Due in more than one year	152,895,526	400,012	153,295,538
<u>Total Liabilities</u>	<u>181,737,485</u>	<u>24,943,921</u>	<u>206,681,406</u>
<u>Deferred Inflows Of Resources</u>			
Deferred inflows related to pensions	226,957	143,118	370,075
Deferred outflows related to post-employment benefits	17,087,721	-	17,087,721
Deferred inflows on leases	2,993,440	211,039	3,204,479
<u>Total Deferred Inflows Of Resources</u>	<u>20,308,118</u>	<u>354,157</u>	<u>20,662,275</u>
<u>Net Position</u>			
Net Investment in Capital Assets	136,540,586	17,283,239	153,823,825
Restricted for			
Restricted for community development	759,286	-	759,286
Restricted for other purposes	840,145	-	840,145
Restricted for other nonexpendable	224,239	-	224,239
Restricted for trust nonexpendable	97,143	-	97,143
Restricted for trust expendable	82,389	-	82,389
Unrestricted	(91,635,614)	(14,290,879)	(105,926,493)
<u>Total Net Position</u>	<u>\$ 46,908,174</u>	<u>\$ 2,992,360</u>	<u>\$ 49,900,534</u>

The accompanying notes are an integral part of these financial statements

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

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Program Activities</u>							
<u>Governmental Activities</u>							
General government	\$ 16,039,183	\$ 1,906,278	\$ 535,308	\$ 3,806,884	\$ (9,790,713)	\$ -	\$ (9,790,713)
Public safety	7,984,294	1,663,951	53,987	-	(6,266,356)	-	(6,266,356)
Public works	8,008,302	137,603	353,025	1,426,613	(6,091,061)	-	(6,091,061)
Parks and recreation	1,858,229	569,478	93,848	-	(1,194,903)	-	(1,194,903)
Health and welfare	393,743	78,622	-	-	(315,121)	-	(315,121)
Education	67,701,207	1,365,077	23,574,041	-	(42,762,089)	-	(42,762,089)
Interest on Long Term Debt	1,327,215	-	-	-	(1,327,215)	-	(1,327,215)
<u>Total Governmental Activities</u>	<u>103,312,173</u>	<u>5,721,009</u>	<u>24,610,209</u>	<u>5,233,497</u>	<u>(67,747,458)</u>	<u>-</u>	<u>(67,747,458)</u>
<u>Business Type Activities</u>							
Sewer	5,301,726	2,905,715	-	-	-	(2,396,011)	(2,396,011)
Water	2,868,532	1,951,415	-	-	-	(917,117)	(917,117)
Golf	954,485	884,593	-	-	-	(69,892)	(69,892)
<u>Total Business Type Activities</u>	<u>9,124,743</u>	<u>5,741,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,383,020)</u>	<u>(3,383,020)</u>
<u>Total Primary Government</u>	<u>\$ 112,436,916</u>	<u>\$11,462,732</u>	<u>\$24,610,209</u>	<u>\$ 5,233,497</u>	<u>\$ (67,747,458)</u>	<u>\$ (3,383,020)</u>	<u>\$ (71,130,478)</u>
<u>General Revenues:</u>							
Property taxes					72,658,651	-	72,658,651
Grants and contributions not restricted to specific programs					1,916,711	-	1,916,711
Unrestricted investment earnings					999,185	110,011	1,109,196
Other general revenue					205,000	-	205,000
Transfers					(115,907)	115,907	-
<u>Total General Revenues</u>					<u>75,663,640</u>	<u>225,918</u>	<u>75,889,558</u>
<u>Change in Net Position</u>					7,916,182	(3,157,102)	4,759,080
<u>Net Position Beginning of Year</u>					<u>38,991,992</u>	<u>6,149,462</u>	<u>45,141,454</u>
<u>Net Position End of Year</u>					<u>\$ 46,908,174</u>	<u>\$ 2,992,360</u>	<u>\$ 49,900,534</u>

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Improvement Fund	ARPA Grant Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 13,127,093	\$ 16,659,862	\$ 3,963,199	\$ 3,382,802	\$ 37,132,956
Restricted cash and cash equivalents	281,077	-	-	-	281,077
Investments	-	-	-	1,584	1,584
Receivables, net of allowance	6,236,944	2,350,189	-	962,780	9,549,913
Inventory and prepaid expenses	19,591	56,400	-	30,261	106,252
Due from other funds	350,000	136,079	-	11,500	497,579
<u>Total Assets</u>	<u>20,014,705</u>	<u>19,202,530</u>	<u>3,963,199</u>	<u>4,388,927</u>	<u>47,569,361</u>
<u>Liabilities</u>					
Accounts payable and accrued items	2,717,922	587,531	112,046	181,232	3,598,731
Unearned revenue	-	1,693,853	3,808,451	278,226	5,780,530
Performance bonds	281,077	-	-	-	281,077
Due to other Funds	147,579	-	-	350,000	497,579
<u>Total Liabilities</u>	<u>3,146,578</u>	<u>2,281,384</u>	<u>3,920,497</u>	<u>809,458</u>	<u>10,157,917</u>
<u>Deferred Inflows Of Resources</u>					
<u>Unavailable Revenues</u>					
Property taxes and interest	1,702,449	-	-	-	1,702,449
Special assessments	741,441	-	-	-	741,441
School building grants	-	2,336,988	-	-	2,336,988
Lease related	2,993,440	-	-	-	2,993,440
<u>Total Deferred Inflows Of Resources</u>	<u>5,437,330</u>	<u>2,336,988</u>	<u>-</u>	<u>-</u>	<u>7,774,318</u>
<u>Fund Balances</u>					
Nonspendable	193,978	-	-	127,404	321,382
Restricted	-	13,683,912	42,702	1,639,118	15,365,732
Committed	-	900,246	-	1,866,405	2,766,651
Assigned	336,736	-	-	-	336,736
Unassigned	10,900,083	-	-	(53,458)	10,846,625
<u>Total Fund Balances</u>	<u>11,430,797</u>	<u>14,584,158</u>	<u>42,702</u>	<u>3,579,469</u>	<u>29,637,126</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 20,014,705</u>	<u>\$ 19,202,530</u>	<u>\$ 3,963,199</u>	<u>\$ 4,388,927</u>	<u>\$ 47,569,361</u>

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Total fund balances for governmental funds \$ 29,637,126

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

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

Capital assets	307,310,098	
Less accumulated depreciation	(123,903,153)	
Net capital assets	183,406,945	183,406,945

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

Property taxes receivable greater than 60 days	1,261,163	
Interest receivable on property taxes	441,286	
Receivable from State for School construction projects	2,336,988	
Assessment receivables	741,441	

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

(4,444,355)

Governmental funds report the effect of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position

(2,427,809)

Certain changes related to pensions are deferred and amortized over time

Deferred Outflows - Pension	1,074,559	
Deferred Inflows - Pension	(226,957)	
Deferred Outflows - OPEB	15,619,580	
Deferred Inflows - OPEB	(17,087,721)	

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements

Accrued interest payable	(452,230)	
Bonds payable	(49,535,000)	
Equipment Financing Notes	(1,081,790)	
Lease Liability	(229,790)	
Subscription Liability	(347,198)	
Compensated Absences	(2,899,023)	
Post-Closure Landfill Costs	(33,805)	
Special Termination Benefits	(20,609)	
Pension Buy-In	(365,958)	
Net Pension Liability	(14,632,336)	
OPEB Liability	(93,826,333)	

Net position of governmental activities

\$ 46,908,174

The accompanying notes are an integral part of these financial statements

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

	General Fund	Capital Improvement Fund	ARPA Grant Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property taxes, interest and lien fees	\$ 72,148,471	\$ -	\$ -	\$ -	\$ 72,148,471
Intergovernmental revenues	23,516,649	3,793,711	1,434,084	3,115,480	31,859,924
Licenses, permits and charges for services	3,342,065	-	-	1,905,256	5,247,321
Investment income	547,491	425,792	-	25,901	999,184
Other revenue	426,201	1,943	-	435,286	863,430
<u>Total Revenues</u>	<u>99,980,877</u>	<u>4,221,446</u>	<u>1,434,084</u>	<u>5,481,923</u>	<u>111,118,330</u>
<u>Expenditures:</u>					
Current:					
General government	3,940,422	-	5,471	145,066	4,090,959
Public safety	7,273,797	-	2,000	20,441	7,296,238
Public works	3,891,864	-	1,426,613	303,281	5,621,758
Parks and recreation	1,191,621	-	-	610,294	1,801,915
Health and welfare	171,262	-	-	222,481	393,743
Education	63,203,157	-	-	4,239,735	67,442,892
Other	10,660,813	-	-	443	10,661,256
Debt service	6,601,465	195,750	-	-	6,797,215
Capital outlay	1,702,432	9,291,619	-	451,800	11,445,851
<u>Total Expenditures</u>	<u>98,636,833</u>	<u>9,487,369</u>	<u>1,434,084</u>	<u>5,993,541</u>	<u>115,551,827</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,344,044</u>	<u>(5,265,923)</u>	<u>-</u>	<u>(511,618)</u>	<u>(4,433,497)</u>
<u>Other Financing Sources (Uses):</u>					
Transfers In	-	-	-	220,000	220,000
Transfers Out	(335,907)	-	-	-	(335,907)
Issuance of equipment financing notes	298,932	-	-	-	298,932
Bond and bond anticipation notes proceeds	-	15,000,000	-	-	15,000,000
Premium on financing	-	642,167	-	-	642,167
<u>Total Other Financing sources (Uses):</u>	<u>(36,975)</u>	<u>15,642,167</u>	<u>-</u>	<u>220,000</u>	<u>15,825,192</u>
Net Change in Fund Balances	1,307,069	10,376,244	-	(291,618)	11,391,695
<u>Fund Balances Beginning of Year</u>	<u>10,123,728</u>	<u>4,207,914</u>	<u>42,702</u>	<u>3,871,087</u>	<u>18,245,431</u>
<u>Fund Balances End of Year</u>	<u>\$ 11,430,797</u>	<u>\$ 14,584,158</u>	<u>\$ 42,702</u>	<u>\$ 3,579,469</u>	<u>\$ 29,637,126</u>

The accompanying notes are an integral part of these financial statements

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

Net change in fund balances for governmental funds \$ 11,391,695

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

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

Capital expenditures	11,445,851	
Depreciation expense	(6,490,557)	
Net adjustment	4,955,294	4,955,294

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds from long-term debt - equipment financing notes	(298,932)	
Principal payments on long-term debt - equipment financing notes	508,112	
Proceeds from long-term debt - general obligation bonds	(9,000,000)	
Proceeds from general obligation bond anticipation notes	(6,000,000)	
Principal payments on long-term debt - general obligation bonds	5,470,000	
Amortization of deferred charge on refunding	(120,926)	
Premium additions	(642,167)	
Amortization of premiums	315,208	
Payments on leases	224,831	
Payments on subscription based IT arrangements	82,321	
Net adjustment	(9,461,553)	(9,461,553)

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds:

Property taxes collected accrual basis change		398,157
Interest income on property taxes accrual basis change		112,023
Assessment revenue accrual basis change		(89,851)
Other revenues accrual basis change		476,917

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

Accrued interest		58,529
Compensated Absences		33,238
Post-closure landfill costs		(46,971)
Special termination benefits		(16,783)
Pension buy-in payable		(31,085)
Pension obligations and related outflows/inflows		(2,014,757)
OPEB obligations and related outflows/inflows		2,900,380

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

(749,051)

Change in net position of governmental activities \$ 7,916,182

TOWN OF WATERTOWN, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business Type Activities - Enterprise Funds			Total	Governmental Activities
	Sewer Authority	Water Authority	Non-Major Crestbrook Golf Operations		Internal Service
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 6,495,573	\$ 2,671,203	\$ -	\$ 9,166,776	\$ 584,607
Receivables, net					
Usage charges	852,056	585,330	-	1,437,386	-
Leases	-	-	40,308	40,308	-
Other receivables	-	-	-	-	31,592
Total current assets	<u>7,347,629</u>	<u>3,256,533</u>	<u>40,308</u>	<u>10,644,470</u>	<u>616,199</u>
Noncurrent assets					
Leases receivable	-	-	170,326	170,326	-
Capital Assets, not being depreciated	-	84,600	935,000	1,019,600	-
Capital assets, net of accumulated depreciation	8,027,629	8,007,379	259,618	16,294,626	-
Total Noncurrent assets	<u>8,027,629</u>	<u>8,091,979</u>	<u>1,364,944</u>	<u>17,484,552</u>	<u>-</u>
<u>Total Assets</u>	<u>15,375,258</u>	<u>11,348,512</u>	<u>1,405,252</u>	<u>28,129,022</u>	<u>616,199</u>
<u>Deferred Outflows of Resources</u>					
Deferred outflows related to pension	60,305	60,305	40,806	161,416	-
<u>Liabilities</u>					
Current Liabilities					
Accounts payable and accrued items	17,612,276	6,602,342	207,829	24,422,447	-
Unearned revenue	-	-	4,861	4,861	-
Equipment financing notes payable	-	-	12,083	12,083	-
Leases payable	-	-	18,904	18,904	-
Compensated absences	29,915	29,915	25,784	85,614	-
Risk management claims	-	-	-	-	2,151,871
Total Current Liabilities	<u>17,642,191</u>	<u>6,632,257</u>	<u>269,461</u>	<u>24,543,909</u>	<u>2,151,871</u>
Noncurrent Liabilities					
Net pension liability	96,377	96,377	77,986	270,740	-
Equipment financing notes payable	-	-	41,644	41,644	-
Compensated absences	24,476	24,476	38,676	87,628	-
Risk management claims	-	-	-	-	2,908,683
Total Noncurrent Liabilities	<u>120,853</u>	<u>120,853</u>	<u>158,306</u>	<u>400,012</u>	<u>2,908,683</u>
<u>Total Liabilities</u>	<u>17,763,044</u>	<u>6,753,110</u>	<u>427,767</u>	<u>24,943,921</u>	<u>5,060,554</u>
<u>Deferred Outflows of Resources</u>					
Deferred outflows related to pension	54,085	54,085	34,948	143,118	-
Deferred inflows on leases	-	-	211,039	211,039	-
<u>Total Deferred Outflows of Resources</u>	<u>54,085</u>	<u>54,085</u>	<u>245,987</u>	<u>354,157</u>	<u>-</u>
<u>Net Position</u>					
Net Investment in Capital Assets	8,027,629	8,091,979	1,163,631	17,283,239	-
Unrestricted	(10,409,195)	(3,490,357)	(391,327)	(14,290,879)	(4,444,355)
<u>Total Net Position</u>	<u>\$ (2,381,566)</u>	<u>\$ 4,601,622</u>	<u>\$ 772,304</u>	<u>\$ 2,992,360</u>	<u>\$ (4,444,355)</u>

The accompanying notes are an integral part of these financial statements

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

	Business Type Activities - Enterprise Funds			Total	Governmental Activities
	Sewer Authority	Water Authority	Non-Major Crestbrook Golf Operations		Internal Service
<u>Operating Revenue</u>					
Charges for services	\$ 2,899,545	\$ 1,942,953	\$ 884,593	\$ 5,727,091	\$ 16,752,202
Permits and fees	6,170	8,462	-	14,632	-
<u>Total Operating Revenues</u>	<u>2,905,715</u>	<u>1,951,415</u>	<u>884,593</u>	<u>5,741,723</u>	<u>16,752,202</u>
<u>Operating Expenses</u>					
Salaries	328,092	327,714	395,080	1,050,886	-
Benefits	216,280	216,247	60,889	493,416	-
Purchased services	1,741,171	1,038,020	405,485	3,184,676	-
Depreciation and amortization	299,539	275,122	92,389	667,050	-
Claims	-	-	-	-	14,683,913
Premiums and administrative charges	-	-	-	-	2,817,341
<u>Total Operating Expenses</u>	<u>2,585,082</u>	<u>1,857,103</u>	<u>953,843</u>	<u>5,396,028</u>	<u>17,501,254</u>
<u>Operating Income (Loss)</u>	<u>320,633</u>	<u>94,312</u>	<u>(69,250)</u>	<u>345,695</u>	<u>(749,052)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Investment income	76,839	29,235	3,937	110,011	1
Interest expense	(2,716,644)	(1,011,429)	(642)	(3,728,715)	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(2,639,805)</u>	<u>(982,194)</u>	<u>3,295</u>	<u>(3,618,704)</u>	<u>1</u>
<u>Income (Loss) Before Transfers</u>	<u>(2,319,172)</u>	<u>(887,882)</u>	<u>(65,955)</u>	<u>(3,273,009)</u>	<u>(749,051)</u>
<u>Transfers</u>					
Transfers in	-	115,907	-	115,907	-
<u>Total Transfers</u>	<u>-</u>	<u>115,907</u>	<u>-</u>	<u>115,907</u>	<u>-</u>
<u>Change In Net Position</u>	<u>(2,319,172)</u>	<u>(771,975)</u>	<u>(65,955)</u>	<u>(3,157,102)</u>	<u>(749,051)</u>
<u>Net Position Beginning of Year</u>	<u>(62,394)</u>	<u>5,373,597</u>	<u>838,259</u>	<u>6,149,462</u>	<u>(3,695,304)</u>
<u>Net Position End of Year</u>	<u>\$ (2,381,566)</u>	<u>\$ 4,601,622</u>	<u>\$ 772,304</u>	<u>\$ 2,992,360</u>	<u>\$ (4,444,355)</u>

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Business Type Activities - Enterprise Funds				Activities
	Sewer Authority	Water Authority	Non-Major	Total	Internal Service
			Crestbrook Golf Operations		
<u>Cash Flows from Operating Activities</u>					
Cash received from customers and users	\$ 2,835,406	\$ 1,866,991	\$ 884,012	\$ 5,586,409	\$ 16,742,895
Payments to employees	(328,092)	(327,714)	(395,080)	(1,050,886)	-
Payments to suppliers	(1,814,533)	(1,111,212)	(417,685)	(3,343,430)	-
Payments for benefits and claims	(216,280)	(216,247)	(60,889)	(493,416)	(13,737,069)
Premiums and administrative charges	-	-	-	-	(2,817,341)
<u>Net Cash Provided by Operating Activities</u>	<u>476,501</u>	<u>211,818</u>	<u>10,358</u>	<u>698,677</u>	<u>188,485</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Repayment to general fund	-	-	-	-	(65,000)
Cash received from general fund	-	115,907	-	115,907	-
<u>Net Cash Used by Noncapital Financing Activities</u>	<u>-</u>	<u>115,907</u>	<u>-</u>	<u>115,907</u>	<u>(65,000)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Principal payments on equipment financing notes	-	-	(8,961)	(8,961)	-
Principal payments on leases payable	-	-	(36,560)	(36,560)	-
Lease receivable adjustments	-	-	40,618	40,618	-
Proceeds from new borrowing	-	-	53,727	53,727	-
Purchases of capital assets	(79,656)	(209,052)	(62,477)	(351,185)	-
Interest paid on debt	-	-	(642)	(642)	-
<u>Net Cash Used by Capital and Related Financing Activities</u>	<u>(79,656)</u>	<u>(209,052)</u>	<u>(14,295)</u>	<u>(303,003)</u>	<u>-</u>
<u>Cash Flows From Investing Activities</u>					
Investment income	76,839	29,235	3,937	110,011	1
<u>Net Cash Provided by Investing Activities</u>	<u>76,839</u>	<u>29,235</u>	<u>3,937</u>	<u>110,011</u>	<u>1</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>473,684</u>	<u>147,908</u>	<u>-</u>	<u>621,592</u>	<u>123,486</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>6,021,889</u>	<u>2,523,295</u>	<u>-</u>	<u>8,545,184</u>	<u>461,121</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 6,495,573</u>	<u>\$ 2,671,203</u>	<u>\$ -</u>	<u>\$ 9,166,776</u>	<u>\$ 584,607</u>
<u>by Operating Activities</u>					
Operating Income (Loss)	320,633	94,312	(69,250)	345,695	(749,052)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and amortization	299,539	275,122	92,389	667,050	-
Changes in assets and liabilities					
(Increase) decrease in accounts receivable	(70,309)	(84,424)	(581)	(155,314)	(9,307)
(Increase) decrease in deferred outflows pension	(26,182)	(26,182)	(17,716)	(70,080)	-
Increase (decrease) in deferred inflows pension	43,761	43,761	28,277	115,799	-
Increase (decrease) in deferred inflows leases	-	-	(43,664)	(43,664)	-
Increase (decrease) in net pension liability	(13,537)	(13,537)	(10,954)	(38,028)	-
Increase (decrease) in accounts payable	(87,110)	(86,940)	10,557	(163,493)	-
Increase (decrease) in unearned revenue	-	-	3,135	3,135	-
Increase (decrease) in claims payable	-	-	-	-	946,844
Increase (decrease) in compensated absences	9,706	9,706	18,165	37,577	-
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 476,501</u>	<u>\$ 211,818</u>	<u>\$ 10,358</u>	<u>\$ 698,677</u>	<u>\$ 188,485</u>

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2024

<u>Assets</u>	<u>Pension and OPEB Trust Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,449	\$ 1,449
Investments, at fair value		
Guaranteed deposit accounts	9,477,200	9,477,200
Mutual funds	45,212,398	45,212,398
<u>Total assets</u>	<u>54,691,047</u>	<u>54,691,047</u>
<u>Liabilities</u>		
Payables	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>
<u>Net position</u>		
Restricted for pension benefits	54,689,598	54,689,598
Restricted for OPEB Benefits	1,449	1,449
<u>Total net position</u>	<u>\$ 54,691,047</u>	<u>\$ 54,691,047</u>

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 JUNE 30, 2024

	Pension and OPEB Trust Funds	Total
<u>Additions</u>		
Contributions		
Employer	\$ 2,111,187	\$ 2,111,187
Plan members	127,470	127,470
Total contributions	2,238,657	2,238,657
Investment Income		
Net Appreciation/(Depreciation) in Fair Value of Investments	3,414,443	3,414,443
Interest and dividends	829,128	829,128
Total Investment Income	4,243,571	4,243,571
Less: Investment Management Fees	(123,990)	(123,990)
Net Investment Income	4,119,581	4,119,581
<u>Total Additions</u>	6,358,238	6,358,238
<u>Deductions</u>		
Pension benefits	4,538,461	4,538,461
Administrative expenses	242,124	242,124
<u>Total Deductions</u>	4,780,585	4,780,585
<u>Change in net position</u>	1,577,653	1,577,653
<u>Net position beginning of year</u>	53,113,394	53,113,394
<u>Net position end of year</u>	\$ 54,691,047	\$ 54,691,047

The accompanying notes are an integral part of these financial statements

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Watertown, Connecticut (the Town) was settled in 1780 and adopted its current Charter in 1961. The Town operates under a Town Council/Town Manager form of government as prescribed by the Connecticut General Statutes and its Charter. The Town Manager is responsible for presenting fiscal operating budgets to the Town Council for referendum. The Town provides the following services as authorized by its Charter: public safety (police and fire), public works (streets and highway), public health and social services, sewers and water, a free public library and education encompassing grades K-12. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

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

Basis of Presentation

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

Government-Wide 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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported 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 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.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, equipment financing, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds from the issuance of long-term debt and acquisitions under equipment financing are reported as other financing sources.

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.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 non-operating revenues and expenses. 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 the 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.

The Town reports the following major governmental funds:

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

The *Capital Improvement Fund* accounts for the proceeds of general obligation bonds and grants for various construction, renovation, and improvement projects.

The *ARPA Grant Fund* was established to account for intergovernmental grants received and expended under the American Rescue Plan Act grant.

The Town reports the following major proprietary funds:

Sewer Authority accounts for the cost of operations and collection of fees for the Town's sewer activities.

Water Authority accounts for the cost of operations and collection of fees for the Town's water consumption program.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for the Town's risk management program.

The *Pension Trust Funds* account for the activities of the Town's retirement system, which accumulates resources for pension benefit payments to qualified Town employees.

The *OPEB Trust Funds* account for the activities of the Town's postemployment benefits system, which accumulates resources for health benefit payments to qualified Town retirees and their spouses.

