

TOWN OF ANDOVER, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2024**

TOWN OF ANDOVER, CONNECTICUT
FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Andover, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 50 through 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
May 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the Town of Andover, Connecticut, (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,395,207 (net position). Of this amount, \$3,898,316 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$2,220,513.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,179,772, an increase of \$1,129,809 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,684,152 or 13.1% of the Town's total fiscal year 2025 General Fund budgetary expenditure appropriation. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.57 months of General Fund operating expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town has no business-type activities. The governmental activities of the Town include general government, public works, public safety, sanitation and waste, building, planning and zoning, community services, health and welfare, and education services.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental funds.

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 50 through 60 of this report. Combining and individual fund statements and schedules can be found on pages 61 through 79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

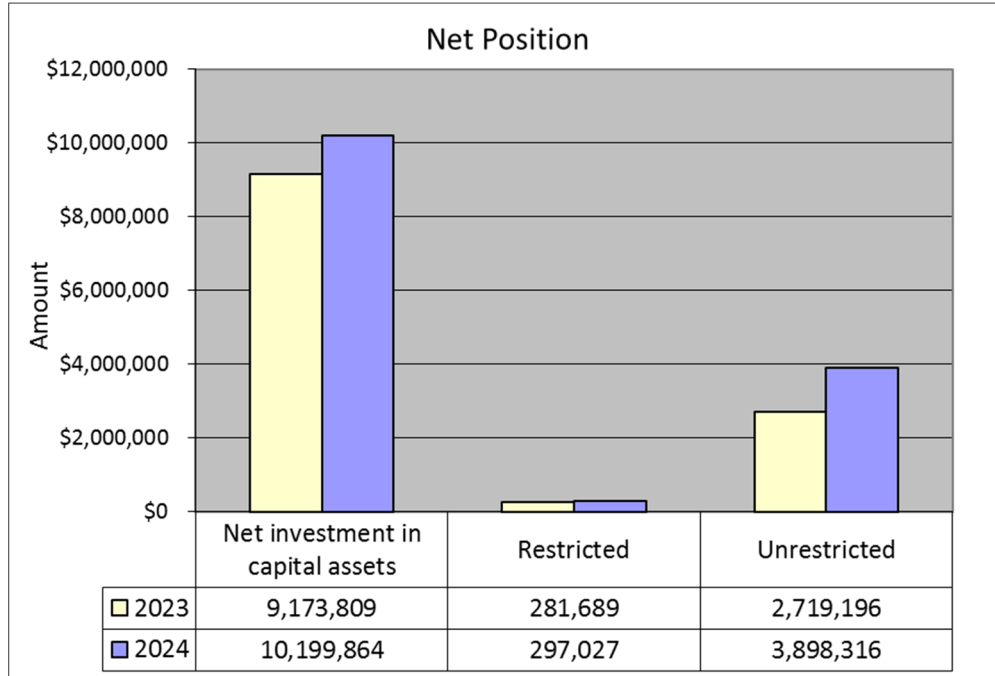
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$14,395,207 as of June 30, 2024 and \$12,174,694 as of June 30, 2023 and is summarized as follows:

	2024	2023	\$ Variance	\$ Variance
Current and other assets	\$ 6,912,991	\$ 6,344,793	\$ 568,198	9.0%
Capital assets	10,514,505	9,373,537	1,140,968	12.2%
Total assets	<u>17,427,496</u>	<u>15,718,330</u>	<u>1,709,166</u>	10.9%
Deferred outflows of resources	<u>1,149,059</u>	<u>1,188,138</u>	<u>(39,079)</u>	-3.3%
Other liabilities	1,124,709	1,631,906	(507,197)	-31.1%
Long-term liabilities	<u>2,704,956</u>	<u>2,717,244</u>	<u>(12,288)</u>	-0.5%
Total liabilities	<u>3,829,665</u>	<u>4,349,150</u>	<u>(519,485)</u>	-11.9%
Deferred outflows of resources	<u>351,683</u>	<u>382,624</u>	<u>(30,941)</u>	-8.1%
Net position:				
Net investment in capital assets	10,199,864	9,173,809	1,026,055	11.2%
Restricted	297,027	281,689	15,338	5.4%
Unrestricted	<u>3,898,316</u>	<u>2,719,196</u>	<u>1,179,120</u>	43.4%
Total net position	<u>\$ 14,395,207</u>	<u>\$ 12,174,694</u>	<u>\$ 2,220,513</u>	18.2%

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Of the Town's net position as of June 30, 2024, 70.9% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2024, 2.1% of the Town's net position, respectively, is subject to external restrictions on how it may be used and is therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