Special Revenue Funds account for revenue derived from specific sources other than capital projects that are restricted or committed by legal and regulatory provisions to finance specific activities.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Capital Project Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds account for and report resources that are legally restricted to the extent that only income, and not principal, may be used for purposes that support the Town's programs.

Fiduciary Funds account for, and report assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements.

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.

Cash Equivalents

The Town's cash and cash equivalents consist of cash on hand, checking, savings and money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. This definition also applies to the proprietary statement of cash flows. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash.

Investments

Investments for the Town are reported at fair value. In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

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 "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans) 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.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Long-Term Receivables

The Town administers a loan program for individuals and families in need. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2024, loans receivable totaled \$602,571 under this program.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

Leases (as Lessor)

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and proprietary fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation. Infrastructure asset thresholds for additions have been established at \$25,000 for road overlays and \$100,000 for new construction.

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

Property, plant, equipment and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Vehicles	3 - 5
Building Improvements	20
Infrastructure	20 - 100
Machinery and Equipment	5 - 10

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 the deferred charge on refunding in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports Deferred Pension and OPEB Expense in this category. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense 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 and inactive employees).

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 and deferred leases in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Also, within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected

TOWN OF WATERTOWN, CONNECTICUT
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and actual earnings of its pension and OPEB plans. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active and inactive employees). 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 several sources: property taxes, special assessments, school building grants, and other receivables. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

Unearned Revenue

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

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the year they are incurred.

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 issuance are reported as other financing sources, and discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

Compensated Absences

Both the Town and Board of Education employees accumulate compensated leave balances for subsequent use or for payment upon termination or retirement. Compensated absences are accrued when incurred in the government-wide, proprietary or fiduciary fund 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.

Net Pension Liability

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

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Net OPEB Liability

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

Leases (as Lessee) and Subscription-Based Information Technology Arrangements

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

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

Key estimates and judgments related to leases/subscriptions include how the Town determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments. The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate. When the interest rate charged by the lessor/subscription vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases/subscriptions. The lease/subscription term includes the non-cancellable period of the lease/subscription. Lease/subscription payments included in the measurement of the lease/subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability. Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt and other long-term obligations in the statement of net position.

Fund Equity and Net Position

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

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Net Investment in Capital Assets - this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

Nonspendable Fund Balance – includes amounts that are not in spendable form or amounts that must be maintained intact legally or contractually. The criteria include items that are not expected to be converted to cash such as inventories, prepaid amounts and long-term receivables. This includes leases receivable that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance – This balance represents amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority, the Town Council. The Town Council is the highest level of decision-making authority for the government that can, by adoption of an Ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the Ordinance remains in place until a similar action is taken (the adoption of another Ordinance) to remove or reverse the limitation.

Assigned Fund Balance – In the General Fund, the balance represents amounts constrained either by policies of the Town Council for amounts assigned for balancing the subsequent year’s budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balances in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This balance 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.

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The Town has established a policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance. The Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has adopted a fund balance policy to maintain a minimum General Fund unassigned fund balance of 7% of the ensuing fiscal year operating revenue with a target maximum of 12%.

Encumbrances

In the governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Property Taxes

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2023. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date. Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts.

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 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in unavailable 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.

Sewer Use Charges and Assessments

User charges and assessments are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Upon completion of sewer projects, sewer assessments are levied and assessed to the users. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

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NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund:

In January, department heads, offices, or agencies of the Town, including the Board of Education, must file estimates of expenditures for the ensuing fiscal year to the Town Manager. In April, the Town Manager submits a proposed budget for the General Fund to the Town Council. After various public hearings, the Town Council recommends these budgets, as revised, for adoption at the referendum in May.

Budget control is established at the department level. Under the Town Charter, no officer of the Town may involve the Town in any obligation to spend money for any purpose in excess of the amount appropriated for the department until such matter has been approved and voted by the Council. Management may make changes to line items within a department without the approval of the Town Council. Town Meeting approval is required for additional appropriations over \$50,000. Additional appropriations of \$1,224,653 from fund balance were approved during the fiscal year for the General Fund in accordance with Charter requirements.

Formal budgetary integration is employed as a management control device for the General Fund during the year. Formal budgetary integration is not employed in Capital Projects and Special Revenue Funds because budgetary control is alternately achieved by constraints imposed by the project authorization or grant awards related to these funds.

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

The budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- Teachers Retirement - The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut under a special funding situation in its budget. US GAAP requires that the employer municipality recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.
- Encumbrances - Unless committed through a formal encumbrance (e.g. purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year-end are reported on the budgetary basis statements as expenditures.
- Excess Cost Grant - The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as a revenue.
- Long-Term Debt and Lease Financing - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.

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Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. A reconciliation of general fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change</u>
Total Budgetary Basis - Non GAAP	<u>\$91,154,494</u>	<u>\$89,776,194</u>	<u>\$ -</u>	<u>\$ 1,378,300</u>
Teachers retirement System On Behalf Payments	7,540,804	7,540,804	-	-
Teachers retirement System OPEB	102,616	102,616	-	-
Revenues and expenditures from excess cost grant	1,182,963	1,182,963	-	-
Prior year encumbrances	-	407,967	-	(407,967)
Current year encumbrances	-	(336,736)	-	336,736
Other Financing Sources/uses Equipment Financing	-	298,932	298,932	-
Transfers Out	-	(335,907)	(335,907)	-
Net difference Budgetary vs GAAP Basis	<u>8,826,383</u>	<u>8,860,639</u>	<u>(36,975)</u>	<u>(71,231)</u>
Total GAAP Basis	<u><u>\$99,980,877</u></u>	<u><u>\$98,636,833</u></u>	<u><u>\$ (36,975)</u></u>	<u><u>\$ 1,307,069</u></u>

NOTE 3 – CASH DEPOSITS

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

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

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the

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depository’s risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call reports, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. All of the Town’s deposits were in qualified public institutions as defined by state statute.

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

As of June 30, 2024, the carrying amount of the Town’s cash deposits were as follows:

	Carrying Amount	Bank Balance
<u>Cash and cash equivalents</u>		
Governmental Funds	\$ 37,132,956	\$ 39,098,269
Proprietary Funds	9,166,776	9,166,776
Internal Service Funds	584,607	796,810
Fiduciary Funds	1,449	1,449
	46,885,788	49,063,304
Short Term Investment Fund Cash Equivalent	(5,596,080)	(5,596,080)
Restricted cash	281,077	281,077
<u>Total Cash and Cash Equivalents</u>	\$ 41,570,785	\$ 43,748,301

Custodial Credit Risk

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town’s custodial credit risk policy is to only allow the Town to use banks in the State. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

At year-end, the Town’s carrying amount of deposits was \$41,570,785 and the bank balance was \$43,748,301. Of the bank balance, the Federal Depository Insurance Corporation insured \$28,667,753. As of June 30, 2024, \$15,080,548 of the Town’s bank balance of \$36,386,008 was exposed to custodial credit risk as follows:

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Uninsured and uncollateralized	\$ 13,717,372
Uninsured and collateralized with securities held by the pledging Bank’s trust department or agent but not in the Town's name	1,363,177
	\$ 15,080,549

The level of the Town’s deposits varied significantly throughout the year as a result of higher cash flows during certain periods of the year. As a result, uninsured, uncollateralized amounts at those times were substantially higher than at year-end.

At June 30, 2024, the Town’s cash equivalents (Short-Term Investment Fund (STIF) amounted to \$5,596,080. The Short-Term Investment Fund (STIF) is a money market investment pool managed by the Cash Management Division of the State Treasurer’s Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a 2a7-like pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds’ risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Concentrations of Credit Risk

The Town does not have a policy that limits the amounts invested in any one issuer. At June 30, 2024, the Town had all of its cash deposits in financial institutions located in the State of Connecticut. The Town has not experienced any losses on such accounts.

NOTE 4 – INVESTMENTS

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investments are stated at fair value using quoted market prices and consist of funds deposited in certificates of deposit, permanent funds and pension assets held by the pension administrator. As of June 30, 2024, the Town had the following investments:

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	Average Credit Rating	Fair Market Value	Investment Maturities		
			Less than 1 Year	1-10 Years	Over 10 Years
Guaranteed deposit accounts	AA-	\$ 9,477,200	\$ -	\$9,477,200	\$ -
Mutual funds	N/A	45,212,398	N/A	N/A	N/A
Common Stock	N/A	1,584			
		<u>\$ 54,691,182</u>	<u>\$ -</u>	<u>\$9,477,200</u>	<u>\$ -</u>

These investments are reported in the following funds on the financial statements:

	Pension and OPEB Trust		Total
	Funds	E.C. Margraff	
Guaranteed deposit accounts	\$ 9,477,200	\$ -	\$ 9,477,200
Mutual funds	45,212,398	-	45,212,398
Common Stock	-	1,584	1,584
	<u>\$ 54,689,598</u>	<u>\$ 1,584</u>	<u>\$ 54,691,182</u>

Interest Rate Risk

Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk-Investments

The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Town’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Town’s agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Town’s name. The Town does not have a policy for custodial credit risk.

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Concentrations of Credit Risk

The Town does not have a policy that limits the amounts invested in any one issuer.

Fair Value Measurements

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The town’s investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2024.

The Town has the following recurring fair value measurements as of June 30, 2024:

	June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Guaranteed deposit accounts	\$ 9,477,200	\$ 9,477,200	\$ -	\$ -
Mutual funds	45,212,398	45,212,398	-	-
Common Stock	1,584	1,584	-	-
	<u>\$ 54,691,182</u>	<u>\$ 54,691,182</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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	General Fund	Capital Improvement Fund	Non Major Governmental Funds	Proprietary & Internal Service Funds	Total
Receivables					
Property taxes	\$ 1,936,381	\$ -	\$ -	\$ -	\$ 1,936,381
Interest, liens and fees due on taxes	490,286	-	-	-	490,286
Assessments	741,441	-	-	-	741,441
Usage charges	-	-	-	1,474,191	1,474,191
Loans	-	-	602,571	-	602,571
Leases	3,167,827	-	-	210,634	3,378,461
Intergovernmental	-	2,350,189	360,209	-	2,710,398
Other receivables	210,009	-	-	31,592	241,601
Total Gross Receivables	<u>6,545,944</u>	<u>2,350,189</u>	<u>962,780</u>	<u>1,716,417</u>	<u>11,575,330</u>
Less Allowances					
Property taxes	(260,000)	-	-	-	(260,000)
Interest, liens and fees due on taxes	(49,000)	-	-	-	(49,000)
Usage charges	-	-	-	(36,805)	(36,805)
Total Allowance	<u>(309,000)</u>	<u>-</u>	<u>-</u>	<u>(36,805)</u>	<u>(345,805)</u>
Total Net Receivables	<u>\$ 6,236,944</u>	<u>\$ 2,350,189</u>	<u>\$ 962,780</u>	<u>\$ 1,679,612</u>	<u>\$ 11,229,525</u>

The assessments receivable of \$741,441, the loans receivable of \$602,571, and the leases receivable of \$3,378,461 are long-term receivables and not expected to be collected within one year.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. As of June 30, 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From	Due To
Governmental Funds		
General Fund	\$ 350,000	\$ 147,579
Capital Improvement Fund	136,079	-
Educational Grant fund	11,500	-
Cafeteria Fund	-	350,000
Total Governmental Funds	<u>\$ 497,579</u>	<u>\$ 497,579</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. A summary of interfund transfers is presented as follows:

	Transfers In	Transfers Out
<u>Governmental Funds</u>		
Public Works Equipment Replacement	\$ 70,000	\$ -
General Fund	-	335,907
Vehicle Replacement Fund	150,000	-
	220,000	335,907
<u>Proprietary Funds</u>		
Proprietary Fund - Water Fund	115,907	-
	115,907	-
<u>Total transfers all funds</u>	\$ 335,907	\$ 335,907

NOTE 7 - LEASES RECEIVABLE

The Town, acting as lessor, has noncancelable lease agreements for cell tower space on Town property. The cell tower leases expire at various dates through 2028 and include automatic renewal terms. Additionally, the Crestbrook Golf Course leases a space in a building to a restaurant which will expire in April of 2029.

	Leases Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
<u>Governmental Activities</u>				
Cell Towers	\$ 3,167,827	\$ 2,993,440	\$ 90,761	\$ 120,712
<u>Business Type Activities</u>				
Restaurant	\$ 210,634	\$ 211,039	\$ 43,663	\$ 9,273

The future minimum lease payments to be received under lease agreements are as follows:

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Year	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 38,427	\$ 119,351	\$ 40,308	\$ 7,692	\$ 78,735	\$ 127,043
2026	43,444	117,803	41,951	6,049	85,395	123,852
2027	48,755	116,056	43,660	4,340	92,415	120,396
2028	56,561	114,065	45,439	2,562	102,000	116,627
2029	62,570	111,809	39,276	723	101,846	112,532
2030-2034	420,277	516,255	-	-	420,277	516,255
2035-2039	642,813	416,055	-	-	642,813	416,055
2040-2044	840,224	269,200	-	-	840,224	269,200
2045-2049	652,814	123,261	-	-	652,814	123,261
2050-2053	361,942	26,790	-	-	361,942	26,790
	<u>\$ 3,167,827</u>	<u>\$ 1,930,645</u>	<u>\$ 210,634</u>	<u>\$ 21,366</u>	<u>\$ 3,378,461</u>	<u>\$ 1,952,011</u>

NOTE 8 -UNEARNED REVENUE

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Capital Improvement Fund	
Advances on grants	\$ 1,693,853
ARPA Grant Fund	
Advances on grants	3,808,451
Non Major Governmental Funds	
Rehabilitation Loans	1,206
Advances on grants	253,275
Fees collected in advance	23,745
Total Unearned Revenue for Governmental Funds	<u>\$ 5,780,530</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the governmental activities funds for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets, not being depreciated				
Land	\$ 3,147,876	\$ -	\$ -	\$ 3,147,876
Construction in process	818,514	3,622,346	-	4,440,860
Total Capital Assets, not being depreciated	<u>3,966,390</u>	<u>3,622,346</u>	<u>-</u>	<u>7,588,736</u>
Capital Assets, being depreciated				
Building and improvements	178,425,885	2,007,025	-	180,432,910
Vehicles	10,362,884	545,748	197,180	10,711,452
Machinery and equipment	10,211,852	246,669	-	10,458,521
Infrastructure	91,922,181	5,024,063	-	96,946,244
Right of use equipment	675,827	-	-	675,827
Right of use SBITSs	496,408	-	-	496,408
Total Capital Assets being depreciated	<u>292,095,037</u>	<u>7,823,505</u>	<u>197,180</u>	<u>299,721,362</u>
Less Accumulated Depreciation for:				
Building and improvements	58,439,907	3,512,550	-	61,952,457
Vehicles	10,015,057	190,516	197,180	10,008,393
Machinery and equipment	7,899,067	642,815	-	8,541,882
Infrastructure	40,977,437	1,825,756	-	42,803,193
Right of use equipment	225,276	225,276	-	450,552
Right of use SBITSs	53,032	93,644	-	146,676
Total Accumulated Depreciation	<u>117,609,776</u>	<u>6,490,557</u>	<u>197,180</u>	<u>123,903,153</u>
Total Capital Assets, being depreciated net	<u>174,485,261</u>	<u>1,332,948</u>	<u>-</u>	<u>175,818,209</u>
Governmental Activities Capital Assets, net	<u>\$ 178,451,651</u>	<u>\$ 4,955,294</u>	<u>\$ -</u>	<u>\$ 183,406,945</u>

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

Governmental Activities	
General government	\$ 247,919
Public safety	688,056
Public works	2,339,573
Parks and recreation	56,314
Education	3,158,695
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 6,490,557</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Capital asset activity for the business-type activities for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business Type Activities</u>				
Capital Assets, not being depreciated				
Land	\$ 1,019,600	\$ -	\$ -	\$ 1,019,600
Construction in Process	-	-	-	-
Total Capital Assets, not being depreciated	<u>1,019,600</u>	<u>-</u>	<u>-</u>	<u>1,019,600</u>
Capital Assets, being depreciated				
Building and improvements	2,892,500	-	-	2,892,500
Vehicles	284,522	62,477	20,198	326,801
Machinery and equipment	1,078,515	57,590	-	1,136,105
Infrastructure	30,214,743	231,118	-	30,445,861
Right of use equipment	125,536	-	-	125,536
Total Capital Assets being depreciated	<u>34,595,816</u>	<u>351,185</u>	<u>20,198</u>	<u>34,926,803</u>
Less Accumulated Depreciation for:				
Building and improvements	2,266,254	53,012	-	2,319,266
Vehicles	284,520	6,659	20,198	270,981
Machinery and equipment	1,016,565	27,151	-	1,043,716
Infrastructure	14,345,942	544,699	-	14,890,641
Right of use equipment	71,734	35,868	-	107,602
Total Accumulated Depreciation	<u>17,985,015</u>	<u>667,389</u>	<u>20,198</u>	<u>18,632,206</u>
Total Capital Assets, being depreciated net	<u>16,610,801</u>	<u>(316,204)</u>	<u>-</u>	<u>16,294,597</u>
Business Type Activities Capital Assets, net	<u>\$ 17,630,401</u>	<u>\$ (316,204)</u>	<u>\$ -</u>	<u>\$ 17,314,197</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
Sewer authority	299,539
Water authority	275,122
Crestbrook golf operations	92,728
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 667,389</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 - CONSTRUCTION COMMITMENTS

The Town has several active construction/renovation projects as of June 30, 2024. At year-end, the Town's commitments are as follows:

	Project Authorization	Current Expenditures	Cumulative Expenditures	Project Balance
Road Bridge and Drainage	\$ 4,000,000	\$ -	\$ 3,671,286	\$ 328,714
2019 PW Projects	6,000,000	1,830,021	5,632,424	367,576
2020 Steap Grant	256,410	-	13,450	242,960
Guernseytown Road	4,276,305	2,998,684	3,004,684	1,271,621
2023 Various School Improvements	11,000,000	2,147,452	2,147,452	8,852,548
2023 Various Road Improvements	2,500,000	1,457,174	1,457,174	1,042,826
2023 Fire Truck Acquisition	1,500,000	652,644	652,644	847,356
	<u>\$ 29,532,715</u>	<u>\$ 9,085,975</u>	<u>\$ 16,579,114</u>	<u>\$ 12,953,601</u>

NOTE 11 - GENERAL LONG-TERM DEBT

The following is a summary of changes in general obligation debt during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
General Obligation Bonds	\$ 46,005,000	\$ 9,000,000	\$ 5,470,000	\$ 49,535,000	\$ 11,370,000
Unamortized Premiums	3,265,562	642,167	315,208	3,592,521	327,714
Total Bonds Payable	<u>49,270,562</u>	<u>9,642,167</u>	<u>5,785,208</u>	<u>53,127,521</u>	<u>11,697,714</u>
Equipment Financing Notes	1,290,970	298,932	508,112	1,081,790	495,475
Lease Liability	454,621	-	224,831	229,790	229,790
Subscription Liability	429,519	-	82,321	347,198	92,992
Compensated Absences	2,865,785	1,568,833	1,535,595	2,899,023	1,070,874
Post-Closure Landfill Costs	80,776	-	46,971	33,805	33,805
Special Termination Benefits	37,392	-	16,783	20,609	14,522
Pension Buy-In	397,043	-	31,085	365,958	33,665
Net Pension Liability	16,647,093	-	2,014,757	14,632,336	-
OPEB Liability	90,925,953	2,900,380	-	93,826,333	-
Total Other Liabilities	<u>113,129,152</u>	<u>4,768,145</u>	<u>4,460,455</u>	<u>113,436,842</u>	<u>1,971,123</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 162,399,714</u>	<u>\$ 14,410,312</u>	<u>\$ 10,245,663</u>	<u>\$ 166,564,363</u>	<u>\$ 13,668,837</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Each governmental funds liability is liquidated by the respective fund to which it relates, primarily the General Fund and the Capital Improvement Fund. Interest on these obligations is expensed to the respective fund, primarily the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2024, consisted of the following:

Purpose	Year of Issue	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2024	Due within One Year
Refunding Bonds Education, Sewer	2013	1/15/2033	2.5-4.5%	\$ 8,600,000	\$ 2,885,000	\$ 835,000
Refunding Bonds Education	2015	9/15/2029	2-4%	5,550,000	2,205,000	375,000
Refunding Bonds Sewer	2015	9/15/2027	1.5-3%	715,000	195,000	50,000
Education	2017	4/15/2029	2.0-2.75%	1,075,000	500,000	100,000
General Sewer	2018	10/15/2038	4-5%	11,000,000	8,680,000	580,000
General Education	2018	10/15/2038	4-5%	5,810,000	-	-
General Sewer	2019	10/15/2040	2.5-5%	7,200,000	6,120,000	360,000
General	2020	10/15/2041	1-4%	6,000,000	5,400,000	300,000
Refunding Bonds General, Education, Sewer	2021	10/15/2027	4.00%	5,450,000	1,785,000	935,000
Refunding Bonds Education	2021	10/15/2038	2.5-2.65%	4,840,000	4,660,000	375,000
Refunding Bonds General, Education, Sewer	2022	3/15/2035	2-4%	9,430,000	8,105,000	1,010,000
Refunding Bonds General, Education	2023	8/1/2044	4.50%	9,000,000	9,000,000	450,000
				<u>\$74,670,000</u>	<u>\$49,535,000</u>	<u>\$5,370,000</u>

See Note 16 Subsequent events for notes on Bonds refinanced subsequent to June 30, 2024.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The following is a summary of debt service requirements to maturity by year:

Year Ending June 30	Principal	Interest	Total
2025	\$ 5,370,000	\$ 1,658,736	\$ 7,028,736
2026	5,025,000	1,467,671	6,492,671
2027	4,490,000	1,285,621	5,775,621
2028	4,255,000	1,113,143	5,368,143
2029	3,850,000	951,965	4,801,965
2030	2,930,000	813,511	3,743,511
2031	2,565,000	720,475	3,285,475
2032	2,555,000	637,801	3,192,801
2033	2,540,000	560,300	3,100,300
2034	2,130,000	482,613	2,612,613
2035	2,125,000	416,501	2,541,501
2036	1,965,000	350,098	2,315,098
2037	1,960,000	286,555	2,246,555
2038	1,955,000	222,333	2,177,333
2039	1,950,000	158,411	2,108,411
2040	1,110,000	110,175	1,220,175
2041	1,110,000	76,725	1,186,725
2042	750,000	48,000	798,000
2043	450,000	27,000	477,000
2044	450,000	9,000	459,000
	<u>\$ 49,535,000</u>	<u>\$ 11,396,634</u>	<u>\$ 60,931,634</u>

Interest incurred and expensed on general obligation bonds for the year ended June 30, 2024, totaled \$1,327,215.

General Obligation Bonds - Advance Refunding

In a prior year, the Town refunded debt by issuing bonds whose proceeds were used to purchase U.S. Government securities. These securities were deposited into an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the portion of the refunded bonds is considered defeased and the Town has removed the liability from its financial statements. At June 30, 2024, the balance in escrow was \$4,440,263, and the amount of defeased debt outstanding from the refunding was \$4,350,000.

Pension Buy-In

The Town has a note outstanding totaling \$397,043 on the buy-in to the State pension plan with an interest rate of 8.0%. Annual debt service requirements to maturity for this payable are as follows:

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Year	Principal	Interest	Total
2025	\$ 33,665	\$ 28,060	\$ 61,725
2026	36,459	25,266	61,725
2027	39,485	22,240	61,725
2028	42,763	18,963	61,726
2029	23,718	16,230	39,948
2030	25,687	14,261	39,948
2031	27,819	12,129	39,948
2032	30,128	9,820	39,948
2033	32,628	7,320	39,948
2034	35,337	4,611	39,948
2035	38,269	1,679	39,948
	<u>\$ 365,958</u>	<u>\$ 160,579</u>	<u>\$ 526,537</u>

Interest incurred and expensed on the buy-in for the year ended June 30, 2024, totaled \$30,640.

Equipment Financing Notes - Direct Borrowings

The Town has entered into equipment financing notes for the purchase of various vehicles and equipment with interest rates ranging from 3.3% to 6.5%. The notes are due at various dates through 2029. The annual debt service requirements of the Town's equipment financing notes are as follows:

Year	Principal	Interest	Total
2025	\$ 495,475	\$ 53,439	\$ 548,914
2026	329,778	28,278	358,056
2027	180,026	12,160	192,186
2028	53,487	4,162	57,649
2029	23,024	1,600	24,624
	<u>\$ 1,081,790</u>	<u>\$ 99,639</u>	<u>\$ 1,181,429</u>

Interest paid and expensed on the notes for the year ended June 30, 2024, totaled \$54,397.

Bonds Authorized/Unissued

The amount of authorized, unissued bonds are as follows:

	Authorized and Unissued
General Purpose	\$ 4,677,672
Schools	10,310,254
Sewer and Water	37,200
Total bond authorizations, unissued	<u>\$ 15,025,126</u>

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2024.

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 151,661,405	\$ 28,733,480	\$ 122,927,925
Schools	303,322,811	30,217,254	273,105,557
Sewers	252,769,009	5,609,392	247,159,617
Urban Renewal	219,066,474	-	219,066,474
Pension Deficit	202,215,207	-	202,215,207
		<u>\$ 64,560,126</u>	<u>\$ 1,064,474,780</u>
Total bond authorizations, unissued			

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$471,835,483.

Lease Liability

The Town leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through June 2025. As a result of the leases, the Town has recorded right of use equipment with a net book value of \$225,275 as of June 30, 2024. The future principal and interest lease payments as of June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 229,790	\$ 1,674	\$ 231,464
	<u>\$ 229,790</u>	<u>\$ 1,674</u>	<u>\$ 231,464</u>

Subscription-Based Information Technology Arrangements

The Town has entered into subscription-based information technology arrangements (SBITAs). The SBITA arrangements expire at various dates through June 2028. As of June 30, 2024, SBITA assets and related accumulated amortization totaled \$496,408 and \$146,676, respectively. The future subscription payments under SBITA agreements as of June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 92,992	\$ 7,742	\$ 100,734
2026	95,570	5,164	100,734
2027	98,222	2,512	100,734
2028	60,414	119	60,533
	<u>\$ 347,198</u>	<u>\$ 15,537</u>	<u>\$ 362,735</u>

TOWN OF WATERTOWN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024

Compensated Absences

Under the terms of various Town Employee Union contracts, the following reflects the compensated absences for each contract group:

- Non-Organized - accumulate up to 200 days, pay out of ½ up to 100 days
- Police - accumulate up to 150 days, pay out of the full 150 days
- White Collar - accumulate up to 175 days, pay out of ½ up to 87.5 days
- Supervisors - accumulate up to 200 days, pay out of ½ up to 100 days
- Communications - accumulate up to 150 days, pay out of ½ up to 87.5 days
- Highway - accumulate up to 200 days, pay out of ½ up to 100 days

The Board of Education’s policy states that after twenty (20) years of teaching service in the Town of Watertown and upon death or retirement of a member of the professional staff, the payment shall be one half of accumulated sick leave up to one hundred fifty days based on the teacher’s existing per diem rate, and ten (10%) percent of the days in excess of one hundred fifty days at that teacher’s existing per diem rate, over and above their regular compensation. No teacher hired after May 1, 1997, will be entitled to such pay. The total of such pay, per diem rate and accumulated days is capped on the amount of each teacher hired prior to May 1, 1997, as of July 2000.

Post-Closure Landfill Costs

Solid waste landfill closure and post-closure care requirements have been established by the State of Connecticut Department of Environmental Protection Agency and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the post closure period are the responsibility of the Town. The landfill was closed in 1996. The estimated project costs of this post-closure period are \$33,805. The cost estimate is subject to change due to inflation, technology, or changes in cost estimate components. Current year costs amounted to \$46,671.

Special Termination Benefits

The liability for special termination benefits for Board of Education employees as of June 30, 2024, is \$20,609. This amount consists of payments due to retired individuals for retirement incentives that have been amortized over the following years:

Year ending June 30	Principal
2025	\$ 14,522
2026	6,087
	\$ 20,609

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Business-Type Activities

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-Type Activities					
Net Pension Liability	\$ 308,768		\$ 38,028	\$ 270,740	\$ -
Equipment Financing Notes	8,961	53,727	8,961	53,727	12,083
Lease Liability	55,464	-	36,560	18,904	18,904
Compensated Absences	135,665	173,478	135,901	173,242	85,614
Total Business-Type Activities Long-Term Liabilities	<u>\$ 508,858</u>	<u>\$ 227,205</u>	<u>\$ 219,450</u>	<u>\$ 516,613</u>	<u>\$ 116,601</u>

Equipment Financing Notes - Direct Borrowings

The Town had an equipment financing note for the acquisition of a Toro 3150 lawnmower to be used by the Crestbrook Golf Course. The final payment for this was paid in October of 2023. The original amount of the mower was \$41,770 and had an interest rate of 6.94%. The Town entered into a new a new financing note for a 2023 Ford F250 to be used by the Crestbrook Golf Course dated August 15, 2023, for \$53,727. This note is payable over 4 years with an interest rate of 7.1%. and an annual payment of \$15,898 due each August 14 beginning in 2025. The principal outstanding amount at June 30, 2024 is \$53,727. Annual Debt Service Requirements on equipment financing notes as of June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 12,083	\$ 3,814	\$ 15,897
2026	12,941	2,957	15,898
2027	13,859	2,038	15,897
2028	14,844	1,054	15,898
	<u>\$ 53,727</u>	<u>\$ 9,863</u>	<u>\$ 63,590</u>

Interest paid and expensed on the notes for the year ended June 30, 2024, totaled \$642.

Lease Liability

The Town leases Golf Carts for the Crestbrook Golf Course under a long-term, noncancelable lease agreement. The agreement requires monthly payments, varying in amounts, through August 2024. The lease liability has a stated interest rate of 4.60%. As a result of the lease, the Town has recorded right of use equipment with a net book value of \$53,802. The annual debt service requirements of the Town's lease payable are as follows:

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Year	Principal	Interest	Total
2025	\$ 18,904	\$ 109	\$ 19,013
	\$ 18,904	\$ 109	\$ 19,013

NOTE 12 – NET POSITION AND FUND BALANCES

Restricted Net Position

Restrictions on net position at year-end are summarized as follows:

	Expendable	Nonspendable
Purposes of Trust	\$ 82,389	\$ 97,143
Small Cities Loans	759,286	-
General Government	42,702	193,978
Public Safety	65,241	-
Public Works	247,481	-
Parks and Recreation	212,287	-
Health and Welfare	316	-
Education	272,118	30,261
Total	\$ 1,681,820	\$ 321,382

As of June 30, 2024, governmental fund balances are composed of the following:

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	General Fund	Capital Improvement Fund	ARPA Grant Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>					
Trust principal	\$ -	\$ -	\$ -	\$ 97,143	\$ 97,143
Inventory and prepaid	19,591	-	-	30,261	49,852
Leases	174,387	-	-	-	174,387
<u>Total Nonspendable</u>	<u>193,978</u>	<u>-</u>	<u>-</u>	<u>127,404</u>	<u>321,382</u>
<u>Restricted</u>					
General government	-	-	42,702	38,128	80,830
Public safety	-	-	-	66,384	66,384
Public works	-	-	-	247,481	247,481
Parks and recreation	-	-	-	212,287	212,287
Health and welfare	-	-	-	789,975	789,975
Education	-	-	-	284,863	284,863
Capital	-	13,683,912	-	-	13,683,912
<u>Total Restricted</u>	<u>-</u>	<u>13,683,912</u>	<u>42,702</u>	<u>1,639,118</u>	<u>15,365,732</u>
<u>Committed</u>					
General government	-	-	-	71,713	71,713
Public safety	-	-	-	26,684	26,684
Public works	-	-	-	844	844
Parks and recreation	-	-	-	454,315	454,315
Health and welfare	-	-	-	170,917	170,917
Education	-	-	-	673,941	673,941
Capital	-	900,246	-	467,991	1,368,237
<u>Total Committed</u>	<u>-</u>	<u>900,246</u>	<u>-</u>	<u>1,866,405</u>	<u>2,766,651</u>
<u>Assigned Encumbrances</u>					
General government	43,735	-	-	-	43,735
Public safety	124,197	-	-	-	124,197
Public works	52,183	-	-	-	52,183
Parks and recreation	30,666	-	-	-	30,666
Health and welfare	858	-	-	-	858
Education	33,000	-	-	-	33,000
Miscellaneous	52,097	-	-	-	52,097
<u>Total Committed</u>	<u>336,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,736</u>
<u>Unassigned</u>	<u>10,900,083</u>	<u>-</u>	<u>-</u>	<u>(53,458)</u>	<u>10,846,625</u>
<u>Total governmental funds</u>	<u>\$ 11,430,797</u>	<u>\$ 14,584,158</u>	<u>\$ 42,702</u>	<u>\$ 3,579,469</u>	<u>\$ 29,637,126</u>

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NOTE 13 -DEFICIT FUND BALANCES

The following funds had deficit fund balances as of June 30, 2024:

<u>Internal Service Funds</u>	
Health and Dental Benefits	\$ (2,073,259)
Workers Compensation	(2,371,127)
	(4,444,386)
 <u>Governmental Funds</u>	
STEAP Grant Fund	\$ (6,677)
Preservation of Historical Documents	(44,776)
Police Asset Forfeiture	(2,005)
	\$ (53,458)

These amounts will be funded through transfers from the general fund, bonds, grant reimbursements, contributions and future revenues.

NOTE 14 - RISK MANAGEMENT AND UNCERTAINTIES

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.

The Town self-insures for employee medical, dental and workers compensation claims through the use of internal service funds. Maximum liability to the Town per covered participant is \$150,000. The Town retains insurance policies for employee claims in excess of the maximum liability amounts. A third party administers the plans in exchange for an administrative fee. The plans are funded monthly by the budget appropriations and employee contributions, as required.

The following is a summary of changes in claims liability for the Workers Compensation Fund:

Year Ended	Beginning Claims Payable	Current Year Claims and Estimates	Claim Payments	Ending Claims Payable
2024	\$ 2,976,333	\$ 684,017	\$ 751,667	\$ 2,908,683
2023	3,340,578	544,677	908,922	2,976,333
2022	2,755,165	1,351,856	766,443	3,340,578
2021	2,436,191	1,049,782	730,808	2,755,165

The following is a summary of changes in claims liability for the Health and Dental Benefits Fund:

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Year Ended	Beginning Claims Payable	Current Year Claims and Estimates	Claim Payments	Ending Claims Payable
2024	\$ 1,137,377	\$ 13,999,896	\$ 12,985,402	\$ 2,151,871
2023	1,204,540	12,678,348	12,745,511	1,137,377
2022	719,202	12,489,827	12,004,489	1,204,540
2021	1,066,187	11,841,193	12,188,178	719,202

The internal service funds are substantially funded by the General Fund based on estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liabilities, reported in the internal service funds at June 30, 2024, are based on the requirements of U.S. GAAP, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual estimated is based on the ultimate cost of settling the claim which includes past experience data, inflation, other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual estimate does not include other allocated or unallocated claims adjustment expenses.

NOTE 15 – CONTINGENT LIABILITIES

Water and Sewer Usage Agreement with the City of Waterbury

The Town had an agreement regarding water and sewer usage rates with the City of Waterbury which expired June 30, 2018. In connection with the above agreement, there is an ongoing dispute regarding water and sewer rates being charged by the City of Waterbury to the Town of Watertown. The dispute went to a trial and resulted in an unexpected judgment against the Town of Watertown by the Superior Court on July 28, 2023, in the amount of \$18,800,445. The Town filed an appeal based on claims that the rates for water and sewer service the City of Waterbury is seeking to apply to the Town of Watertown violate state statutes and municipal charter provisions.

On June 6, 2025, the appellate court upheld the original \$18,800,445 million judgment against the Town for unpaid water and sewer charges owed to the City of Waterbury. The Town Council is evaluating four response strategies: 1) petitioning the state Supreme Court, 2) selling the system, 3) negotiating a structured repayment or bonds, or 4) seeking alternate water sources. The Waterbury judgment represents a significant fiscal obligation. Management continues to explore financing strategies that isolate costs to system users, avoiding general levy increases.

As a result of the original and subsequent rulings, the Water and Sewer Funds have accrued a liability of \$24,054,266 representing the amounts billed by the City of Waterbury to the Town of Watertown at their stated rates through June 30, 2024, including interest charges of \$3,728,073. Additional charges and interest have accrued so that the calculated liability of the Town due to Waterbury including interest is \$34,359,778 as of the June 6, 2025 appellate court ruling date. If the ruling is upheld the Watertown Fire District will be responsible for a portion of the judgment associated with the District’s sewage transported to the Waterbury Sewer Treatment plant. As of June 30, 2024, management of the Watertown Fire District estimated the District’s portion to be \$4,000,000.

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Other Contingencies

There are other legal actions pending in which the Town is involved. The Town Officials are of the opinion that the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Town.

The Town has received Federal and State 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 expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

School Building Grants Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes, or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, the Town will owe a portion of the State funding back to the State. For projects with a cost of two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

Minimum Budget Requirement - the State of Connecticut has established a Minimum Budget Requirement (MBR) for education expenditures. The MBR prohibits a town from budgeting less for education than it did in the previous year unless, and with limits, the town can demonstrate (1) a decrease in school enrollment or (2) savings through increased efficiencies. If the Town receives an increase or decrease in their Education Cost Sharing grant, the MBR will increase or decrease by the same amount.

NOTE 16 – SUBSEQUENT EVENTS

The Town issued \$10,360,000 of general obligation bonds on July 31, 2024. The bonds had a coupon rate ranging from 4.0% to 5.0% and mature at various dates through 2045. Proceeds were used to pay the balance due of \$6,000,000 of general obligation bond anticipation notes payable and due on July 31, 2024. Proceeds of this issuance were utilized \$7,860,000 for education and \$2,500,000 for general purposes.

The Town also issued \$11,350,000 of general obligation bond anticipation notes on September 11, 2024. The notes had a coupon rate ranging from 4.0% to 5.0% and mature at various dates through 2038. Proceeds of this issuance were utilized to repay existing general fund bonds outstanding.

NOTE 17 - PENSION PLANS

EMPLOYEE PENSION PLANS

The Town accounts for activity relating to four defined benefit pension plans, (1) the Town Employees Retirement Income Plan, 2) the Police Department Pension Plan, 3) the Municipal Employees Retirement System, and 4) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2024, the plans had the following balances reported in the Town's government-wide financial statements:

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenue	Pension Expense
Town Employees Retirement Income Plan	\$ 4,507,893	\$ 338,897	\$ -	\$ -	\$ 555,723
Police Department Pension Plan	9,011,761	344,381	201,813	-	1,519,410
Municipal Employees' Retirement System	1,112,702	552,697	168,262	-	76,716
Connecticut Teachers' Retirement System	-	-	-	7,540,804	7,540,804
	<u>\$ 14,632,356</u>	<u>\$ 1,235,975</u>	<u>\$ 370,075</u>	<u>\$ 7,540,804</u>	<u>\$ 9,692,653</u>

Defined Benefit Pension Plans

The Town is the administrator of two single employer public employee retirement systems (PERS) established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the CT State Teachers' Retirement System (TRS)). These are considered to be part of the Town of Watertown's financial reporting entity and are included in the Town's financial statement as a pension trust fund. Separate stand-alone financial reports are not issued. Benefits may be changed by the Town Council through union agreements. These plans cover:

- Town of Watertown Retirement Income Plan - General Town Employees
- Police Department Pension Plan - Police Employees

General Town Employees

Plan Description - The Town of Watertown Retirement Income Plan covers all full-time employees other than police officers, supervisors, certified Board of Education teachers and Water and Sewer Authority employees hired prior to February 1986.

Benefits Provided - All employees working at least 30 hours per week and 40 weeks per year are eligible under the plan. All eligible employees are 100% vested after 10 years of continuous service. The retirement benefit is 2% of final earnings per year of credited service, subject to a maximum percentage offset of the social security benefit defined by division group. Final earnings are defined as the average earnings during the highest three full earnings computation periods prior to normal retirement. Normal retirement date is the first month coinciding with or next following the employee's 65th birthday, except for the Highway Division. The normal retirement date for the Highway Division is the first month coinciding with or next following the earlier of the employee's age of 55 and 25 years of service or age 65. For early retirement, the normal accrued benefit is actuarially reduced for the number of months the annuity commencement date precedes the normal retirement date. Disabled employees are entitled to receive normal pension benefits based on service and final pay at the time of disability.

TOWN OF WATERTOWN, CONNECTICUT
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Police Employees

Plan Description - The Police Department Pension Plan is open to all police employees represented by the union for collective bargaining purposes.

Benefits Provided - All policemen who work more than 20 hours per week and 5 months per calendar year are eligible to participate in the plan. All employees are 100% vested after 10 years of continuous service. The retirement benefit is 2.5% (2.0% if hired after April 15, 2014) of final earnings per year of credited service, less 17.5% of social security. Final earnings are defined as the average earnings received in the last three full calendar years before retirement date. A temporary retirement annuity equal to 17.5% of the social security benefit shall be paid from normal retirement date at age 65. The normal retirement age is 55 or 25 years of service. An employee may accumulate up to 30 years of service. For early retirement, age 50 with 10 years of service, the normal benefit accrued is actuarially reduced for the number of months the annuity commencement date precedes the normal retirement date.

Pension provisions include disability and death benefits to all eligible employees. Disabled employees are entitled to 75% of their salary at disability, less workman’s compensation and long-term disability payments.

Pre-retirement death benefits include: 1) non-service connected death benefits which include a lumpsum payment based on employee contributions with interest. Spouse’s benefits include the greater of \$120 or 35% of the ultimate yearly amount of retirement income that the participant would have received had his date of death been his normal retirement date assuming his earnings remain the same, 2) service connected benefits which include 50% of the annual basic rate of pay at death to spouse or dependent children, and 3) postretirement death benefits that include a refund of employee contributions with interest less benefits paid.

Plan Membership

As of the date of the latest actuarial valuation (January 1, 2023), membership consisted of the following:

	Town Plan	Police Plan
Inactive plan members or beneficiaries receiving payments	127	37
Inactive plan members entitled but not yet receiving payments	20	1
Active Members	69	33
	216	71

Contribution Policy

The contribution requirements of plan members are established and may be amended by the Town Council, subject to union contract negotiation. Plan members of the Town of Watertown Retirement Income Plan are required to contribute 3% of their salary up to \$7,800 plus 4.5% of their salary in excess of \$7,800, except for Highway Division employees who are required to contribute 7.1% of their salary up to \$7,800 plus 7.6% of their salary in excess of \$7,800. Plan members of the Police Benefit fund are required to contribute 6.25% of their earnings. The Town is required to contribute the remaining amounts necessary to finance administrative costs and benefits for its employees.

TOWN OF WATERTOWN, CONNECTICUT
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Funding Policy

The Town's contributions are actuarially determined by Prudential Retirement on an annual basis. The current rate for the Town's contribution is 10.4% for the Town Retirement System and 34.3% for the Police Benefit Fund.

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Watertown Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The value of the Guaranteed Deposit account for the calculation of plan net position and the net pension liability is as of the valuation date (January 1, 2022). In the fiduciary fund financial statements, the Guaranteed Deposit account is recorded at fair value as of June 30, 2024, which is the reason for the difference in value reported in the Pension Trust Funds versus the notes to the financial statements.

Investment Policy

The Town's pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Town Manager at any time. It is the policy of the Town Manager to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the asset allocation policies of the pension plans as of June 30, 2024:

TOWN OF WATERTOWN, CONNECTICUT
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Target Allocation and Expected Rate of Return
Town Plan
June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap equity	31%	4.95%
Small cap equity	8%	5.95%
Mid cap equity	4%	5.70%
International equity	12%	4.85%
Fixed income	24%	3.25%
Real estate	5%	4.25%
Stable value	16%	1.75%
	100%	
Long-Term Inflation Expectation		2.75%
Long-Term Expected Investment Return		7.00%

Target Allocation and Expected Rate of Return
Police Plan
June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap equity	26%	4.95%
Small cap equity	7%	5.95%
Mid cap equity	7%	5.70%
International equity	10%	4.85%
Fixed income	27%	3.25%
Real estate	5%	4.25%
Stable value	18%	1.75%
	100%	
Long-Term Inflation Expectation		2.75%
Long-Term Expected Investment Return		7.00%

Long-Term Expected Rate of Return

The long term expected rate of return on the Pension plans assets have been determined by applying the most recent capital market assumptions, as developed by Empower Retirement, to the asset allocation strategy of the Plan using a building block approach. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

TOWN OF WATERTOWN, CONNECTICUT
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Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Town - Net money-weighted rate of return for the year ended June 30, 2024 - 11.6%
Police - Net money-weighted rate of return for the year ended June 30, 2024 - 11.0%

Net Pension Liability of the Town

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

	<u>Town Plan</u>	<u>Police Plan</u>
Total pension liability	\$ 30,998,955	\$ 37,948,650
Plan fiduciary net position	<u>26,491,062</u>	<u>28,936,889</u>
Net pension liability (asset)	4,507,893	9,011,761
Plan fiduciary net position as a percentage of total pension liability	85.46%	76.25%
Covered payroll	4,391,729	3,264,060
Net pension liability as a % of covered payroll	102.65%	276.09%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the January 1, 2023, valuation and projected forward to a measurement date of June 30, 2024:

Valuation timing	Actuarially determined contribution rates are calculated as of January 1, 2023, six months prior to the beginning of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Cost
Inflation	2.75%
Payroll growth	Town - 3.5% Police - 4.0%
Investment rate of return	Town - 7.00% net of investment and contract fees Police - 7.00% net of investment and contract fees
Retirement age	Town - The earlier of age 55 with 25 years of service or age 65 Police - Age 55 or the completion of 25 years, if later
Post-retirement mortality	Town - RP-2014 Blue Collar Mortality Table Police - RP-2014 Blue Collar Mortality Table with Scale MP-2014

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There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

Discount Rate

A single rate of return has been determined and applied to all projected benefit payments to arrive at an actuarial present value. This single rate of return has been determined by projecting all future benefit payments of the covered group on a closed group basis and discounting them at the long-term expected rate of return on plan assets if the pension plan’s fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be less than the benefit payments that are projected to be made in that period, those future benefit payments are discounted at an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA or higher. In projecting whether the future benefit payments of this pension plan will be covered by plan assets, we have assumed that 100% of the actuarially determined contribution will be contributed by the sponsor based on the most recent 5-year history of actual contributions.