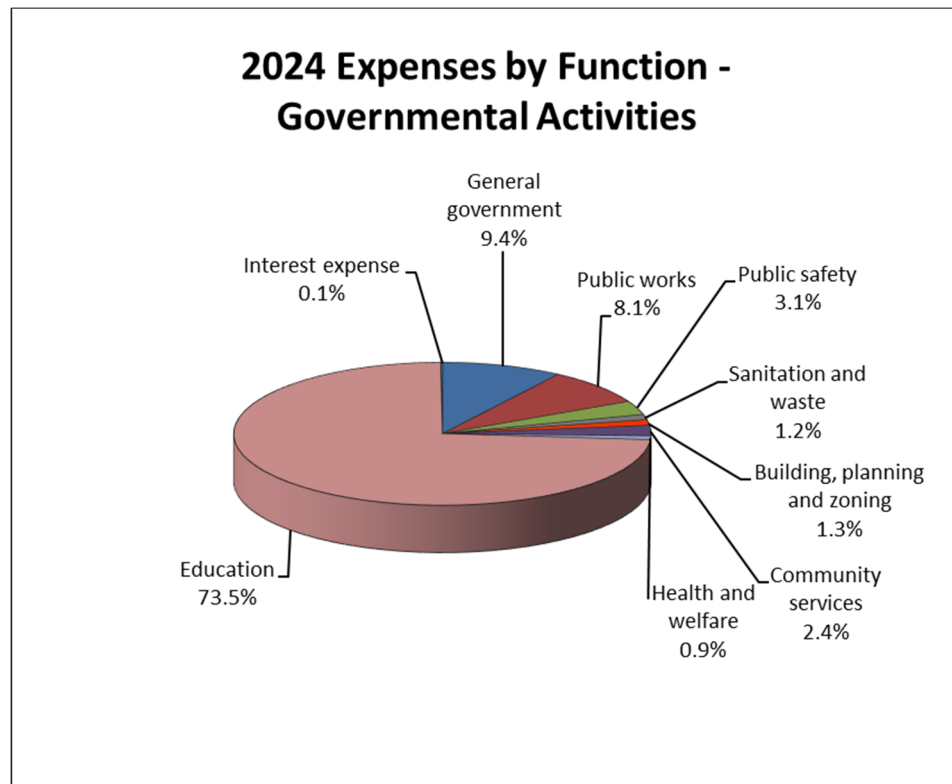
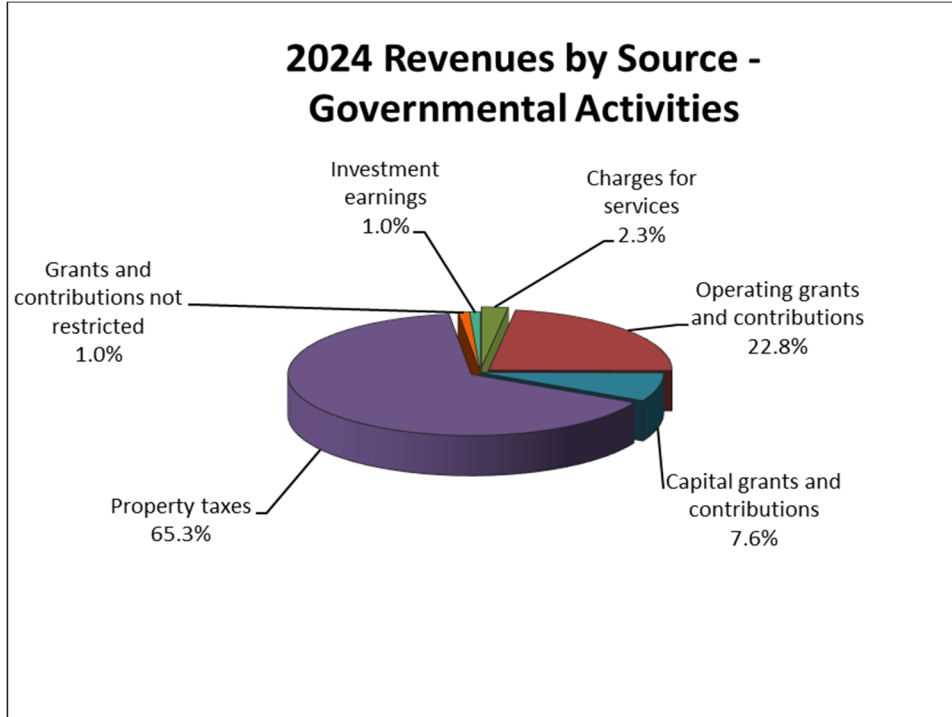
Changes in net position for the years ended June 30, 2024 and 2023 are as follows.

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues:				
Program revenues:				
Charges for services	\$ 366,367	\$ 471,283	\$ (104,916)	-22.3%
Operating grants and contributions	3,534,671	3,566,402	(31,731)	-0.9%
Capital grants and contributions	1,173,246	36,825	1,136,421	3086.0%
General revenues:				
Property taxes	10,153,248	10,137,297	