Sensitivity Analysis

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

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Town Plan Net Pension Liability	\$ 7,498,343	\$ 4,507,893	\$ 1,931,492
Police Plan Net Pension Liability	\$ 13,514,875	\$ 9,011,761	\$ 5,700,374

Funded Status and Funding Progress

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The changes in the Net Pension Liability for the year ended June 30, 2024, were:

TOWN OF WATERTOWN, CONNECTICUT
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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>Town Pension Plan</u>			
Balance beginning of year	\$ 30,426,134	\$ 25,285,079	\$ 5,141,055
Charges for the year			
Service cost	365,606	-	365,606
Interest	2,056,737	-	2,056,737
Differences between expected and actual experience	451,045	-	451,045
Employer contributions	-	578,613	(578,613)
Employee contributions	-	155,573	(155,573)
Net investment income	-	2,842,832	(2,842,832)
Benefit payments	(2,300,567)	(2,300,567)	-
Administrative expenses	-	(70,468)	70,468
Net changes	572,821	1,205,983	(633,162)
Balance end of year	\$ 30,998,955	\$ 26,491,062	\$ 4,507,893
Plan fiduciary net position as a percentage of the total pension liability			85.46%
Covered-employee payroll			\$ 4,391,729
Net pension liability as a percentage of covered-employee payroll			102.65%

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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>Police Pension Plan</u>			
Balance beginning of year	\$ 37,409,128	\$ 26,885,346	\$ 10,523,782
Charges for the year			
Service cost	643,340	-	643,340
Interest	2,547,242	-	2,547,242
Differences between expected and actual experience	(402,831)	-	(402,831)
Employer contributions	-	1,154,193	(1,154,193)
Employee contributions	-	288,585	(288,585)
Net investment income	-	2,920,326	(2,920,326)
Benefit payments	(2,248,229)	(2,248,229)	-
Administrative expenses	-	(63,332)	63,332
Net changes	<u>539,522</u>	<u>2,051,543</u>	<u>(1,512,021)</u>
Balance end of year	<u>\$ 37,948,650</u>	<u>\$ 28,936,889</u>	<u>\$ 9,011,761</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>76.25%</u>
Covered-employee payroll			<u>\$ 3,264,060</u>
Net pension liability as a percentage of covered-employee payroll			<u>276.09%</u>

For the year ended June 30, 2024, the total pension expense recognized was \$555,723 for the Town plan and \$1,519,410 for the Police plan. As of June 30, 2024, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Town Plan</u>		
Net differences between projected and actual earnings	\$ 40,853	\$ -
Differences between expected and actual experience	298,044	-
Total Town Plan	<u>\$ 338,897</u>	<u>\$ -</u>
<u>Police Plan</u>		
Net differences between projected and actual earnings	\$ 344,381	\$ -
Differences between expected and actual experience	-	201,813
Total Police Plan	<u>\$ 344,381</u>	<u>\$ 201,813</u>

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Amounts reported as deferred outflows and inflows of resources will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	Town Plan	Police Plan	Total
2025	\$ (90,992)	\$ (9,891)	\$ (100,883)
2026	(782,713)	(847,278)	(1,629,991)
2027	308,226	424,927	733,153
2028	226,582	289,674	516,256
	<u>\$ (338,897)</u>	<u>\$ (142,568)</u>	<u>\$ (481,465)</u>

MUNICIPAL EMPLOYEE’S RETIREMENT SYSTEM (MERS)

Plan Description

The Town is a member of the Connecticut Municipal Employees Retirement System (CMERS) which is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. CMERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission. The Connecticut State Retirement Commission is responsible for the administration of CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

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

The plan has four sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Benefit Provisions

The plan provides retirement, disability, and death benefits as defined in the Statutes.

General Employees

Employees are eligible to retire at age 55 with 5 years of continuous active service, or 15 years of active non-continuous service. Employees under the age of 55 are eligible to retire with 25 years of service.

TOWN OF WATERTOWN, CONNECTICUT
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Police Officers and Firefighters

Compulsory retirement age for police and fire members is age 65.

Normal Retirement- For members not covered by social security, the benefit is 2% of average final compensation time years of service.

For members covered by social security, the benefit is 1.5 of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is both 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.

If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Early Retirement- Employees are eligible after 5 years of continuous service or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement- Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of police officers and firefighters, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit of 50% of compensation at the time of disability.

Employees are eligible for non-service related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

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

On June 7, 2023, House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans, was passed by the Connecticut Legislature on. The following is a summarization of future changes in benefit provisions.

- A five-year phase-out of the Cost-Of-Living-Adjustment (COLA) floor from the existing 2.5% to 0%, which reduces the floor by 0.5% each year for future retirees, beginning July 1, 2025, reducing to 0% on July 1, 2029. Subject to the COLA floors outlined above, for years in which inflation (as measured by the CPI-W) increases by 2% or less, the MERS COLA will track inflation directly. For those years in which inflation increases by 2% or more, the COLA will be 60% of the inflation rate up to 6.0%, and 75% of the inflation rate in excess of 6.0% with a maximum COLA of 7.5%.

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- Beginning July 1, 2025, the benefit formula multiplier will increase to 2.2% (1.7% for Social Security covered eligible participants) based on the following eligibility:
 - General Employees: Beginning for service at age 60 with at least 30 years of service.
 - Police and Fire: Beginning for service at age 55 with at least 27 years of service.
 - Beginning July 1, 2025, a Deferred Retirement Option Plan (DROP), capped at five years of participation in the program, will be offered based on the following eligibility:
 - General Employees: at age 60 with 30 years of service OR at age 62 with 5 years of service.
 - Police and Fire: at age 55 with 25 years of service; at age 57 with 5 years of service; or at any age with 30 years of service.
 - Upon entering DROP, the member contribution rate is reduced to half. After 24 months of DROP participation, the member contribution rate is reduced to 0%.
 - Beginning annually at the 2nd anniversary of the member's DROP entry, the DROP account is credited with interest at a not to exceed 4%. Interest is also credited at the 3rd, 4th, and 5th anniversary date of DROP entry.
 - Pension amount will not increase with annual COLAs while participating in DROP. Once member exits DROP, future COLAs will be determined based on the provisions in effect at the time the member entered the DROP.

Contributions

Contributions are established by the Statutes as follows:

Employer: Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. There is also an annual administrative fee per active & retired member.

Employees: Employees not covered by social security are required to contribute 6.0% of compensation. Employees covered by social security are required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.0% of compensation, if any, in excess of such base.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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Investment policy

The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

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

The total estimated collective net pension liability of the CMERS as of June 30, 2023, was \$1,414,696,606, the most recent available reporting provided by the Board. The collective net pension liability of the CMERS sub plan for general employees with social security was \$456,251,536 as of June 30, 2023. The portion that was associated with the Town totaled \$1,112,402 or approximately .244% of the total estimated net pension liability vs. .287% in the prior year. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

For the Year ended June 30, 2024, the Town recognized its total proportional share of the collective pension expenses of approximately \$76,716. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 71,249	\$ 12,252
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,036	156,010
Change of Assumptions	101,284	-
Net differences between projected and actual earnings on plan investments	93,237	-
Town contributions subsequent to measurement date	<u>153,891</u>	<u>-</u>
Total	<u>\$ 552,697</u>	<u>\$ 168,262</u>
Net amount of deferred inflow and outflow excluding District contributions subsequent to measurement date	<u>\$ 230,544</u>	

The \$153,891 amount reported as deferred inflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year Ending June 30		
2025	\$	58,040
2026		45,641
2027		132,505
2028		(6,222)
2029		580
Total	\$	230,544

Actuarial Assumptions

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

- Inflation - 2.5%
- Long- Term Investment Rate of Return, net of investment expense, including inflation 7.00%
- Salary increase - 3.50 -9.50%, including inflation
- Mortality rates - The Pub-2010 Mortality Tables set-forward one year (except Active Employees) are projected generationally with scale MP-2021.
- Future Cost-of-Living Annually compounded increases are applied to disabled and nondisabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases of 3.25% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.50% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.55% are assumed, regardless of age. For members retiring between July 1, 2025 and June 30, 2026, the COLA assumption is 2.5%. The COLA assumption is reduced to 2.3% for members retiring between July 1, 2026 and June 30, 2027; 2.1% for members retiring between July 1, 2027 and June 30, 2028; and 2.0% for members retiring after July 1, 2028.

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

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Asset Class	Allocation	Long-Term Target Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.3%
Infrastructure & Natural Resources	7.0%	7.7%
Total	<u>100%</u>	

Discount Rate

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

Sensitivity of The Net Pension Liability to Changes In The Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town’s proportional share of the net pension liability	\$ 1,544,188	\$ 1,112,702	\$ 749,162

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of June 30, 2023, the average of the expected remaining service lives of all employees calculated by our external actuaries is 5.26 years.

TOWN OF WATERTOWN, CONNECTICUT
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JUNE 30, 2024

Additional Financing and Actuarial Information

The net pension liability, pension expense and deferred outflows and inflows of resources presented in this report have been determined based on CMERS' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts. CMERS is included in the State of Connecticut's ACFR as a pension trust fund.

Additional financial information supporting the preparation of the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer (including the disclosure of the net pension liability (asset) and the unmodified audit opinion on the State of Connecticut's financial statements) is located in the State of Connecticut's ACFR for the fiscal year ended June 30, 2023. The State of Connecticut ACFR is available at www.osc.ct.gov/reports. The supporting actuarial information is included in the June 30, 2023, GASB Statements No. 68 Report for the Connecticut Municipal Employees' Retirement System. The additional financial and actuarial information is available at www.osc.ct.gov/rbsd/cmers/plandoc or by contacting the Connecticut Municipal Employees Retirement System at: 55 Elm Street, Hartford, CT 06106, by e-mailing osc.generalinfocmers@ct.gov or by calling (860) 702-3480.

DEFINED CONTRIBUTION PLAN

As of July 1, 2015, eligible on-call firefighters are eligible to participate in a Defined Contribution retirement plan (Town of Watertown FF 401a) administered by the Town. The Town contributed \$61,693 to this plan during the year ended June 30, 2024. Participants are 100% vested and are not required to contribute.

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

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, as follows:

Normal Retirement

Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement

Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year

TOWN OF WATERTOWN, CONNECTICUT
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for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit

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

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

A Plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit

The System also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

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

Employer (School Districts)

School district employers are not required to make contributions to the Plan, as contributions are required only from employees and the State. 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, 2024, the Town recognized benefits expense and contribution revenue of \$7,540,804 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$7,781,217 for pension expense and revenue for on-behalf amounts for the benefits provided by the State.

Employees

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

TOWN OF WATERTOWN, CONNECTICUT
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Pension Liabilities, Pension Expenses, and Deferred Inflows/Outflows of Resources

At June 30, 2024, 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 proportional share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		81,270,890
 Total		\$ 81,270,890

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. As of June 30, 2024, the Town has no proportionate share of the net pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, with a reporting date of June 30, 2024, using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	6.90 Percent

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost of Living Allowance

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% 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

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TRS 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's Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.4%
Developed Market International Stock Fund	11.0%	6.4%
Emerging Market International Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	<u>100.0%</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 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, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

TOWN OF WATERTOWN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024

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.

Other Information

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

NOTE 18 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

TOWN PLAN OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Town accounts for activity relating to two other post-employment benefit plans, The Retiree Welfare Plan and the Connecticut Teachers’ Retirement System. As of and for the year ended June 30, 2024, the plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenue</u>	<u>OPEB Expense</u>
Retiree Welfare Plan	\$ 93,827,776	\$ 15,619,580	\$ 17,087,721	\$ -	\$ 3,614,418
Connecticut Teachers' Retirement System	-	-	-	102,616	102,616
	<u>\$ 93,827,776</u>	<u>\$ 15,619,580</u>	<u>\$ 17,087,721</u>	<u>\$ 102,616</u>	<u>\$ 3,717,034</u>

Retiree Welfare Plan

Plan Description

The Town, in accordance with collective bargaining agreements, is committed to providing medical benefits to eligible retirees and their spouses. The retiree welfare plan (RWP) covers Town and Board of Education retired employees. Employees become eligible to retire under the plan upon attainment of age 55 as an active member and completion of 10 years of service. Police may retire with the completion of 25 years of service regardless of age. The plan provides for a self-insured plan administered by the Blue Cross including options such as BC65 High Option, BlueScript, and more. Also, the Town offers Group Term Life Insurance in varying amounts based on contract and retirement date.

The RWP is a single-employer defined-benefit plan. The plan is considered part of the Town’s financial reporting entity and is included in the Town’s financial report as the Other Post-Employment Benefits (OPEB) Trust Fund. The plan does not issue stand-alone financial statements.

TOWN OF WATERTOWN, CONNECTICUT
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Funding Policy

All retired program members receiving benefits are required to contribute up to 12% of premiums for medical (teachers & BOE administrators pay 100% of premiums). Life insurance is 100% employer paid. The percentage contribution of the employees and retirees for these benefits vary and are detailed in the Town's various bargaining agreements. The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town does not expect to contribute beyond the pay-as-you-go payments in the future. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers. For the 2024 fiscal year, the Town premiums plus implicit costs for the retiree medical program are \$2,796,957.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	285
Active plan members	556
	841

Total OPEB Liability: The Town's total OPEB liability of \$93,827,776 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2023, valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2024
Actuarial Cost Method	Individual Entry Age Normal
Actuarial Value of Assets	Fair Value
Discount Rate	4.21% (previously 4.13%)
Salary Increases	3.00%
Inflation	2.50%
Municipal Bond Rate	4.21% (previously 4.13%)
Mortality Rates	PubG-2010 Mortality Table for Employees projected generationally with Scale MP-2020 for males and females
Healthcare Cost Trend Rates	5.00% in 2024, decreasing to an ultimate rate of 3.63% in 2060 and beyond

Changes of assumptions included a change in the discount rate and mortality tables as noted above.

The changes in the Net OPEB Liability for the year ended June 30, 2024, were:

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	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 90,927,396	\$ 1,443	\$ 90,925,953
Charges for the year			
Service cost	2,800,818	-	2,800,818
Interest	3,813,802	-	3,813,802
Changes in assumptions or other inputs	(917,283)	-	(917,283)
Differences between expected and actual experience	-	-	-
Net investment income	-	6	(6)
Employer contributions	-	2,796,957	(2,796,957)
Benefit payments including implicit costs	(2,796,957)	(2,796,957)	-
Net changes	2,900,380	6	2,900,374
Balance at June 30, 2024	\$ 93,827,776	\$ 1,449	\$ 93,826,327

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Current Discount (4.21%)	1% Increase (5.21%)
Total OPEB Liability	\$ 109,937,413	\$ 93,826,327	\$ 81,031,844

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 80,128,589	\$ 93,826,327	\$ 111,253,260

OPEB Expense: For the year ended June 30, 2024, the Town recognized OPEB expense of \$3,614,418. As of June 30, 2024, deferred outflows and inflows of resources related to OPEB are reported as follows:

TOWN OF WATERTOWN, CONNECTICUT
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JUNE 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Net difference between projected and actual earnings	\$ -	\$ 35	\$ (35)
Difference between expected and actual experience	8,386,137	3,319,759	5,066,378
Changes in assumptions	7,233,443	13,767,927	(6,534,484)
Total	\$ 15,619,580	\$ 17,087,721	\$ (1,468,141)

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

Year Ended June 30,		
2025	\$	(898,516)
2026		(1,238,154)
2027		(1,652,172)
2028		549,988
2029		1,899,506
Thereafter		(128,793)
	\$	(1,468,141)

CONNECTICUT STATE TEACHERS’ OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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.

Benefit Provisions

There are two types of 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 \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, and any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute.

TOWN OF WATERTOWN, CONNECTICUT
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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.

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 TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Pro-ratable Retirement

Age 60 with 10 years of Credited Service.

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 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024

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.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State 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)

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$102,616 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the government-wide financial statements, the Town recognized \$(896,975) for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

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

As of June 30, 2024, 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 proportional share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		7,613,966
Total	\$	<u>7,613,966</u>

The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. As of June 30, 2024, the Town has no proportionate share of the net OPEB liability.

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 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024

Actuarial Assumptions

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% to 6.50%
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Municipal bond index rate:	
Measurement date	3.54%
Prior Measurement date	2.16%

The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate	Single equivalent interest rate
Measurement date	3.53%, net of OPEB plan investment expense, including price inflation.
Prior Measurement date	2.17 %, net of OPEB plan investment expense, including price inflation.
Healthcare cost trends rates	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.

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

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 the evaluation of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.00%	-0.98%	1.12%
Price Inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

The actuarial assumptions used in the June 30, 2023, 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%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

TOWN OF WATERTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund. Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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.

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.

OPEB Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

Other Information

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

NOTE 19 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement No. 101, *Compensated Absences*.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- **GASB Statement No. 102, *Certain Risk Disclosures*.** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2024.

- **GASB Statement No. 103, *Financial Reporting Model Improvements*.** The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2025.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Revenues:</u>				
Property taxes	\$ 72,583,935	\$ 72,583,935	\$ 72,148,471	\$ (435,464)
Intergovernmental	14,303,288	14,303,288	14,690,266	386,978
Departmental charges for services	2,419,649	2,419,649	3,342,065	922,416
Investment income	140,000	140,000	547,491	407,491
Other Revenues	334,008	334,008	426,201	92,193
Use of fund balance	-	1,224,653	-	(1,224,653)
<u>Total Revenues</u>	<u>89,780,880</u>	<u>91,005,533</u>	<u>91,154,494</u>	<u>148,961</u>
<u>Expenditures:</u>				
Current:				
General government	4,247,959	4,346,152	3,953,770	392,382
Public safety	7,352,709	7,480,923	7,472,816	8,107
Public works	4,614,898	4,661,936	4,456,722	205,214
Parks and recreation	1,274,665	1,305,812	1,221,692	84,120
Health and welfare	176,772	179,282	172,120	7,162
Education	53,957,069	54,216,489	54,216,112	377
Other	11,546,373	12,204,504	11,681,497	523,007
Debt service	6,610,435	6,610,435	6,601,465	8,970
<u>Total Expenditures</u>	<u>89,780,880</u>	<u>91,005,533</u>	<u>89,776,194</u>	<u>1,229,339</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>-</u>	<u>-</u>	1,378,300	<u>1,378,300</u>
<u>Net difference Budgetary vs GAAP Basis Change in Encumbrances</u>			(71,231)	
<u>Net Change In Fund Balance</u>			1,307,069	
<u>Fund Balances - Beginning of Year</u>			10,123,728	
<u>Fund Balances - End of Year</u>			<u>\$ 11,430,797</u>	

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Property Taxes</u>				
Current year	\$ 71,682,935	\$ 71,682,935	\$ 70,837,404	\$ (845,531)
Prior years	575,000	575,000	642,529	67,529
Interest and lien fees	325,000	325,000	668,180	343,180
Scholarship fund	1,000	1,000	358	(642)
<u>Total Property Taxes</u>	<u>72,583,935</u>	<u>72,583,935</u>	<u>72,148,471</u>	<u>(435,464)</u>
<u>Intergovernmental</u>				
State of Connecticut Education				
Nonpublic health and social services	43,674	43,674	40,884	(2,790)
Equalization (ECS)	12,392,324	12,392,324	12,070,272	(322,052)
Total State of Connecticut Education	<u>12,435,998</u>	<u>12,435,998</u>	<u>12,111,156</u>	<u>(324,842)</u>
Federal and State of Connecticut Other				
PILOT State property	430,851	430,851	463,165	32,314
Mashantucket Pequot	11,631	11,631	11,631	-
Elderly tax relief	2,200	2,200	2,749	549
Tax relief for veterans	25,800	25,800	22,412	(3,388)
Motor vehicle cap reimbursement	-	-	717,027	717,027
FEMA Reimbursement	-	-	93,136	93,136
Early Voting Grant	-	-	10,500	10,500
Telephone access	37,500	37,500	57,446	19,946
Municipal aid	642,281	642,281	642,281	-
MRSF revenue sharing	717,027	717,027	558,763	(158,264)
Total Federal and State of Connecticut Other	<u>1,867,290</u>	<u>1,867,290</u>	<u>2,579,110</u>	<u>711,820</u>
<u>Total Intergovernmental</u>	<u>14,303,288</u>	<u>14,303,288</u>	<u>14,690,266</u>	<u>386,978</u>
<u>Departmental</u>				
Local Revenues				
Communication tower rental	180,028	180,028	160,173	(19,855)
Municipal Nips fees	15,371	15,371	30,635	15,264
Equipment and scrap sales	2,000	2,000	1,356	(644)
Scrap iron, oil, glass	15,000	15,000	21,862	6,862
Water and sewer authority	1,000	1,000	-	(1,000)
Miscellaneous town clerk fees	50,000	50,000	44,363	(5,637)
Miscellaneous fishing and hunting	10,000	10,000	6,335	(3,665)
Town clerk dog licenses	6,000	6,000	8,205	2,205
Conveyance tax	290,000	290,000	275,714	(14,286)
Town clerk recording fees	200,000	200,000	81,197	(118,803)
Assessor photocopies	650	650	153	(497)
Supplemental dog licenses	700	700	572	(128)
Supplemental marriage licenses	2,200	2,200	2,053	(147)
Animal population control	1,500	1,500	2,596	1,096
3-LOCIP preservation	7,500	7,500	6,404	(1,096)
Pool fees	7,500	7,500	12,467	4,967
Damage claims and settlements	5,000	5,000	44,034	39,034
Miscellaneous local revenue	35,000	35,000	78,015	43,015
Recreation mini-bus	-	-	15	15
Town vehicle use	700	700	648	(52)
Transfer station fees	30,000	30,000	106,251	76,251
Landfill fees	95,000	95,000	31,352	(63,648)
Total Local Revenues	<u>955,149</u>	<u>955,149</u>	<u>914,400</u>	<u>(40,749)</u>

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Departmental</u>				
Permits and Fees				
Zoning board of appeals	3,000	3,000	1,000	(2,000)
Planning and zoning	10,000	10,000	63,998	53,998
Zoning compliance fees	35,000	35,000	34,459	(541)
Soil/Water state fees	22,000	22,000	23,285	1,285
Inland - Wetlands	3,500	3,500	13,415	9,915
Building permits	340,000	340,000	444,470	104,470
Building inspection education fee	3,800	3,800	8,806	5,006
Blasting permits	400	400	420	20
Street opening permits	4,300	4,300	10,585	6,285
Miscellaneous permits and fees	500	500	7,129	6,629
<u>Total Permits and Fees</u>	<u>422,500</u>	<u>422,500</u>	<u>607,567</u>	<u>185,067</u>
Police				
Parking tickets	3,000	3,000	2,445	(555)
Pistol permits	6,000	6,000	12,950	6,950
Police reports	4,000	4,000	5,150	1,150
Solicitor permits	1,000	1,000	4,416	3,416
Bingo and raffle	500	500	1,100	600
Alarm charges	20,000	20,000	9,800	(10,200)
Police services	900,000	900,000	1,448,141	548,141
Miscellaneous - police	50,500	50,500	109,030	58,530
DEA reimbursement	15,000	15,000	-	(15,000)
FBI reimbursement	15,000	15,000	-	(15,000)
CT VCTF reimbursement	-	-	45,234	45,234
Homeland security reimbursement	-	-	13,869	13,869
Animal control fees	1,000	1,000	380	(620)
<u>Total Police</u>	<u>1,016,000</u>	<u>1,016,000</u>	<u>1,652,515</u>	<u>636,515</u>
Board of Education				
Latchkey program	7,000	7,000	13,752	6,752
Miscellaneous school	15,000	15,000	153,831	138,831
Community service reimbursement	4,000	4,000	-	(4,000)
<u>Total Board of Education</u>	<u>26,000</u>	<u>26,000</u>	<u>167,583</u>	<u>141,583</u>
<u>Total Departmental</u>	<u>2,419,649</u>	<u>2,419,649</u>	<u>3,342,065</u>	<u>922,416</u>
<u>Investment Income</u>	<u>140,000</u>	<u>140,000</u>	<u>547,491</u>	<u>407,491</u>
<u>Other Revenues</u>				
Taft contributions	190,000	190,000	205,000	15,000
Water and sewer administrative charge	95,364	95,364	95,364	-
Bond reimbursement heritage	48,644	48,644	51,295	2,651
National opioid settlement	-	-	74,542	74,542
Oher miscellaneous revenue	-	-	-	-
<u>Total Other Revenues</u>	<u>334,008</u>	<u>334,008</u>	<u>426,201</u>	<u>92,193</u>
<u>Other Financing Sources</u>				
Use of fund balance	-	1,224,653	-	(1,224,653)
<u>Total Other Financing Sources</u>	<u>-</u>	<u>1,224,653</u>	<u>-</u>	<u>(1,224,653)</u>
<u>Total Revenues and Other Financing Sources</u>	<u>\$ 89,780,880</u>	<u>\$ 91,005,533</u>	<u>\$ 91,154,494</u>	<u>\$ 148,961</u>

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>General Government</u>				
Town council	\$ 7,200	\$ 7,200	\$ 2,645	\$ 4,555
Town manager	320,071	323,053	318,506	4,547
Finance department	602,983	644,422	629,496	14,926
Tax collector	245,307	250,469	245,701	4,768
Assessor	372,351	382,827	356,315	26,512
Town clerk	236,336	242,932	234,523	8,409
Elections	106,915	117,415	91,787	25,628
Planning and zoning	327,974	329,556	314,801	14,755
Zoning board of appeals	3,980	2,986	2,202	784
Conservation commission	4,750	6,459	6,233	226
Public buildings	1,179,824	1,208,259	990,370	217,889
Building inspections	204,932	212,573	170,623	41,950
Information technology	475,774	476,094	473,315	2,779
Economic development	58,162	58,162	38,655	19,507
Human resources	100,425	82,770	77,854	4,916
Historic district	975	975	744	231
<u>Total General Government</u>	<u>4,247,959</u>	<u>4,346,152</u>	<u>3,953,770</u>	<u>392,382</u>
<u>Public Safety</u>				
Fire department administration	261,840	259,975	254,066	5,909
Fire department suppression and rescue	489,550	496,451	495,986	465
Fire department maintenance and support	303,664	317,450	314,712	2,738
Police department administration	646,442	667,942	616,034	51,908
Police department patrol and detectives	4,615,315	4,608,573	4,678,126	(69,553)
Police department maintenance and support	191,451	224,044	219,215	4,829
Police department traffic	7,820	8,800	8,176	624
Police department animal control	118,739	129,250	126,520	2,730
Police department communications	717,888	768,438	759,981	8,457
<u>Total Public Safety</u>	<u>7,352,709</u>	<u>7,480,923</u>	<u>7,472,816</u>	<u>8,107</u>
<u>Health and Welfare</u>				
Social services	44,000	46,510	126,298	(79,788)
Health services	132,772	132,772	45,822	86,950
<u>Total Health and Welfare</u>	<u>176,772</u>	<u>179,282</u>	<u>172,120</u>	<u>7,162</u>
<u>Miscellaneous</u>				
Centralized services	1,160,905	1,208,446	909,147	299,299
Legal	174,600	245,600	275,891	(30,291)
Employee benefits	8,128,495	7,657,873	7,705,649	(47,776)
Non-Town agencies	1,961,714	2,892,919	2,606,569	286,350
Reserve - wage and benefit	85,659	170,659	170,658	1
Reserve - contingency	35,000	29,007	13,583	15,424
<u>Total Miscellaneous</u>	<u>11,546,373</u>	<u>12,204,504</u>	<u>11,681,497</u>	<u>523,007</u>

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<u>Public Works</u>				
Engineering administration	679,285	720,945	677,508	43,437
Highway	2,816,242	2,814,628	2,783,032	31,596
Snow removal	547,599	550,576	464,322	86,254
Solid waste disposal	321,172	325,187	308,021	17,166
Street lighting	181,600	181,600	146,249	35,351
Tree removal	69,000	69,000	77,590	(8,590)
<u>Total Public Works</u>	<u>4,614,898</u>	<u>4,661,936</u>	<u>4,456,722</u>	<u>205,214</u>
<u>Parks and Recreation</u>				
Parks administration	556,888	574,182	567,051	7,131
Recreation administration	454,002	482,020	444,072	37,948
Senior center	263,775	249,610	210,569	39,041
<u>Total Parks and Recreation</u>	<u>1,274,665</u>	<u>1,305,812</u>	<u>1,221,692</u>	<u>84,120</u>
<u>General Fund Debt Service</u>	<u>6,610,435</u>	<u>6,610,435</u>	<u>6,601,465</u>	<u>8,970</u>
<u>Total Town General Fund</u>	<u>35,823,811</u>	<u>36,789,044</u>	<u>35,560,082</u>	<u>1,228,962</u>
<u>Education</u>				
Watertown School district	53,957,069	53,957,069	53,956,692	377
Employee benefits	-	259,420	259,420	-
<u>Total Education</u>	<u>53,957,069</u>	<u>54,216,489</u>	<u>54,216,112</u>	<u>377</u>
<u>Total Expenditures</u>	<u>\$ 89,780,880</u>	<u>\$ 91,005,533</u>	<u>\$ 89,776,194</u>	<u>\$ 1,229,339</u>

TOWN OF WATERTOWN, CONNECTICUT
TOWN OF WATERTOWN RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Total pension liability</u>										
Service cost	\$ 365,606	\$ 384,032	\$ 449,303	\$ 489,791	\$ 489,375	\$ 505,750	\$ 512,203	\$ 534,404	\$ 488,264	\$ 505,034
Interest	2,056,737	2,014,843	2,054,893	1,962,282	1,925,606	1,839,139	1,717,052	1,620,129	1,540,877	1,489,691
Changes in benefit terms	-	-	41,531	-	-	-	382,996	-	19,822	-
Differences between expected and actual experience including assumption charges	451,045	180,805	(1,400,277)	435,826	552,039	302,557	486,806	486,567	107,640	531,097
Benefit payments, including refunds	(2,300,567)	(1,842,880)	(1,596,461)	(1,534,351)	(1,455,161)	(1,454,437)	(1,377,117)	(1,201,225)	(1,074,321)	(1,070,456)
<u>Net change in total pension liability</u>	572,821	736,800	(451,011)	1,353,548	1,511,859	1,193,009	1,721,940	1,439,875	1,082,282	1,455,366
<u>Total pension liability - beginning</u>	30,426,134	29,689,334	30,140,345	28,786,797	27,274,938	26,081,929	24,359,989	22,920,114	21,837,832	20,382,466
<u>Total pension liability - ending</u>	30,998,955	30,426,134	29,689,334	30,140,345	28,786,797	27,274,938	26,081,929	24,359,989	22,920,114	21,837,832
<u>Plan fiduciary net position</u>										
Employer contributions	578,613	473,913	546,415	721,026	702,930	606,363	538,056	446,566	411,648	372,789
Employee contributions	155,573	172,045	207,516	236,705	254,416	269,484	276,657	300,260	286,125	301,598
Net investment income	2,842,832	2,070,984	(3,197,310)	5,935,655	707,707	1,373,185	1,466,341	2,201,418	162,277	866,764
Benefit payments	(2,300,567)	(1,842,880)	(1,596,461)	(1,534,351)	(1,455,161)	(1,454,437)	(1,377,117)	(1,201,225)	(1,074,321)	(1,070,456)
Administrative expenses	(70,468)	(89,709)	(51,212)	(58,051)	(53,376)	(54,170)	(55,404)	(60,412)	(71,158)	(53,019)
<u>Net Change in plan fiduciary net position</u>	1,205,983	784,353	(4,091,052)	5,300,984	156,516	740,425	848,533	1,686,607	(285,429)	417,676
<u>Plan fiduciary net position - beginning</u>	25,285,079	24,500,726	28,591,778	23,290,794	23,134,278	22,393,853	21,545,320	19,858,713	20,144,142	19,726,466
<u>Plan fiduciary net position - ending</u>	26,491,062	25,285,079	24,500,726	28,591,778	23,290,794	23,134,278	22,393,853	21,545,320	19,858,713	20,144,142
<u>Net pension liability - Ending</u>	\$ 4,507,893	\$ 5,141,055	\$ 5,188,608	\$ 1,548,567	\$ 5,496,003	\$ 4,140,660	\$ 3,688,076	\$ 2,814,669	\$ 3,061,401	\$ 1,693,690
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	85.46%	83.10%	82.52%	94.86%	80.91%	84.82%	85.86%	88.45%	86.64%	92.24%
<u>Covered-employee payroll</u>	\$ 4,391,729	\$ 4,842,259	\$ 5,066,634	\$ 5,773,751	\$ 5,689,468	\$ 6,167,542	\$ 6,249,539	\$ 6,363,036	\$ 6,326,497	\$ 6,505,288
<u>Net pension liability as a percentage of covered employee payroll</u>	102.65%	106.17%	102.41%	26.82%	96.60%	67.14%	59.01%	44.23%	48.39%	26.04%

TOWN OF WATERTOWN, CONNECTICUT
TOWN OF WATERTOWN RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Actuarially determined employer contribution</u>	\$ 578,613	\$ 473,913	\$ 546,415	\$ 721,026	\$ 702,930	\$ 606,363	\$ 538,056	\$ 446,566	\$ 411,648	\$ 372,789
<u>Contributions in relation to the actuarially determined contribution</u>	578,613	473,913	546,415	721,026	702,930	606,363	538,056	446,566	411,648	372,789
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered-employee payroll</u>	\$4,391,729	\$4,842,259	\$5,066,634	\$5,773,751	\$5,689,468	\$6,167,542	\$6,249,539	\$6,363,036	\$6,326,497	\$6,505,288
<u>Contributions as a percentage of covered-employee payroll</u>	13.18%	9.79%	10.78%	12.49%	12.35%	9.83%	8.61%	7.02%	6.51%	5.73%

Notes to Schedule

Most recent valuation date	January 1 , 2023
Measurement date	June 30, 2024
Methods and assumptions used to determine the contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Cost
Remaining amortization period	20 years
Asset valuation method	5-year Smoothed 80%/120% Corridor
Salary increases	3.50%
Investment rate of return	7.00%
Retirement age	Highway division - Earlier of age 55 with 25 years of service or age 65 All other divisions - Age 65, participants at or beyond this age are eligible to retire immediately
Mortality rates	RP-2014 Blue Collar Mortality Table with no projection scale

TOWN OF WATERTOWN, CONNECTICUT
TOWN OF WATERTOWN RETIREMENT PLAN
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return net of investment expense	11.60%	8.70%	11.40%	25.80%	3.10%	6.20%	6.90%	11.20%	80.00%	4.40%

TOWN OF WATERTOWN, CONNECTICUT
TOWN OF WATERTOWN POLICE DEPARTMENT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Total pension liability</u>										
Service cost	\$ 643,340	\$ 665,179	\$ 612,962	\$ 606,483	\$ 570,722	\$ 552,159	\$ 538,120	\$ 471,622	\$ 457,058	\$ 343,549
Interest	2,547,242	2,505,789	2,327,069	2,247,120	2,126,767	2,060,519	2,039,799	1,836,955	1,652,133	1,646,496
Differences between expected and actual experience including assumption charges	(402,831)	(590,080)	1,414,471	(23,741)	1,288,416	(124,552)	(423,677)	1,705,330	1,606,784	7,870
Benefit payments, including refunds	(2,248,229)	(1,905,272)	(1,700,890)	(1,675,015)	(1,584,352)	(1,539,580)	(1,404,319)	(1,294,672)	(1,181,881)	(1,130,152)
<u>Net change in total pension liability</u>	539,522	675,616	2,653,612	1,154,847	2,401,553	948,546	749,923	2,719,235	2,534,094	867,763
<u>Total pension liability - beginning</u>	37,409,128	36,733,512	34,079,900	32,925,053	30,523,500	29,574,954	28,825,031	26,105,796	23,571,702	22,703,939
<u>Total pension liability - ending</u>	37,948,650	37,409,128	36,733,512	34,079,900	32,925,053	30,523,500	29,574,954	28,825,031	26,105,796	23,571,702
<u>Plan fiduciary net position</u>										
Employer contributions	1,154,193	1,131,906	1,254,215	1,165,983	1,177,609	983,828	980,141	981,681	875,571	780,140
Employee contributions	288,585	264,191	256,429	268,674	262,156	243,012	252,446	247,888	226,756	218,034
Net investment income	2,920,326	1,958,634	(3,218,935)	5,854,791	641,315	1,261,265	1,316,031	1,931,673	180,904	826,329
Benefit payments	(2,248,229)	(1,905,272)	(1,700,890)	(1,675,015)	(1,584,352)	(1,539,580)	(1,404,319)	(1,294,672)	(1,181,881)	(1,130,152)
Administrative expenses	(63,332)	(48,078)	(30,954)	(26,879)	(29,035)	(27,665)	(27,680)	(28,923)	(34,663)	(30,002)
<u>Net Change in plan fiduciary net position</u>	2,051,543	1,401,381	(3,440,135)	5,587,554	467,693	920,860	1,116,619	1,837,647	66,687	664,349
<u>Plan fiduciary net position - beginning</u>	26,885,346	25,483,965	28,924,100	23,336,546	22,868,853	21,947,993	20,831,374	18,993,727	18,927,040	18,262,691
<u>Plan fiduciary net position - ending</u>	28,936,889	26,885,346	25,483,965	28,924,100	23,336,546	22,868,853	21,947,993	20,831,374	18,993,727	18,927,040
<u>Net pension liability - Ending</u>	\$ 9,011,761	\$ 10,523,782	\$ 11,249,547	\$ 5,155,800	\$ 9,588,507	\$ 7,654,647	\$ 7,626,961	\$ 7,993,657	\$ 7,112,069	\$ 4,644,662
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	76.25%	71.87%	69.38%	84.87%	70.88%	74.92%	74.21%	72.27%	72.76%	80.30%
<u>Covered-employee payroll</u>	\$ 3,264,060	\$ 3,342,383	\$ 3,511,018	\$ 3,308,561	\$ 3,299,771	\$ 3,387,490	\$ 3,368,353	\$ 3,460,441	\$ 3,220,197	\$ 2,909,407
<u>Net pension liability as a percentage of covered employee payroll</u>	276.09%	314.86%	320.41%	155.83%	290.58%	225.97%	226.43%	231.00%	220.86%	159.64%

TOWN OF WATERTOWN, CONNECTICUT
TOWN OF WATERTOWN POLICE DEPARTMENT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Actuarially determined employer contribution</u>	\$1,154,193	\$1,131,906	\$1,254,215	\$1,165,983	\$1,177,609	\$ 983,828	\$ 980,141	\$ 981,681	\$ 875,571	\$ 780,140
<u>Contributions in relation to the actuarially determined contribution</u>	1,154,193	1,131,906	1,254,215	1,165,983	1,177,609	983,828	980,141	981,681	875,571	780,140
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered-employee payroll</u>	\$3,264,060	\$3,342,383	\$3,511,018	\$3,308,561	\$3,299,771	\$3,387,490	\$3,368,353	\$3,460,441	\$3,220,197	\$2,909,407
<u>Contributions as a percentage of covered-employee payroll</u>	35.36%	33.87%	35.72%	35.24%	35.69%	29.04%	29.10%	28.37%	27.19%	26.81%

Notes to Schedule

Most recent valuation date	January 1 , 2023
Measurement date	June 30, 2024
Methods and assumptions used to determine the contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Cost
Remaining amortization period	20 years
Asset valuation method	5-year Smoothed 80%/120% Corridor
Salary increases	4.00%
Investment rate of return	7.00%
Retirement age	Age 55 or the completion of 25 years of Service, if later
Mortality rates	RP-2014 Blue Collar Mortality Table with Scale MP-2014

TOWN OF HARWINTON, CONNECTICUT
TOWN OF WATERTOWN POLICE DEPARTMENT PENSION PLAN
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return net of investment expense	11.00%	7.80%	11.20%	23.00%	2.90%	5.80%	6.40%	10.20%	1.00%	4.50%

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>							
Service cost	\$ 2,800,818	\$ 2,420,604	\$ 3,644,061	\$ 3,389,770	\$ 2,831,861	\$ 2,155,078	\$ 1,841,510
Interest	3,813,802	3,048,429	2,175,208	2,428,290	2,375,885	2,483,561	2,080,341
Differences between expected and actual experience	-	11,754,061	-	(7,060,630)	(1,098,876)	(7,548,927)	7,851,771
Changes of assumptions	(917,283)	2,711,014	(24,573,183)	11,841,332	-	14,832,443	-
Benefit payments, including implicit cost	(2,796,957)	(2,217,450)	(2,122,597)	(2,827,249)	(2,695,875)	(2,542,856)	(1,906,242)
<u>Net change in OPEB liability</u>	2,900,380	17,716,658	(20,876,511)	7,771,513	1,412,995	9,379,299	9,867,380
<u>Total OPEB liability - beginning</u>	90,927,396	73,210,738	94,087,249	86,315,736	84,902,741	75,523,442 *	63,114,489
<u>Total OPEB liability - ending</u>	93,827,776	90,927,396	73,210,738	94,087,249	86,315,736	84,902,741	72,981,869
<u>Plan fiduciary net position</u>							
Employer contributions	2,796,957	2,217,450	2,122,597	2,287,249	2,695,875	2,542,856	1,906,242
Net investment income	6	1	1	1	1	14	7
Benefit payments, including implicit cost	(2,796,957)	(2,217,450)	(2,122,597)	(2,287,249)	(2,695,875)	(2,542,856)	(1,906,242)
Administrative expense and other	-	(5)	-	-	-	-	-
<u>Net Change in plan fiduciary net position</u>	6	(4)	1	-	1	14	7
<u>Plan fiduciary net position - beginning</u>	1,443	1,447	1,446	1,446	1,445	1,431 *	1,409
<u>Plan fiduciary net position - ending</u>	1,449	1,443	1,447	1,446	1,446	1,445	1,416
<u>Net OPEB liability - ending</u>	\$ 93,826,327	\$ 90,925,953	\$ 73,209,291	\$ 94,085,803	\$ 86,314,290	\$ 84,901,296	\$ 72,980,453
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Covered-employee payroll</u>	\$ 38,861,387	\$ 37,729,502	\$ 29,925,404	\$ 29,053,790	\$ 26,454,361	\$ 25,683,844	\$ 28,286,748
<u>Net OPEB liability as a percentage of covered employee payroll</u>	241.44%	240.99%	244.64%	323.83%	326.28%	330.56%	258.00%

* Restated for change in the measurement date.

** This schedule is required to present information for ten years. Additional years information will be displayed as it becomes available

Notes to Schedule

Measurement Date	June 30, 2024
Actuarial cost method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Investment Rate of Return	2.50%
Municipal Bond rate	4.21%
Single Equivalent Discount Rate	4.21 net of OPEB plan expenses%
Inflation rate	2.50%
Salary increases	3.00%

TOWN OF WATERTOWN, CONNECTICUT
CONNECTICUT MUNICIPAL EMPLOYEE RETIREMENT SYSTEM
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

<u>Schedule Of The Town's Proportionate Share Of The Net Pension Liability and related Ratios Last 10 Fiscal Years</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportionate percentage of the collective net pension liability	0.244%	0.287%	0.209%	0.263%	0.236%	0.268%	0.268%	0.439%	0.573%	0.611%
Town's proportionate share of the net pension liability	\$ 1,112,702	\$ 1,291,024	\$ 494,829	\$ 1,033,183	\$ 872,062	\$ 1,024,852	\$ 725,068	\$ 860,942	\$ 836,477	\$ 628,487
Town's actuarial covered-employee payroll	\$ 765,530	\$ 808,870	\$ 566,137	\$ 673,792	\$ 607,507	\$ 754,267	\$ 812,706	\$ 1,044,159	\$ 1,355,765	\$ 1,283,958
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	145.35%	159.61%	87.40%	153.34%	143.55%	135.87%	89.22%	82.45%	61.70%	48.95%
Plan fiduciary net position as a percentage of the total pension liability	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%
<u>Schedule Of Employer Contributions Last 10 Fiscal Years</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 153,891	\$ 146,797	\$ 93,404	\$ 114,641	\$ 93,265	\$ 73,939	\$ 85,164	\$ 95,411	\$ 118,825	\$ 154,637
Contributions in relation to the contractually required contribution	153,891	146,797	93,404	114,641	93,265	73,939	85,164	95,411	118,825	154,637
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 736,067	\$ 765,530	\$ 808,870	\$ 566,137	\$ 673,792	\$ 607,507	\$ 754,267	\$ 812,706	\$ 1,044,159	\$ 1,355,765
Contributions as a percentage of covered-employee payroll	20.91%	19.18%	11.55%	20.25%	13.84%	12.17%	11.29%	11.74%	11.38%	11.41%

Notes to the Schedule

The Town began to report the schedule when it implemented GASB Statement No 68 in fiscal year 2015
The measurement date is one year earlier than the employer's reporting date.
The collective total pension liability as of June 30, 2023 is based upon the June 30, 2023 actuarial valuation. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

Methods and assumptions used to determine the contribution rates:

Actuarial valuation date	6/30/2022
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Asset valuation method	Market Value on the measurement date. Plan's fiduciary net position also included the present value of receivable initial liability payments established by participating employers upon entry into MERS
Single Equivalent amortization period	Blended 24.3 to 24.4 years depending on Tier
Inflation	2.50%
Salary increases	3.5% - 9.5%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense

TOWN OF WATERTOWN, CONNECTICUT
CONNECTICUT STATE TEACHERS RETIREMENT SYSTEM
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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	81,270,890	87,492,062	68,263,025	86,189,766	73,943,493	57,014,729	59,204,351	62,461,044	48,464,850	44,796,041
Total	\$ 81,270,890	\$ 87,492,062	\$ 68,263,025	\$ 86,189,766	\$ 73,943,493	\$ 57,014,729	\$ 59,204,351	\$ 62,461,044	\$ 48,464,850	\$ 44,796,041
Town's covered-employee payroll	\$ 22,440,894	\$ 22,119,686	\$ 21,550,829	\$ 20,565,971	\$ 18,954,157	\$ 18,781,605	\$ 18,559,222	\$ 17,963,928	\$ 17,085,880	\$ 16,464,299
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

The measurement date is one year earlier than the employer's reporting date.
Changes in benefit terms There were no changes to benefit terms since the prior Measurement Date.
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 fair value
Inflation 2.50%
Salary increases 3.00%-6.50%, including inflation
Investment rate of return 6.90%, net of investment related expense

TOWN OF WATERTOWN, CONNECTICUT
CONNECTICUT STATE TEACHERS RETIREMENT SYSTEM
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	0.00%	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	7,613,966	7,662,298	7,437,131	12,855,207	11,531,904	11,397,594	1,523,815
Total	\$ 7,613,966	\$ 7,662,298	\$ 7,437,131	\$ 12,855,207	\$ 11,531,904	\$ 11,397,594	\$ 1,523,815
Town's covered-employee payroll	\$ 22,440,894	\$ 22,119,686	\$ 21,550,829	\$ 20,565,971	\$ 18,954,157	\$ 18,781,605	\$ 18,559,222
Town's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to the Schedule

Changes in benefit terms
Changes of assumptions

There were no changes to benefit terms since the prior Measurement Date.

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.

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
Inflation	2.50%

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

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

TOWN OF WATERTOWN, CONNECTICUT
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The nature and purpose of each fund is as follows:

Fund	Funding Source	Function
Special Welfare	Contributions	General public assistance
Town Aid Road	Intergovernmental grants	Road Maintenance
Park and Recreation Programs	Program income	Recreation programs
Marion A. Munson Memorial Park Fund	Contributions and investment income	Activities associated with bequests made by former resident of Watertown
Park Development Trust	Contributions and investment income	Parks development
Oakville Green Development Trust	Contributions and investment income	Parks development
Field Surcharge	Charges for Services	Parks and recreation
The Staver Fund	Contributions	Housing assistance
Dog Fund	Licenses and fees	Animal control program
Housing Rehabilitation Loan	Intergovernmental grants	Housing assistance
Cafeteria Fund	State and Federal grants, program income	School lunch and breakfast programs
Student Activity Funds	Other income	Student programs
Education Grants	State and federal grants	Specific education programs
Transition Academy	Tuition Fees	Education
Advertising	Advertising fees	Education
Youth Service Bureau	Other income	Youth activities
WASA Grants	Intergovernmental grants	Prevention and Treatment of substance abuse
Board of Education Community Service	Program income	Community use of facilities and day care program
Student Athletic Fund	Other income	Student athletic programs
Town Improvement Trust	Contributions and investment income	General Improvements
Crestbrook Improvement Fund	Transfer appropriation	Improvements to Town golf course
Town Hall Beautification	Contributions	General Improvements
Town Hall Preservation	Contributions	General Improvements
Small Cities	Intergovernmental grants	Housing assistance
STEAP Grant Fund	Intergovernmental grants	Capital improvements
Sidewalk Replacement	Program income	Replace and improve Town sidewalks
Preservation of Historical Documents	Intergovernmental grants and fees	Preserve historical documents
Town Clerk Fund	Charges for services	General governmental activities
Open Space Fund	Fees	Provide for open space acquisition
Summer Studies	Participation Fees	Parking privileges
Police Grants	Intergovernmental grants	Police equipment and enforcement
Drug Enforcement	Intergovernmental grants	Drug enforcement activities
Police Asset Forfeiture	Other income	Police seizure activity
Mutual Police Trust	Contributions and investment income	Relief of sick, injured or disabled police officers
Public Investment Community Grant	Intergovernmental grants	Economic development
Liability Trust	Contributions and investment income	Public risk prevention
Professional Development	Program income	Development of Board of Education personnel
Asset Forfeiture DOJ	Other income	Police seizure activity
Local Capital Improvement	Intergovernmental grants	Capital improvements

TOWN OF WATERTOWN, CONNECTICUT
NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

Fund	Funding Source	Function
Capital Nonrecurring	Town appropriation	Capital purchases
Public Works Equipment Replacement	Town appropriation	Replace public works equipment
Vehicle Replacement	Town appropriation	Replace and upgrade vehicle fleet

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Education Enrichment	Investment income	Restricted to fund purpose
Old Cemetery	Investment income	Restricted to fund purpose
Hinman Platt	Investment income	Restricted to fund purpose
Benjamin Curtis	Investment income	Restricted to fund purpose
Chester A. Hard	Investment income	Restricted to fund purpose
Charles Mattoon	Investment income	Restricted to fund purpose
Town Hall Grounds	Investment income	Restricted to fund purpose
E.C. Margraff	Investment income	Restricted to fund purpose
Special Police	Investment income	Restricted to fund purpose
Town Deposit	Investment income	Restricted to fund purpose

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds								
	Special Welfare	Town Aid Road	Park and Recreation Programs	Marion A. Munson Memorial Park Fund	Park Development Trust	Oakville Green Development Trust	Field Surcharge	The Staver Fund	Dog Fund
<u>Assets</u>									
Cash and cash equivalents	\$ 173,572	\$ 250,526	\$ 188,078	\$ 1,210	\$ 58,553	\$ 1,576	\$ 25,684	\$ 212,287	\$ 18,393
Investments	-	-	-	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	-	-	-	-	-
Inventory and prepaid expenses	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 173,572</u>	<u>\$ 250,526</u>	<u>\$ 188,078</u>	<u>\$ 1,210</u>	<u>\$ 58,553</u>	<u>\$ 1,576</u>	<u>\$ 25,684</u>	<u>\$ 212,287</u>	<u>\$ 18,393</u>
<u>Liabilities</u>									
Accounts payable and accrued items	\$ 2,655	\$ 3,045	\$ 4,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	23,745	-	-	-	-	-	-
Due to other Funds	-	-	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>2,655</u>	<u>3,045</u>	<u>28,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	247,481	-	-	-	-	-	212,287	-
Committed	170,917	-	159,990	1,210	58,553	1,576	25,684	-	18,393
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>170,917</u>	<u>247,481</u>	<u>159,990</u>	<u>1,210</u>	<u>58,553</u>	<u>1,576</u>	<u>25,684</u>	<u>212,287</u>	<u>18,393</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 173,572</u>	<u>\$ 250,526</u>	<u>\$ 188,078</u>	<u>\$ 1,210</u>	<u>\$ 58,553</u>	<u>\$ 1,576</u>	<u>\$ 25,684</u>	<u>\$ 212,287</u>	<u>\$ 18,393</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds								
	Housing Rehabilitation Loan	Cafeteria Fund	Student Activity Funds	Educational Grants	Transition Academy	Advertising	Youth Service Bureau Donations	W.A.S.A. Grants	Board of Education Community Service
<u>Assets</u>									
Cash and cash equivalents	\$ 1,206	\$ 624,251	\$ 270,046	\$ 198,946	\$ 2,072	\$ 4,379	\$ 24,278	\$ 316	\$ 87,802
Investments	-	-	-	-	-	-	-	-	-
Receivables, net of allowance	-	156,652	-	-	-	-	-	-	-
Inventory and prepaid expenses	-	30,261	-	-	-	-	-	-	-
Due from other funds	-	-	-	11,500	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 1,206</u>	<u>\$ 811,164</u>	<u>\$ 270,046</u>	<u>\$ 210,446</u>	<u>\$ 2,072</u>	<u>\$ 4,379</u>	<u>\$ 24,278</u>	<u>\$ 316</u>	<u>\$ 87,802</u>
<u>Liabilities</u>									
Accounts payable and accrued items	\$ -	\$ 22,280	\$ -	\$ 87,892	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	1,206	-	-	24,943	-	-	-	-	-
Due to other Funds	-	350,000	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>1,206</u>	<u>372,280</u>	<u>-</u>	<u>112,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>									
Nonspendable	-	30,261	-	-	-	-	-	-	-
Restricted	-	-	270,046	-	2,072	-	-	316	-
Committed	-	408,623	-	97,611	-	4,379	24,278	-	87,802
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>-</u>	<u>438,884</u>	<u>270,046</u>	<u>97,611</u>	<u>2,072</u>	<u>4,379</u>	<u>24,278</u>	<u>316</u>	<u>87,802</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 1,206</u>	<u>\$ 811,164</u>	<u>\$ 270,046</u>	<u>\$ 210,446</u>	<u>\$ 2,072</u>	<u>\$ 4,379</u>	<u>\$ 24,278</u>	<u>\$ 316</u>	<u>\$ 87,802</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds								
	Student Athletic Fund	Town Improvement Trust	Crestbrook Improvement Fund	Town Hall Beautification	Town Hall Preservation	Small Cities	STEAP Grant Fund	Sidewalk Replacement Fund	Preservation of Historical Documents
<u>Assets</u>									
Cash and cash equivalents	\$ 30,308	\$ 23,147	\$ 658	\$ 1,385	\$ 12,300	\$ 156,715	\$ -	\$ 186	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	-	602,571	6,572	-	-
Inventory and prepaid expenses	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 30,308	\$ 23,147	\$ 658	\$ 1,385	\$ 12,300	\$ 759,286	\$ 6,572	\$ 186	\$ -
<u>Liabilities</u>									
Accounts payable and accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,249	\$ -	\$ 44,776
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	13,249	-	44,776
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	759,286	-	-	-
Committed	30,308	23,147	658	1,385	12,300	-	-	186	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(6,677)	-	(44,776)
Total Fund Balances	30,308	23,147	658	1,385	12,300	759,286	(6,677)	186	(44,776)
Total Liabilities and Fund Balances	\$ 30,308	\$ 23,147	\$ 658	\$ 1,385	\$ 12,300	\$ 759,286	\$ 6,572	\$ 186	\$ -

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds								
	Town Clerk Fund	Open Space Fund	Summer Studies	Police Grants	Drug Enforcement	Police Asset Forfeiture	Mutual Police Trust	Public Investment Community Grant	Liability Trust
<u>Assets</u>									
Cash and cash equivalents	\$ 16,955	\$ 207,118	\$ 25,319	\$ 289	\$ 3,198	\$ 987	\$ 8,291	\$ 184	\$ 13,254
Investments	-	-	-	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	-	-	-	-	-
Inventory and prepaid expenses	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 16,955</u>	<u>\$ 207,118</u>	<u>\$ 25,319</u>	<u>\$ 289</u>	<u>\$ 3,198</u>	<u>\$ 987</u>	<u>\$ 8,291</u>	<u>\$ 184</u>	<u>\$ 13,254</u>
<u>Liabilities</u>									
Accounts payable and accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,992	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other Funds	-	-	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,992</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	289	3,198	-	-	-	-
Committed	16,955	207,118	25,319	-	-	-	8,291	184	13,254
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(2,005)	-	-	-
<u>Total Fund Balances</u>	<u>16,955</u>	<u>207,118</u>	<u>25,319</u>	<u>289</u>	<u>3,198</u>	<u>(2,005)</u>	<u>8,291</u>	<u>184</u>	<u>13,254</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 16,955</u>	<u>\$ 207,118</u>	<u>\$ 25,319</u>	<u>\$ 289</u>	<u>\$ 3,198</u>	<u>\$ 987</u>	<u>\$ 8,291</u>	<u>\$ 184</u>	<u>\$ 13,254</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds			Capital Project Funds			Permanent Funds		
	Professional Development	Asset Forfeiture DOJ	Local Capital Improvement	Capital Nonrecurring	Public Works Equipment Replacement	Vehicle Replacement	Education Enrichment	Old Cemetery	Hinman Platt
<u>Assets</u>									
Cash and cash equivalents	\$ 293	\$ 61,754	\$ 31,347	\$ 102	\$ 96,274	\$ 371,615	\$ 79,745	\$ 3,839	\$ 34,520
Investments	-	-	-	-	-	-	-	-	-
Receivables, net of allowance	-	-	196,985	-	-	-	-	-	-
Inventory and prepaid expenses	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 293</u>	<u>\$ 61,754</u>	<u>\$ 228,332</u>	<u>\$ 102</u>	<u>\$ 96,274</u>	<u>\$ 371,615</u>	<u>\$ 79,745</u>	<u>\$ 3,839</u>	<u>\$ 34,520</u>
<u>Liabilities</u>									
Accounts payable and accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	228,332	-	-	-	-	-	-
Due to other Funds	-	-	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>228,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	67,000	2,654	10,817
Restricted	-	61,754	-	-	-	-	12,745	1,185	23,703
Committed	293	-	-	102	96,274	371,615	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>293</u>	<u>61,754</u>	<u>-</u>	<u>102</u>	<u>96,274</u>	<u>371,615</u>	<u>79,745</u>	<u>3,839</u>	<u>34,520</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 293</u>	<u>\$ 61,754</u>	<u>\$ 228,332</u>	<u>\$ 102</u>	<u>\$ 96,274</u>	<u>\$ 371,615</u>	<u>\$ 79,745</u>	<u>\$ 3,839</u>	<u>\$ 34,520</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Permanent Funds							Total
	Benjamin Curtis	Chester A. Hard	Charles Mattoon	Town Hall Grounds	E.C. Margraff	Special Police	Town Deposit	
<u>Assets</u>								
Cash and cash equivalents	\$ 684	\$ 3,466	\$ 6,470	\$ 19,240	\$ 1,970	\$ 1,649	\$ 26,365	\$ 3,382,802
Investments	-	-	-	-	1,584	-	-	1,584
Receivables, net of allowance	-	-	-	-	-	-	-	962,780
Inventory and prepaid expenses	-	-	-	-	-	-	-	30,261
Due from other funds	-	-	-	-	-	-	-	11,500
<u>Total Assets</u>	<u>\$ 684</u>	<u>\$ 3,466</u>	<u>\$ 6,470</u>	<u>\$ 19,240</u>	<u>\$ 3,554</u>	<u>\$ 1,649</u>	<u>\$ 26,365</u>	<u>\$ 4,388,927</u>
<u>Liabilities</u>								
Accounts payable and accrued items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,232
Unearned revenue	-	-	-	-	-	-	-	278,226
Due to other Funds	-	-	-	-	-	-	-	350,000
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>809,458</u>
<u>Fund Balances</u>								
Nonspendable	458	993	4,478	6,000	383	506	3,854	127,404
Restricted	226	2,473	1,992	13,240	3,171	1,143	22,511	1,639,118
Committed	-	-	-	-	-	-	-	1,866,405
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(53,458)
<u>Total Fund Balances</u>	<u>684</u>	<u>3,466</u>	<u>6,470</u>	<u>19,240</u>	<u>3,554</u>	<u>1,649</u>	<u>26,365</u>	<u>3,579,469</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 684</u>	<u>\$ 3,466</u>	<u>\$ 6,470</u>	<u>\$ 19,240</u>	<u>\$ 3,554</u>	<u>\$ 1,649</u>	<u>\$ 26,365</u>	<u>\$ 4,388,927</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								
	Special Welfare	Town Aid Road	Park and Recreation Programs	Marion A. Munson Memorial Park Fund	Park Development Trust	Oakville Green Development Trust	Field Surcharge	The Staver Fund	Dog Fund
Revenues:									
Intergovernmental revenues	\$ -	\$ 353,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and charges for services	-	-	551,591	-	-	-	5,405	-	635
Investment income	1,421	3,695	1,556	40	1,896	6	832	74	595
Other revenue	78,622	-	-	-	5,345	-	-	88,503	5,428
Total Revenues	80,043	356,720	553,147	40	7,241	6	6,237	88,577	6,658
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	5,267
Public works	-	303,281	-	-	-	-	-	-	-
Parks and recreation	-	-	595,098	-	14,796	-	400	-	-
Health and welfare	86,384	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	86,384	303,281	595,098	-	14,796	-	400	-	5,267
Excess (Deficiency) of Revenues Over Expenditures	(6,341)	53,439	(41,951)	40	(7,555)	6	5,837	88,577	1,391
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing sources (Uses):	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(6,341)	53,439	(41,951)	40	(7,555)	6	5,837	88,577	1,391
Fund Balances Beginning of Year	177,258	194,042	201,941	1,170	66,108	1,570	19,847	123,710	17,002
Fund Balances End of Year	\$ 170,917	\$ 247,481	\$ 159,990	\$ 1,210	\$ 58,553	\$ 1,576	\$ 25,684	\$ 212,287	\$ 18,393

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								
	Housing Rehabilitation Loan	Cafeteria Fund	Student Activity Funds	Educational Grants	Transition Academy	Advertising	Youth Service Bureau Donations	W.A.S.A. Grants	Board of Education Community Service
Revenues:									
Intergovernmental revenues	\$ -	\$ 1,011,278	\$ -	\$ 1,731,947	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and charges for services	-	684,365	305,086	-	-	-	-	-	191,138
Investment income	-	-	-	-	-	-	-	-	-
Other revenue	-	46,785	-	-	-	-	9,469	-	-
Total Revenues	-	1,742,428	305,086	1,731,947	-	-	9,469	-	191,138
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Education	-	1,888,068	322,607	1,754,782	-	1,214	-	5,556	166,959
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	1,888,068	322,607	1,754,782	-	1,214	-	5,556	166,959
Excess (Deficiency) of Revenues Over Expenditures	-	(145,640)	(17,521)	(22,835)	-	(1,214)	9,469	(5,556)	24,179
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing sources (Uses):	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	(145,640)	(17,521)	(22,835)	-	(1,214)	9,469	(5,556)	24,179
Fund Balances Beginning of Year	-	584,524	287,567	120,446	2,072	5,593	14,809	5,872	63,623
Fund Balances End of Year	\$ -	\$ 438,884	\$ 270,046	\$ 97,611	\$ 2,072	\$ 4,379	\$ 24,278	\$ 316	\$ 87,802

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								
	Student Athletic Fund	Town Improvement Trust	Crestbrook Improvement Fund	Town Hall Beautification	Town Hall Preservation	Small Cities	STEAP Grant Fund	Sidewalk Replacement Fund	Preservation of Historical Documents
<u>Revenues:</u>									
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Licenses, permits and charges for services	-	-	-	-	-	-	-	-	147,761
Investment income	-	750	22	45	398	149	-	6	-
Other revenue	84,223	-	-	-	-	-	-	-	-
<u>Total Revenues</u>	<u>84,223</u>	<u>750</u>	<u>22</u>	<u>45</u>	<u>398</u>	<u>149</u>	<u>-</u>	<u>6</u>	<u>155,761</u>
<u>Expenditures:</u>									
<u>Current:</u>									
General government	-	-	-	-	-	-	-	-	137,066
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	136,097	-	-	-
Education	84,223	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
<u>Total Expenditures</u>	<u>84,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,097</u>	<u>-</u>	<u>-</u>	<u>137,066</u>
Excess (Deficiency) of Revenues Over Expenditures	-	750	22	45	398	(135,948)	-	6	18,695
<u>Other Financing Sources (Uses):</u>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
<u>Total Other Financing sources (Uses):</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	750	22	45	398	(135,948)	-	6	18,695
<u>Fund Balances Beginning of Year</u>	<u>30,308</u>	<u>22,397</u>	<u>636</u>	<u>1,340</u>	<u>11,902</u>	<u>895,234</u>	<u>(6,677)</u>	<u>180</u>	<u>(63,471)</u>
<u>Fund Balances End of Year</u>	<u>\$ 30,308</u>	<u>\$ 23,147</u>	<u>\$ 658</u>	<u>\$ 1,385</u>	<u>\$ 12,300</u>	<u>\$ 759,286</u>	<u>\$ (6,677)</u>	<u>\$ 186</u>	<u>\$ (44,776)</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								
	Town Clerk Fund	Open Space Fund	Summer Studies	Police Grants	Drug Enforcement	Police Asset Forfeiture	Mutual Police Trust	Public Investment Community Grant	Liability Trust
Revenues:									
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and charges for services	2,370	-	16,905	-	-	-	-	-	-
Investment income	549	2,038	-	9	103	-	268	6	430
Other revenue	-	-	-	-	-	987	-	-	-
Total Revenues	2,919	2,038	16,905	9	103	987	268	6	430
Expenditures:									
Current:									
General government	8,000	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Education	-	-	16,306	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	8,000	-	16,306	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(5,081)	2,038	599	9	103	987	268	6	430
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing sources (Uses):	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(5,081)	2,038	599	9	103	987	268	6	430
Fund Balances Beginning of Year	22,036	205,080	24,720	280	3,095	(2,992)	8,023	178	12,824
Fund Balances End of Year	\$ 16,955	\$ 207,118	\$ 25,319	\$ 289	\$ 3,198	\$ (2,005)	\$ 8,291	\$ 184	\$ 13,254

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			Capital Project Funds			Permanent Funds		
	Professional Development	Asset Forfeiture DOJ	Local Capital Improvement	Capital Nonrecurring	Public Works Equipment Replacement	Vehicle Replacement	Education Enrichment	Old Cemetery	Hinman Platt
<u>Revenues:</u>									
Intergovernmental revenues	\$ -	\$ -	\$ 11,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and charges for services	-	-	-	-	-	-	-	-	-
Investment income	-	2,000	-	4	3,118	303	2,582	124	1,118
Other revenue	-	45,924	-	-	70,000	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>47,924</u>	<u>11,230</u>	<u>4</u>	<u>73,118</u>	<u>303</u>	<u>2,582</u>	<u>124</u>	<u>1,118</u>
<u>Expenditures:</u>									
<u>Current:</u>									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	15,174	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Education	20	-	-	-	-	-	-	-	-
Other	-	-	443	-	-	-	-	-	-
Capital outlay	-	-	11,230	-	290,570	150,000	-	-	-
<u>Total Expenditures</u>	<u>20</u>	<u>15,174</u>	<u>11,673</u>	<u>-</u>	<u>290,570</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(20)	32,750	(443)	4	(217,452)	(149,697)	2,582	124	1,118
<u>Other Financing Sources (Uses):</u>									
Transfers In	-	-	-	-	70,000	150,000	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
<u>Total Other Financing sources (Uses):</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(20)	32,750	(443)	4	(147,452)	303	2,582	124	1,118
<u>Fund Balances Beginning of Year</u>	<u>313</u>	<u>29,004</u>	<u>443</u>	<u>98</u>	<u>243,726</u>	<u>371,312</u>	<u>77,163</u>	<u>3,715</u>	<u>33,402</u>
<u>Fund Balances End of Year</u>	<u>\$ 293</u>	<u>\$ 61,754</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 96,274</u>	<u>\$ 371,615</u>	<u>\$ 79,745</u>	<u>\$ 3,839</u>	<u>\$ 34,520</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Permanent Funds							Total
	Benjamin Curtis	Chester A. Hard	Charles Mattoon	Town Hall Grounds	E.C. Margraff	Special Police	Town Deposit	
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,115,480
Licenses, permits and charges for services	-	-	-	-	-	-	-	1,905,256
Investment income	22	112	209	623	(108)	53	853	25,901
Other revenue	-	-	-	-	-	-	-	435,286
Total Revenues	22	112	209	623	(108)	53	853	5,481,923
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	145,066
Public safety	-	-	-	-	-	-	-	20,441
Public works	-	-	-	-	-	-	-	303,281
Parks and recreation	-	-	-	-	-	-	-	610,294
Health and welfare	-	-	-	-	-	-	-	222,481
Education	-	-	-	-	-	-	-	4,239,735
Other	-	-	-	-	-	-	-	443
Capital outlay	-	-	-	-	-	-	-	451,800
Total Expenditures	-	-	-	-	-	-	-	5,993,541
Excess (Deficiency) of Revenues Over Expenditures	22	112	209	623	(108)	53	853	(511,618)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	\$ 220,000
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing sources (Uses):	-	-	-	-	-	-	-	220,000
Net Change in Fund Balances	22	112	209	623	(108)	53	853	(291,618)
Fund Balances Beginning of Year	662	3,354	6,261	18,617	3,662	1,596	25,512	\$ 3,871,087
Fund Balances End of Year	\$ 684	\$ 3,466	\$ 6,470	\$ 19,240	\$ 3,554	\$ 1,649	\$ 26,365	\$ 3,579,469

TOWN OF WATERTOWN, CONNECTICUT
INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health and Dental Benefits Fund

This fund is used to pay health and dental insurance claims and to purchase administrative services and stop loss insurance for the health care plans. Both the Town and the Board of Education pay this fund for health insurance.

Workers' Compensation Fund

This fund accounts for the receipts of the General Fund contributions to fund Town and Board of Education incurred Workers' Compensation claims.

General Liability Deductibles

This fund accounts for contributions from the General Fund to pay for claims that fall below the Town's premium based deductibles.

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2024

	Governmental Activities - Internal Service Funds			
	Health and Dental Benefits	Workers Compensation	General Liabilities Deductibles	Total
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 47,020	\$ 537,556	\$ 31	\$ 584,607
Accounts Receivable	31,592	-	-	31,592
Total current assets	<u>78,612</u>	<u>537,556</u>	<u>31</u>	<u>616,199</u>
<u>Total Assets</u>	<u>78,612</u>	<u>537,556</u>	<u>31</u>	<u>616,199</u>
<u>Liabilities</u>				
Current Liabilities				
Risk management claims	2,151,871	-	-	2,151,871
Due to other funds	-	-	-	-
Total Current Liabilities	<u>2,151,871</u>	<u>-</u>	<u>-</u>	<u>2,151,871</u>
Noncurrent Liabilities				
Risk management claims	-	2,908,683	-	2,908,683
Total Noncurrent Liabilities	<u>-</u>	<u>2,908,683</u>	<u>-</u>	<u>2,908,683</u>
<u>Total Liabilities</u>	<u>2,151,871</u>	<u>2,908,683</u>	<u>-</u>	<u>5,060,554</u>
<u>Net Position</u>				
Unrestricted	(2,073,259)	(2,371,127)	31	(4,444,355)
<u>Total Net Position</u>	<u>\$ (2,073,259)</u>	<u>\$ (2,371,127)</u>	<u>\$ 31</u>	<u>\$ (4,444,355)</u>

TOWN OF WATERTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			Total
	Health and Dental Benefits	Workers Compensation	General Liabilities Deductibles	
<u>Operating Revenue</u>				
Charges for services	\$ 15,862,068	\$ 890,134	-	\$ 16,752,202
<u>Total Operating Revenues</u>	<u>15,862,068</u>	<u>890,134</u>	<u>-</u>	<u>16,752,202</u>
<u>Operating Expenses</u>				
Claims	13,999,896	684,017	-	14,683,913
Premiums and administrative charges	2,817,341	-	-	2,817,341
<u>Total Operating Expenses</u>	<u>16,817,237</u>	<u>684,017</u>	<u>-</u>	<u>17,501,254</u>
<u>Operating Income (Loss)</u>	<u>(955,169)</u>	<u>206,117</u>	<u>-</u>	<u>(749,052)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Investment income	-	-	1	1
<u>Total Non-Operating Revenues (Expenses)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<u>Income (Loss) Before Transfers</u>	<u>(955,169)</u>	<u>206,117</u>	<u>1</u>	<u>(749,051)</u>
<u>Change In Net Position</u>	<u>(955,169)</u>	<u>206,117</u>	<u>1</u>	<u>(749,051)</u>
<u>Net Position Beginning of Year</u>	<u>(1,118,090)</u>	<u>(2,577,244)</u>	<u>30</u>	<u>(3,695,304)</u>
<u>Net Position End of Year</u>	<u>\$ (2,073,259)</u>	<u>\$ (2,371,127)</u>	<u>\$ 31</u>	<u>\$ (4,444,355)</u>

TOWN OF WATERTOWN, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			Total
	Health and Dental Benefits	Workers Compensation	General Liabilities Deductibles	
<u>Cash Flows from Operating Activities</u>				
Cash received from customers and users	\$ 15,852,761	\$ 890,134	\$ -	\$ 16,742,895
Payments for benefits and claims	(12,985,402)	(751,667)	-	(13,737,069)
Premiums and administrative charges	(2,817,341)	-	-	(2,817,341)
<u>Net Cash Provided by Operating Activities</u>	<u>50,018</u>	<u>138,467</u>	<u>-</u>	<u>188,485</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Cash reimbursed to general fund	(35,000)	(30,000)	-	(65,000)
<u>Net Cash Used by Noncapital Financing Activities</u>	<u>(35,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(65,000)</u>
<u>Cash Flows From Investing Activities</u>				
Investment income	-	-	1	1
<u>Net Cash Provided by Investing Activities</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>15,018</u>	<u>108,467</u>	<u>1</u>	<u>123,486</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>32,002</u>	<u>429,089</u>	<u>30</u>	<u>461,121</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 47,020</u>	<u>\$ 537,556</u>	<u>\$ 31</u>	<u>\$ 584,607</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Operating Income (Loss)	(955,169)	206,117	-	(749,052)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(9,307)	-	-	(9,307)
Increase (decrease) in claims payable	1,014,494	(67,650)	-	946,844
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 50,018</u>	<u>\$ 138,467</u>	<u>\$ -</u>	<u>\$ 188,485</u>

TOWN OF WATERTOWN, CONNECTICUT
FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments.

Pension Trust Funds

These funds, which are administered by the Town as Trust Funds, are used to accumulate resources to provide for and pay out retirement benefits for all Town Employees participating in them.

TOWN OF WATERTOWN, CONNECTICUT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF NET FIDUCIARY POSITION
 JUNE 30, 2024

<u>Assets</u>	<u>Town Retirement System</u>	<u>Police Pension Fund</u>	<u>OPEB Trust Fund</u>	<u>Deferred Compensation Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ -	\$ 1,449	\$ -	\$ 1,449
Investments, at fair value					
Guaranteed deposit accounts	4,149,220	5,327,980	-	-	9,477,200
Mutual funds	22,546,170	22,079,754	-	586,474	45,212,398
<u>Total assets</u>	<u>26,695,390</u>	<u>27,407,734</u>	<u>1,449</u>	<u>586,474</u>	<u>54,691,047</u>
<u>Liabilities</u>					
Payables	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net position</u>					
Restricted for pension benefits	26,695,390	27,407,734	-	586,474	54,689,598
Restricted for OPEB Benefits	-	-	1,449	-	1,449
<u>Total net position</u>	<u>\$ 26,695,390</u>	<u>\$ 27,407,734</u>	<u>\$ 1,449</u>	<u>\$ 586,474</u>	<u>\$ 54,691,047</u>

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

	Town Retirement System	Police Pension Fund	OPEB Trust Fund	Deferred Compensation Fund	Total
<u>Additions</u>					
Contributions					
Employer	\$ 631,018	\$ 1,418,476	\$ -	\$ 61,693	\$ 2,111,187
Plan members	103,168	24,302	-	-	127,470
Total contributions	<u>734,186</u>	<u>1,442,778</u>	<u>-</u>	<u>61,693</u>	<u>2,238,657</u>
Investment Income					
Net Appreciation/(Depreciation) in Fair Value of Investments	2,389,513	947,850	-	77,080	3,414,443
Interest and dividends	422,672	406,450	6	-	829,128
Total Investment Income	<u>2,812,185</u>	<u>1,354,300</u>	<u>6</u>	<u>77,080</u>	<u>4,243,571</u>
Less: Investment Management Fees	(70,446)	(53,544)	-	-	(123,990)
Net Investment Income	<u>2,741,739</u>	<u>1,300,756</u>	<u>6</u>	<u>77,080</u>	<u>4,119,581</u>
<u>Total Additions</u>	<u>3,475,925</u>	<u>2,743,534</u>	<u>6</u>	<u>138,773</u>	<u>6,358,238</u>
<u>Deductions</u>					
Pension benefits	2,176,410	2,357,396	-	4,655	4,538,461
Administrative expenses	124,157	117,945	-	22	242,124
Total Deductions	<u>2,300,567</u>	<u>2,475,341</u>	<u>-</u>	<u>4,677</u>	<u>4,780,585</u>
<u>Change in net position</u>	1,175,358	268,193	6	134,096	1,577,653
<u>Net position beginning of year</u>	<u>25,520,032</u>	<u>27,139,541</u>	<u>1,443</u>	<u>452,378</u>	<u>53,113,394</u>
<u>Net position end of year</u>	<u>\$ 26,695,390</u>	<u>\$ 27,407,734</u>	<u>\$ 1,449</u>	<u>\$ 586,474</u>	<u>\$ 54,691,047</u>

**OTHER
SUPPLEMENTAL
SCHEDULES**

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Grand List Year	Balances 6/30/2023	Current Levy	Lawful Corrections		Transfers To Suspense	Collectable Taxes	Collections			Balances 6/30/2024	
			Additions	Deductions			Taxes	Interest	Liens & Fees		Total
2022	\$ -	\$ 71,833,982	\$ 589,734	\$ 509,015	\$ -	\$ 71,914,701	\$ 70,837,403	\$ 247,009	\$ 25,903	\$ 71,110,315	\$ 1,077,298
2021	790,741	-	541,483	276,201	6,831	1,049,192	562,920	179,894	6,111	748,925	486,272
2020	223,522	-	468,871	245,802	7,071	439,520	252,921	167,762	1,649	422,332	186,599
2019	69,770	-	6,638	1,229	6,029	69,150	17,681	7,053	397	25,131	51,469
2018	47,720	-	9,116	6,775	5,528	44,533	11,355	8,884	170	20,409	33,178
2017	34,171	-	-	-	3,189	30,982	3,914	5,528	165	9,607	27,068
2016	26,067	-	150	-	3,713	22,504	3,500	5,273	106	8,879	19,004
2015	29,472	-	192	-	1,786	27,878	2,326	2,940	71	5,337	25,552
2014	12,696	-	-	-	1,370	11,326	870	1,481	40	2,391	10,456
2013	10,061	-	-	-	510	9,551	39	794	15	848	9,512
2012	9,538	-	-	-	94	9,444	319	1,189	5	1,513	9,125
2011	9,839	-	-	-	8,991	848	-	1,357	15	1,372	848
2010	5,462	-	-	-	5,462	-	-	1,055	11	1,066	-
	<u>\$ 1,269,059</u>	<u>\$ 71,833,982</u>	<u>\$ 1,616,184</u>	<u>\$ 1,039,022</u>	<u>\$ 50,574</u>	<u>\$ 73,629,629</u>	<u>71,693,248</u>	<u>630,219</u>	<u>34,658</u>	<u>72,358,125</u>	<u>\$ 1,936,381</u>
Suspense Collections							<u>7,000</u>	<u>3,297</u>	<u>5</u>	<u>10,302</u>	
Total Collections							<u>\$ 71,700,248</u>	<u>\$ 633,516</u>	<u>\$ 34,663</u>	<u>\$ 72,368,427</u>	

Net Grand List - October 1, 2022
Tax Rate 36.86 Mills
Motor Vehicle Tax Rate 32.46 Mills

TOWN OF WATERTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN FUND BALANCE
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Beginning Fund Balance	Proceeds from Debt	Investment Income	Other Income	Capital Outlay/Debt Service	Ending Fund Balance
Current Projects						
Watertown High School Renovation	\$ 604,231	\$ -	\$ 6,005	\$ -	\$ -	\$ 610,236
Judson School Renovation	2,980	-	100	-	-	3,080
Polk School Renovation	16,773	-	561	-	-	17,334
High School Track	14,239	-	477	-	-	14,716
Roadway and Drainage Improvements	27,836	-	932	-	-	28,768
Buckingham Street School	9,671	-	324	-	-	9,995
Debt Service	-	-	14,940	642,167	(195,750)	461,357
Public Works Projects	130,368	-	1,296	-	-	131,664
Oakville Green Bricks	512	-	17	-	-	529
Fire Truck	28,812	-	964	-	-	29,776
Town Hall Improvement	176,234	-	1,752	-	-	177,986
Concord/Lexington W&S	503,872	-	5,008	-	-	508,880
2019 Public Works Projects	2,613,569	-	27,449	623,662	(1,830,021)	1,434,659
Sylvan Lake Road Reconstruction	14,184	-	578	-	-	14,762
Guernsey Town Road Reconstruction	34,037	-	2,455	2,998,684	(2,998,684)	36,492
Steele Brook Greenway	-	-	-	143,981	(179,977)	(35,996)
JH Community Project	-	-	57	27,384	(25,668)	1,773
2023 Various School Improvements	-	11,000,000	296,261	-	(2,147,452)	9,148,809
2023 Various Road Improvements	-	2,500,000	36,868	-	(1,457,174)	1,079,694
2023 Fire Truck Acquisition	-	1,500,000	28,359	-	(652,644)	875,715
Other Projects						
Veterans Memorial Park Improvements	(1,512)	-	-	-	-	(1,512)
Veterans Memorial Park	18,894	-	692	1,793	-	21,379
Echo Lake Park	1,725	-	58	-	-	1,783
French Street Reconstruction	2,399	-	80	-	-	2,479
Hemenway Park	11,480	-	384	-	-	11,864
Sidewalk Upgrades	50	-	2	-	-	52
Oakville Green Transportation	5,183	-	174	-	-	5,357
Dog Park	(7,623)	-	-	150	-	(7,473)
	<u>\$ 4,207,914</u>	<u>\$ 15,000,000</u>	<u>\$ 425,793</u>	<u>\$ 4,437,821</u>	<u>\$ (9,487,370)</u>	<u>\$ 14,584,158</u>

**STATISTICAL
SECTION**

TOWN OF WATERTOWN, CONNECTICUT
STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic conditions.

Statistical section information is presented in the following categories:

- Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.
- Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.)
- Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF WATERTOWN, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 136,540,586	\$ 131,585,292	\$ 130,011,245	\$ 131,085,354	\$ 129,300,586	\$ 130,694,302	\$ 131,776,291	\$ 130,504,297	\$ 130,139,277	\$ 138,857,588
Restricted	2,003,202	1,757,965	1,687,998	1,573,105	1,370,729	1,490,107	1,610,757	1,261,807	1,879,722	285,093
Unrestricted	(91,635,614)	(94,351,265)	(89,421,833)	(88,145,914)	(81,403,658)	(76,894,352)	(70,644,404)	(19,367,531)	(15,935,824)	(10,643,716)
Total Governmental Activities Net Position	\$ 46,908,174	\$ 38,991,992	\$ 42,277,410	\$ 44,512,545	\$ 49,267,657	\$ 55,290,057	\$ 62,742,644	\$ 112,398,573	\$ 116,083,175	\$ 128,498,965
Business-type Activities:										
Net Investment in Capital Assets	\$ 17,283,239	\$ 17,565,976	\$ 18,016,996	\$ 18,551,005	\$ 18,449,849	\$ 17,175,946	\$ 13,949,677	\$ 14,113,111	\$ 14,523,582	\$ 14,809,512
Unrestricted	(14,290,879)	(11,416,514)	8,080,698	6,520,730	4,594,677	3,868,277	4,133,573	3,948,533	3,626,024	2,838,278
Total Business-type Activities Net Position	\$ 2,992,360	\$ 6,149,462	\$ 26,097,694	\$ 25,071,735	\$ 23,044,526	\$ 21,044,223	\$ 18,083,250	\$ 18,061,644	\$ 18,149,606	\$ 17,647,790
Primary Government:										
Net Investment in Capital Assets	\$ 153,823,825	\$ 149,151,268	\$ 148,028,241	\$ 149,636,359	\$ 147,750,435	\$ 147,870,248	\$ 145,725,968	\$ 144,617,408	\$ 144,662,859	\$ 153,667,100
Restricted	2,003,202	1,757,965	1,687,998	1,573,105	1,370,729	1,490,107	1,610,757	1,261,807	1,879,722	285,093
Unrestricted	(105,926,493)	(105,767,779)	(81,341,135)	(81,625,184)	(76,808,981)	(73,026,075)	(66,510,831)	(15,418,998)	(12,309,800)	(7,805,438)
Total Primary Government Net Position	\$ 49,900,534	\$ 45,141,454	\$ 68,375,104	\$ 69,584,280	\$ 72,312,183	\$ 76,334,280	\$ 80,825,894	\$ 130,460,217	\$ 134,232,781	\$ 146,146,755

TOWN OF WATERTOWN, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
General Government	\$ 16,039,183	\$ 16,759,909	\$ 23,734,034	\$ 23,067,455	\$ 24,038,696	\$ 22,175,951	\$ 23,145,212	\$ 20,951,979	\$ 18,632,488	\$ 14,642,335
Public Safety	7,984,294	10,388,843	9,344,765	9,513,588	9,268,805	9,476,642	9,031,748	7,655,963	7,056,599	6,771,122
Public Works	8,008,302	6,660,561	7,259,527	5,987,316	6,504,916	5,664,282	5,666,103	5,523,038	6,830,031	6,029,759
Parks and Recreation	1,858,229	1,577,256	1,298,283	1,156,601	1,333,539	1,371,136	1,457,524	1,488,398	1,386,354	989,044
Health and Welfare	393,743	232,592	198,293	154,872	158,371	143,779	148,686	147,889	279,305	281,496
Education	67,701,207	70,593,082	54,046,453	61,223,301	52,695,769	53,894,922	49,080,797	48,197,167	44,847,545	49,786,691
Interest on Long-Term Debt	1,327,215	1,588,682	1,626,925	2,152,188	1,996,026	1,919,989	1,582,281	1,715,491	1,918,464	2,169,068
Total Governmental Activities Expenses	<u>103,312,173</u>	<u>107,800,925</u>	<u>97,508,280</u>	<u>103,255,321</u>	<u>95,996,122</u>	<u>94,646,701</u>	<u>90,112,351</u>	<u>85,679,925</u>	<u>80,950,786</u>	<u>80,669,515</u>
Business-Type Activities:										
Sewer	5,301,726	16,756,086	1,760,495	1,880,336	1,759,931	2,734,459	2,314,494	2,114,459	2,087,500	2,229,460
Water	2,868,532	7,571,815	1,723,912	1,617,737	1,899,775	1,638,721	1,642,045	1,556,315	1,638,468	1,687,777
Golf	954,485	829,073	745,290	748,593	673,329	700,326	621,752	540,530	602,299	812,641
Total Business-Type Activities Expenses	<u>9,124,743</u>	<u>25,156,974</u>	<u>4,229,697</u>	<u>4,246,666</u>	<u>4,333,035</u>	<u>5,073,506</u>	<u>4,578,291</u>	<u>4,211,304</u>	<u>4,328,267</u>	<u>4,729,878</u>
Total Primary Government Expenses	<u>\$ 112,436,916</u>	<u>\$ 132,957,899</u>	<u>\$ 101,737,977</u>	<u>\$ 107,501,987</u>	<u>\$ 100,329,157</u>	<u>\$ 99,720,207</u>	<u>\$ 94,690,642</u>	<u>\$ 89,891,229</u>	<u>\$ 85,279,053</u>	<u>\$ 85,399,393</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,906,278	\$ 1,412,457	\$ 1,578,490	\$ 3,203,513	\$ 1,095,776	\$ 1,103,834	\$ 1,072,169	\$ 1,105,899	\$ 725,951	\$ 1,239,983
Public Safety	1,663,951	1,612,906	791,309	1,128,926	968,256	1,292,489	856,423	857,351	1,337,748	808,950
Public Works	137,603	167,748	193,735	189,900	209,004	205,701	220,035	125,165	152,303	134,453
Parks and Recreation	569,478	539,302	410,162	161,222	329,258	368,639	394,318	393,443	351,132	393,356
Health and Welfare	78,622	2,990	2,872	2,992	1,972	2,372	1,349	1,007	4,595	-
Education	1,365,077	1,031,413	843,108	371,882	785,484	1,204,445	1,138,200	1,047,725	1,224,394	1,228,975
Operating Grants and Contributions	24,610,209	27,600,774	23,952,832	29,385,464	23,406,386	25,644,240	20,935,745	21,747,858	19,419,205	18,447,887
Capital Grants and Contributions	5,233,497	880,056	299,291	1,378,137	1,962,551	1,941,877	886,884	204,096	781,167	2,371,694
Total Governmental Activities Program Revenues	<u>35,564,715</u>	<u>33,247,646</u>	<u>28,071,799</u>	<u>35,822,036</u>	<u>28,758,687</u>	<u>31,763,597</u>	<u>25,505,123</u>	<u>25,482,544</u>	<u>23,996,495</u>	<u>24,625,298</u>
Business-Type Activities:										
Charges for Services:										
Sewer	2,905,715	2,742,585	2,676,445	2,533,147	2,407,884	2,345,023	2,253,924	2,072,644	1,903,604	1,810,092
Water	1,951,415	1,862,802	1,836,539	1,795,085	1,703,877	1,619,029	1,533,123	1,495,921	1,372,273	1,365,078
Golf	884,593	951,708	772,488	896,884	613,436	493,411	543,831	554,433	582,372	512,715
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	252,031	-	-	-
Total Business-Type Activities Program Revenues	<u>5,741,723</u>	<u>5,557,095</u>	<u>5,285,472</u>	<u>5,225,116</u>	<u>4,725,197</u>	<u>4,457,463</u>	<u>4,582,909</u>	<u>4,122,998</u>	<u>3,858,249</u>	<u>3,687,885</u>
Total Primary Government Program Revenues	<u>\$ 41,306,438</u>	<u>\$ 38,804,741</u>	<u>\$ 33,357,271</u>	<u>\$ 41,047,152</u>	<u>\$ 33,483,884</u>	<u>\$ 36,221,060</u>	<u>\$ 30,088,032</u>	<u>\$ 29,605,542</u>	<u>\$ 27,854,744</u>	<u>\$ 28,313,183</u>
Net (Expense) Revenue:										
Governmental Activities	\$ (67,747,458)	\$ (74,553,279)	\$ (69,436,481)	\$ (67,433,285)	\$ (67,237,435)	\$ (62,883,104)	\$ (64,607,228)	\$ (60,197,381)	\$ (56,954,291)	\$ (56,044,217)
Business-Type Activities	(3,383,020)	(19,599,879)	1,055,775	978,450	392,162	(616,043)	4,618	(88,306)	(470,018)	(1,041,993)
Total Primary Government Net Expense	<u>\$ (71,130,478)</u>	<u>\$ (94,153,158)</u>	<u>\$ (68,380,706)</u>	<u>\$ (66,454,835)</u>	<u>\$ (66,845,273)</u>	<u>\$ (63,499,147)</u>	<u>\$ (64,602,610)</u>	<u>\$ (60,285,687)</u>	<u>\$ (57,424,309)</u>	<u>\$ (57,086,210)</u>
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)

TOWN OF WATERTOWN, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 72,658,651	\$ 67,767,491	\$ 65,359,579	\$ 62,150,176	\$ 61,615,389	\$ 60,229,036	\$ 57,079,893	\$ 54,796,869	\$ 53,218,375	\$ 50,738,912
Grants and Contributions Not Restricted to Specific Programs	1,916,711	2,111,325	1,274,264	954,415	729,823	737,426	891,894	1,454,222	342,601	1,165,543
Unrestricted Investment Earnings	999,185	649,881	84,355	42,737	273,260	373,798	232,774	74,563	50,392	32,070
Other General Revenues	205,000	313,750	192,448	576,432	187,200	180,000	180,025	175,000	927,921	1,905,304
Transfers	(115,907)	425,414	44,356	(1,045,587)	(1,590,637)	(3,548,185)	8,866	12,125	(83,475)	(66,828)
Total Governmental Activities	<u>75,663,640</u>	<u>71,267,861</u>	<u>66,955,002</u>	<u>62,678,173</u>	<u>61,215,035</u>	<u>57,972,075</u>	<u>58,393,452</u>	<u>56,512,779</u>	<u>54,455,814</u>	<u>53,775,001</u>
Business-Type Activities:										
Unrestricted Investment Earnings	110,011	77,061	14,540	3,172	17,504	28,831	25,854	12,469	-	6,130
Transfers	115,907	(425,414)	(44,356)	1,045,587	1,590,637	3,548,185	(8,866)	(12,125)	83,475	66,828
Total Business-Type Activities	<u>225,918</u>	<u>(348,353)</u>	<u>(29,816)</u>	<u>1,048,759</u>	<u>1,608,141</u>	<u>3,577,016</u>	<u>16,988</u>	<u>344</u>	<u>83,475</u>	<u>72,958</u>
Total Primary Government	<u>\$ 75,889,558</u>	<u>\$ 70,919,508</u>	<u>\$ 66,925,186</u>	<u>\$ 63,726,932</u>	<u>\$ 62,823,176</u>	<u>\$ 61,549,091</u>	<u>\$ 58,410,440</u>	<u>\$ 56,513,123</u>	<u>\$ 54,539,289</u>	<u>\$ 53,847,959</u>
Loss on Assets:										
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,595
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,595</u>
Change in Net Position										
Governmental Activities	\$ 7,916,182	\$ (3,285,418)	\$ (2,481,479)	\$ (4,755,112)	\$ (6,022,400)	\$ (4,911,029)	\$ (6,213,776)	\$ (3,684,602)	\$ (2,498,477)	\$ (2,297,811)
Business-type Activities	(3,157,102)	(19,948,232)	1,025,959	2,027,209	2,000,303	2,960,973	21,606	(87,962)	(386,543)	(969,035)
Total Primary Government	<u>\$ 4,759,080</u>	<u>\$ (23,233,650)</u>	<u>\$ (1,455,520)</u>	<u>\$ (2,727,903)</u>	<u>\$ (4,022,097)</u>	<u>\$ (1,950,056)</u>	<u>\$ (6,192,170)</u>	<u>\$ (3,772,564)</u>	<u>\$ (2,885,020)</u>	<u>\$ (3,266,846)</u>

TOWN OF WATERTOWN, CONNECTICUT
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 193,978	\$ 83,626	\$ 101,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	336,736	407,967	529,627	485,101	378,240	637,537	932,456	691,815	467,589	488,840
Unassigned	10,900,083	9,632,135	9,919,389	6,857,463	8,778,391	6,798,056	4,084,363	5,302,434	8,016,125	7,370,555
Total General Fund	<u>\$ 11,430,797</u>	<u>\$ 10,123,728</u>	<u>\$ 10,550,173</u>	<u>\$ 7,342,564</u>	<u>\$ 9,156,631</u>	<u>\$ 7,435,593</u>	<u>\$ 5,016,819</u>	<u>\$ 5,994,249</u>	<u>\$ 8,483,714</u>	<u>\$ 7,859,395</u>
All Other Governmental Funds:										
Nonspendable	\$ 127,404	\$ 97,143	\$ 97,143	\$ 97,143	\$ 97,143	\$ 97,143	\$ 924,384	\$ 924,951	\$ 120,282	\$ 182,318
Restricted	15,365,732	4,954,497	5,176,871	6,559,357	8,705,038	9,714,033	11,680,914	359,995	1,759,761	5,106,845
Committed	2,766,651	3,143,203	3,066,379	2,389,363	2,151,621	1,368,570	1,363,215	1,019,850	492,516	2,438,907
Assigned	-	-	-	-	-	-	-	-	112,454	-
Unassigned	(53,458)	(73,140)	(79,862)	(176)	(53,580)	(90,365)	(73,370)	(4,541,883)	(4,885,259)	6,846
Total All Other Governmental Funds	<u>\$ 18,206,329</u>	<u>\$ 8,121,703</u>	<u>\$ 8,260,531</u>	<u>\$ 9,045,687</u>	<u>\$ 10,900,222</u>	<u>\$ 11,089,381</u>	<u>\$ 13,895,143</u>	<u>\$ (2,237,087)</u>	<u>\$ (2,400,246)</u>	<u>\$ 7,734,916</u>
Total Governmental Funds	<u>\$ 29,637,126</u>	<u>\$ 18,245,431</u>	<u>\$ 18,810,704</u>	<u>\$ 16,388,251</u>	<u>\$ 20,056,853</u>	<u>\$ 18,524,974</u>	<u>\$ 18,911,962</u>	<u>\$ 3,757,162</u>	<u>\$ 6,083,468</u>	<u>\$ 15,594,311</u>

Note:
 (1) Schedule prepared on the modified accrual basis of accounting.

TOWN OF WATERTOWN, CONNECTICUT
Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Property Taxes, Interest and Lien Fees	\$ 72,148,471	\$ 67,501,870	\$ 65,471,466	\$ 62,249,852	\$ 61,859,812	\$ 60,394,025	\$ 57,033,466	\$ 54,558,200	\$ 52,586,977	\$ 50,856,154
Intergovernmental Revenues	31,859,924	28,311,623	27,047,326	24,163,524	23,312,710	23,421,375	20,151,894	21,622,135	21,576,365	22,315,011
Licenses, Permits, and Charges for Services	5,247,321	4,716,231	4,151,382	3,934,881	3,445,754	4,300,876	3,804,951	3,567,159	4,108,959	4,887,920
Investment Income	999,184	649,823	84,233	42,231	271,410	369,995	231,192	73,555	52,028	32,017
Other Revenues	863,430	760,675	440,880	874,457	449,931	399,275	425,877	420,239	504,041	649,730
Total Revenues	111,118,330	101,940,222	97,195,287	91,264,945	89,339,617	88,885,546	81,647,380	80,241,288	78,828,370	78,740,832
Expenditures:										
General Government	\$ 4,090,959	\$ 3,643,430	\$ 3,146,130	\$ 2,937,907	\$ 2,926,307	\$ 2,812,732	\$ 2,786,843	\$ 2,860,969	\$ 2,597,695	\$ 2,687,104
Public Safety	7,296,238	6,805,036	7,138,830	6,605,466	5,811,919	5,592,875	5,862,000	5,578,409	5,677,770	5,352,140
Public Works	5,621,758	4,497,037	3,900,183	3,620,305	3,959,303	5,431,727	3,573,794	3,665,418	4,754,988	4,229,085
Parks and Recreation	1,801,915	1,584,620	1,243,798	1,029,150	1,252,796	1,234,533	1,362,282	1,323,437	1,193,087	1,186,993
Health and Welfare	393,743	280,509	246,673	217,056	210,199	203,797	201,129	191,233	328,520	244,378
Education	67,442,892	65,387,318	60,901,444	59,076,297	54,401,033	53,740,343	51,979,391	51,543,076	48,132,605	47,559,776
Other	10,661,256	11,577,390	9,994,908	10,121,868	10,126,796	9,804,626	9,412,375	9,538,802	8,763,452	8,205,314
Capital Outlay	11,445,851	2,679,719	2,298,999	5,367,593	9,041,497	10,471,263	1,476,976	1,929,123	2,766,836	2,363,893
Debt Service:										
Principal	5,470,000	6,199,867	5,187,158	10,512,403	11,247,316	22,314,700	5,400,104	5,412,462	4,905,000	4,425,000
Interest	1,327,215	1,815,357	1,880,162	2,500,551	2,401,182	1,698,982	1,710,144	1,910,560	2,043,972	2,591,270
Total Expenditures	115,551,827	104,470,283	95,938,285	101,988,596	101,378,348	113,305,578	83,765,038	83,953,489	81,163,925	78,844,953
Excess (Deficiency) of Revenues Over Expenditures	(4,433,497)	(2,530,061)	1,257,002	(10,723,651)	(12,038,731)	(24,420,032)	(2,117,658)	(3,712,201)	(2,335,555)	(104,121)
Other Financing Sources (Uses):										
Issuance of Bonds/BANs	15,000,000	-	-	6,000,000	12,200,000	22,910,000	16,900,000	1,075,000	-	3,000,000
Issuance of Equipment Financing Notes	298,932	367,139	744,865	1,009,037	462,260	407,108	243,602	202,762	483,634	418,681
Issuance of Refunding Bonds	-	-	9,430,000	10,290,000	-	-	-	-	-	6,265,000
Payment to Refunding Bond Escrow Agent	-	-	(10,534,474)	(10,633,950)	-	-	-	-	-	(6,607,647)
Bond/BAN Premiums	642,167	-	1,209,460	826,882	779,550	618,771	119,990	96,008	31,319	472,694
Leases issued	-	675,827	-	-	-	-	-	-	-	-
Subscription based IT arrangements issued	-	496,408	-	-	-	-	-	-	-	-
Transfers In	220,000	711,980	599,911	443,394	399,427	546,193	-	-	-	-
Transfers Out	(335,907)	(286,566)	(530,655)	(880,314)	(270,627)	(449,028)	(287,136)	(357,650)	(649,156)	(708,442)
Total Other Financing Sources (Uses)	15,825,192	1,964,788	919,107	7,055,049	13,570,610	24,033,044	16,976,456	1,016,120	(134,203)	2,840,286
Net Change in Fund Balances	11,391,695	(565,273)	2,176,109	(3,668,602)	1,531,879	(386,988)	14,858,798	(2,696,081)	(2,469,758)	2,736,165
Debt Service as a Percentage of Noncapital Expenditures	6.53%	7.93%	7.53%	13.47%	14.78%	23.35%	8.64%	8.93%	8.86%	9.17%

Note: Schedule prepared on the modified accrual basis of accounting.

TOWN OF WATERTOWN, CONNECTICUT
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (In Thousands)

Table 5

Fiscal Year	Grand List Year	Real Property		Personal Property		Vacant Land	Gross Taxable Grand List	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial and Industrial Property	Motor Vehicles	Other							
2024	2022	\$1,289,458	\$ 252,263	\$ 279,848	\$ 203,926	\$ 21,601	\$ 2,047,098	\$ 84,317	\$ 1,962,780	36.86	\$ 2,803,971	70%
2023	2021	1,283,347	250,335	262,116	192,268	22,286	2,010,355	82,095	1,928,259	34.94	2,754,656	70%
2022	2020	1,277,158	242,139	209,087	192,596	23,367	1,944,347	85,877	1,858,470	34.56	2,654,957	70%
2021	2019	1,281,347	252,254	194,500	192,447	4,183	1,924,731	69,640	1,855,091	33.19	2,650,130	70%
2020	2018	1,280,959	246,157	193,810	184,297	4,183	1,909,406	74,046	1,835,360	33.19	2,621,943	70%
2019	2017	1,245,429	228,990	189,340	172,523	3,216	1,839,498	67,502	1,771,996	33.59	2,531,423	70%
2018	2016	1,241,911	229,508	188,638	167,162	3,129	1,830,348	62,664	1,767,684	31.88	2,525,263	70%
2017	2015	1,238,970	229,298	184,139	150,741	2,376	1,805,524	60,249	1,745,275	30.89	2,493,250	70%
2016	2014	1,233,283	234,050	181,856	147,337	447	1,796,973	59,296	1,737,677	30.10	2,482,396	70%
2015	2013	1,228,803	233,237	177,678	133,695	517	1,773,930	55,272	1,718,658	29.12	2,455,226	70%

Source: Town of Watertown, Connecticut - Office of Tax Assessor

Notes:

(1) Assessed value is 70% of Estimated Actual Value

TOWN OF WATERTOWN, CONNECTICUT
Principal Property Taxpayers
Current Year and Nine Years Ago
(In Thousands)

Table 6

Taxpayer	Nature of Business	2024			2015		
		Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Value
Connecticut Light & Power	Utility	\$ 68,047	1	3.47%	\$ 11,022	3	0.60%
Greenbriar Associates, LLC	Real Estate	10,787	2	0.55%	5,227	10	0.28%
Straits LLC	Real Estate	10,512	3	0.54%			
Global Steering Company	Manufacturing	10,256	4	0.52%			
JSD Partners	Manufacturing	9,869	5	0.50%	7,576	5	0.41%
Straits Turnpike Limited Partnership	Real Estate	9,593	6	0.49%			
Yankee Gas	Utility	9,593	7	0.49%			
Siemon Realty Company	Real Estate	8,173	8	0.42%			
The Siemon Company	Manufacturing	7,584	9	0.39%	27,086	1	1.48%
Old Pin Shop LLC	Real Estate	6,149	10	0.31%			
Eyelematic Manufacturing Co.	Manufacturing				5,853	8	0.32%
Tinkin Co.	Manufacturing				26,633	2	1.45%
OSRAM, Sylvania, Inc.	Manufacturing				6,116	7	0.33%
Risdon - AMS (USA) Inc	Manufacturing				5,269	9	0.29%
Torrington Company	Manufacturing				6,547	6	0.36%
Bouffard Metal Goods, Inc	Manufacturing				9,560	4	0.52%
Total		\$ 150,563		7.67%	\$ 110,889		6.04%

Source: Assessor's Office - Town of Watertown, Connecticut

TOWN OF WATERTOWN, CONNECTICUT
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 7

Fiscal Year	Grand List Year	Net Taxable Assessed Value (In Thousands)	Tax Rate In Mills	Tax Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2024	2022	\$ 1,962,780	36.86	\$ 71,833,982	\$ 70,837,403	98.61%	\$ -	\$ 70,837,403	98.61%
2023	2021	1,928,257	34.94	67,318,834	67,240,789	99.88%	562,920	67,803,709	100.72%
2022	2020	1,858,470	34.56	65,041,818	64,267,829	98.81%	925,072	65,192,901	100.23%
2021	2019	1,855,091	33.19	61,584,233	60,967,689	99.00%	530,081	61,497,770	99.86%
2020	2018	1,835,360	33.19	61,313,822	60,705,937	99.01%	457,348	61,163,285	99.75%
2019	2017	1,771,996	33.59	59,919,974	59,277,939	98.93%	510,158	59,788,097	99.78%
2018	2016	1,767,684	31.88	56,661,252	55,844,763	98.56%	645,242	56,490,005	99.70%
2017	2015	1,745,275	30.89	54,377,797	53,569,467	98.51%	679,732	54,249,199	99.76%
2016	2014	1,737,686	30.10	52,539,751	51,812,359	98.62%	595,334	52,407,693	99.75%
2015	2013	1,718,661	29.12	50,221,088	49,593,099	98.75%	625,493	50,218,592	100.00%
2014	2012	1,958,272	25.09	49,217,960	48,628,689	98.80%	594,107	49,222,796	100.01%

Source: Town of Watertown Tax Collector's Office

TOWN OF WATERTOWN, CONNECTICUT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 8

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Bonded Debt Percentage of Actual Taxable Value of Property (1)	Total Debt per Capita	Total Bonded Debt per Capita
	General Obligation Bonds ¹	Equipment Financing Notes	Lease Liabilities	Subscription Liabilities	Clean Water Fund Notes	Equipment Financing Notes	Lease Liabilities					
2024	\$ 59,127,521	\$ 1,081,790	\$ 229,790	\$ 347,198	\$ -	\$ 53,727	\$ 18,904	\$ 60,858,930	5.78%	2.17%	\$ 2,732	\$ 2,655
2023	49,270,562	1,290,970	454,621	429,519	-	8,961	55,464	51,510,097	5.56%	1.87%	2,330	2,228
2022	55,055,770	1,365,603	-	-	-	17,323	90,993	56,529,689	6.09%	2.13%	2,557	2,490
2021	59,989,020	1,172,896	-	-	-	25,126	-	61,187,042	6.85%	2.31%	2,836	2,780
2020	63,423,320	634,212	-	-	-	32,408	-	64,089,940	7.40%	2.44%	2,959	2,928
2019	61,560,915	499,305	-	-	414,632	-	-	62,474,852	7.21%	2.47%	2,874	2,832
2018	43,312,201	386,897	-	-	829,264	-	-	44,528,362	5.13%	1.76%	1,978	1,924
2017	48,474,068	513,399	-	-	1,243,896	-	-	50,231,363	6.53%	2.01%	2,231	2,153
2016	52,484,674	768,099	-	-	1,661,611	-	-	54,914,384	7.23%	2.21%	2,471	2,361
2015	57,487,323	829,469	-	-	2,112,839	-	-	60,429,631	7.96%	2.46%	2,719	2,586

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

¹ See Table 5 for taxable property value data

² See Table 12 for personal income and population data.

³ Includes Bond Anticipation Notes Payable and Unamortized Premium.

TOWN OF WATERTOWN, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 FOR THE YEAR ENDED JUNE 30, 2024

Total tax collection including interest and lien fees for prior fiscal year						\$ 67,405,069
Reimbursement for revenue loss on Tax relief for elderly for prior fiscal year						<u>-</u>
Base						<u>\$ 67,405,069</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	
Debt limitation:						
2-1/4 times base	\$ 151,661,405	\$ -	\$ -	\$ -	\$ -	
4-1/2 times base	-	303,322,811	-	-	-	
3-3/4 times base	-	-	252,769,009	-	-	
3-1/4 times base	-	-	-	219,066,474	-	
3 times base	-	-	-	-	202,215,207	
Total debt limitation	<u>151,661,405</u>	<u>303,322,811</u>	<u>252,769,009</u>	<u>219,066,474</u>	<u>202,215,207</u>	
Indebtedness:						
General Obligation Bonds Payable	24,055,808	19,907,000	5,572,192	-	-	
Bonds authorized but not issued	<u>4,677,672</u>	<u>10,310,254</u>	<u>37,200</u>	<u>-</u>	<u>-</u>	
Total indebtedness	<u>28,733,480</u>	<u>30,217,254</u>	<u>5,609,392</u>	<u>-</u>	<u>-</u>	
Debt limitation in excess of outstanding and authorized debt	<u>\$ 122,927,925</u>	<u>\$ 273,105,557</u>	<u>\$ 247,159,617</u>	<u>\$ 219,066,474</u>	<u>\$ 202,215,207</u>	
Total capacity of borrowing (7 times base)		\$ 471,835,483				
Total present indebtedness		<u>64,560,126</u>				
Margin for additional borrowing		<u>\$ 407,275,357</u>				

TOWN OF WATERTOWN, CONNECTICUT
 Computation of Direct and Overlapping Debt
 Last Ten Fiscal Years

Table 10

Fiscal Year	Primary Government					Overlapping Debt Watertown Fire District			Total Direct and Overlapping Debt
	Town General Obligation Bonds	Equipment Financing Notes	Lease Liabilities	Subscription Liabilities	Sub-Total	General Obligation Bonds	Amount Applicable To Town	(1) Percentage Applicable To Town	
2024	\$ 59,127,521	\$ 1,081,790	\$ 229,790	\$ 347,198	\$ 60,786,299	\$ -	N/A	N/A	\$ 60,786,299
2023	\$ 49,270,562	\$ 1,290,970	\$ 454,621	\$ 429,519	51,445,672	-	N/A	N/A	51,445,672
2022	\$ 55,055,770	\$ 1,365,603	\$ -	\$ -	56,421,373	-	N/A	N/A	56,421,373
2021	\$ 59,989,020	\$ 1,172,896	\$ -	\$ -	61,161,916	-	N/A	N/A	61,161,916
2020	\$ 63,423,320	\$ 634,212	\$ -	\$ -	64,057,532	-	N/A	N/A	64,057,532
2019	\$ 61,560,915	\$ 499,305	\$ -	\$ -	62,060,220	-	N/A	N/A	62,060,220
2018	\$ 43,312,201	\$ 386,897	\$ -	\$ -	43,699,098	-	N/A	N/A	43,699,098
2017	\$ 48,474,068	\$ 513,399	\$ -	\$ -	48,987,467	-	N/A	N/A	48,987,467
2016	\$ 52,484,674	\$ 768,099	\$ -	\$ -	53,252,773	-	N/A	N/A	53,252,773
2015	\$ 57,487,323	\$ 829,469	\$ -	\$ -	58,316,792	274,382	274,382	100%	58,591,174

(1) 100% of the residents of the Fire District are also residents of the Town of Watertown; accordingly, 100% of the indebtedness of the Fire District is being included with the Town of Watertown as overlapping debt.

TOWN OF WATERTOWN, CONNECTICUT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (in Thousands)

Table 11

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limitation	\$ 471,835	\$ 455,799	\$ 434,041	\$ 430,593	\$ 422,127	\$ 398,681	\$ 383,868	\$ 369,474	\$ 369,473	\$ 354,736
Total net debt applicable to limit	<u>64,560</u>	<u>70,030</u>	<u>51,475</u>	<u>57,065</u>	<u>60,890</u>	<u>59,970</u>	<u>59,494</u>	<u>53,782</u>	<u>57,448</u>	<u>64,379</u>
Legal debt margin	<u>\$ 407,275</u>	<u>\$ 385,769</u>	<u>\$ 382,566</u>	<u>\$ 373,528</u>	<u>\$ 361,237</u>	<u>\$ 338,711</u>	<u>\$ 324,374</u>	<u>\$ 315,692</u>	<u>\$ 312,025</u>	<u>\$ 290,357</u>
Total net debt applicable to the limit as a percentage of debt limit	13.68%	15.36%	11.86%	13.25%	14.42%	15.04%	15.50%	14.56%	15.55%	18.15%

Source: Town of Watertown Finance Department

TOWN OF WATERTOWN, CONNECTICUT
Demographic and Economic Statistics
Last Ten Calendar Years

Table 12

Calendar Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (3)	School Enrollment (2)	Labor Force		Percentage Unemployed (4)			
					Employed (4)	Unemployed (4)	Town of Watertown	Waterbury Labor Market	State of Connecticut	United States
2024	22,274	\$ 1,053,364	\$ 47,642	2,554	12,559	291	2.3%	4.1%	2.5%	3.8%
2023	22,110	926,541	41,906	2,599	12,568	463	3.6%	6.1%	3.7%	3.6%
2022	22,110	928,465	41,993	2,582	12,579	472	3.6%	6.5%	4.1%	3.8%
2021	21,578	893,739	41,419	2,623	11,465	650	5.4%	12.0%	7.0%	5.9%
2020	21,661	866,634	40,009	2,706	11,502	1,101	8.7%	14.1%	10.0%	11.1%
2019	21,740	866,034	39,836	2,736	12,694	474	3.6%	5.9%	3.9%	3.9%
2018	22,514	867,464	38,530	2,799	12,449	502	3.9%	6.9%	4.3%	3.9%
2017	22,514	769,033	34,158	2,792	12,812	574	4.3%	7.9%	5.0%	4.4%
2016	22,228	759,264	34,158	2,824	12,447	606	4.6%	8.5%	5.4%	4.9%
2015	22,228	759,264	34,158	2,829	12,494	655	5.0%	9.5%	5.8%	5.1%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census and Connecticut Department of Public Health
- (2) Watertown Board of Education
- (3) U.S. Department of Commerce, Bureau of Census
- (4) State of Connecticut, Department of Labor

TOWN OF WATERTOWN, CONNECTICUT
Principal Employers
Current Year and Nine Years Ago

Table 13

Employer	Nature of Business	2024			2015		
		Employees	Rank	Percentage of Town Employment	Employees	Rank	Percentage of Town Employment
The Siemon Company	Manufacturer	420	1	3.34%	300	2	2.40%
Emerson Automated Solutions	Manufacturer	300	2	2.38%	110	10	0.88%
Shelter Loic	Manufacturer	265	3	2.11%			
The Taft School	Private School	235	4	1.87%	235	4	1.88%
Super Stop and Shop	Supermarket	210	5	1.67%	180	6	1.44%
Crystal Rock	Manufacturer - Bottled Water	200	6	1.58%	230	5	1.84%
LaBonnes Market	Supermarket	195	7	1.55%			
PM Engineered Solutions	Manufacturer	191	8	1.52%			
Braxton Manufacturing	Manufacturer	180	9	1.42%	165	7	1.32%
Apple Rehab	Health Care	138	10	1.09%	125	8	1.00%
Global Steering Systems	Manufacturer				338	1	2.70%
Albea	Manufacturer				300	3	2.40%
Truelove & Maclean	Manufacturer				120	9	0.96%
Total		2334		18.53%	2103		16.82%

Source: Assessor's Office - Town of Watertown, Connecticut

TOWN OF WATERTOWN, CONNECTICUT
 Full-Time Equivalent Government Employees By Function/Program
 Last Ten Fiscal Years

Table 14

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government	50	52	52	53	53	50	52	56	55	55
Police	43	39	37	37	35	35	37	38	38	38
Fire	1	1	1	1	1	2	2	2	2	2
Public Works	20	21	21	24	25	25	25	30	30	30
Park and Recreation	<u>6</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>
	<u>120</u>	<u>119</u>	<u>116</u>	<u>120</u>	<u>119</u>	<u>118</u>	<u>122</u>	<u>133</u>	<u>133</u>	<u>133</u>
Board of Education:										
Administration and Principals	19	22	19	16	15	15	16	19	18	18
Teachers	243	244	244	238	234	233	242	239	222	226
Other	<u>233</u>	<u>201</u>	<u>240</u>	<u>208</u>	<u>196</u>	<u>192</u>	<u>206</u>	<u>209</u>	<u>202</u>	<u>210</u>
	<u>495</u>	<u>467</u>	<u>503</u>	<u>462</u>	<u>445</u>	<u>440</u>	<u>464</u>	<u>467</u>	<u>442</u>	<u>454</u>
Total	<u><u>615</u></u>	<u><u>586</u></u>	<u><u>619</u></u>	<u><u>582</u></u>	<u><u>564</u></u>	<u><u>558</u></u>	<u><u>586</u></u>	<u><u>600</u></u>	<u><u>575</u></u>	<u><u>587</u></u>

Source(s): Various Town Departments

TOWN OF WATERTOWN, CONNECTICUT
 Operating Indicators By Function/Program
 Last Ten Fiscal Years

Table 15

<u>Function/Program</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Building Permits Issued	1,410	1,408	1,320	1,487	1,398	1,331	1,388	1,289	1,574	1,422
Police:										
Physical Arrests	312	279	241	234	389	502	536	536	524	446
Parking Violations	94	309	5	6	101	531	566	102	146	203
Traffic Violations	1,749	684	448	450	1,356	2,012	1,749	1,889	1,912	1,983
Fire:										
Emergency Responses	2,462	2,985	2,989	2,741	2,508	1,893	2,428	2,397	2,437	2,499
Fires Extinguished	42	50	46	49	40	71	67	69	47	41
Public Works:										
Street Resurfacing (Miles)	44.00	-	1.53	1.40	2.80	1.38	-	3.30	0.90	4.45
Potholes Repaired	64	121	1,825	1,750	640	300	459	430	433	222
Library:										
Volumes in Collection	91,795	70,700	82,585	78,685	82,806	80,063	84,051	79,376	78,194	78,194
Water:										
Water Main Breaks	6	5	3	4	10	10	11	5	7	5
Average Daily Consumption (thousands of gallons)	815	750	1,019	920	1,000	877	880	880	824	876

Source(s): Various Town Departments

TOWN OF WATERTOWN, CONNECTICUT
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Table 16

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Administrative Buildings	1	1	1	1	3	3	3	3	3	3
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works:										
Miles of Streets	138	138	138	138	136	136	136	136	136	136
Miles of Sidewalks	37	37	37	37	37	37	37	37	37	37
Catch Basins	4,082	4,082	3,460	3,460	3,460	3,460	3,454	3,440	3,438	3,438
Number of Dams	4	4	3	4	5	4	5	5	5	5
Parks and Recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Cemeteries	3	3	3	3	3	3	3	3	3	3
Golf Courses	1	1	1	1	1	1	1	1	1	1
Recreation Fields and Courts:										
Number of Basketball Courts	11	11	11	11	11	11	11	11	11	11
Number of Football Fields	1	1	1	1	1	1	1	1	1	1
Number of Playgrounds	10	8	8	8	8	8	8	8	8	8
Number of Soccer Fields	5	5	5	5	5	5	5	5	5	5
Number of Softball/Baseball Fields	12	12	12	12	12	12	12	14	14	14
Number of Tennis Courts	4	4	4	4	4	4	4	4	4	4
Education:										
School Buildings	5	5	5	5	5	5	5	4	5	5
Administrative Buildings	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments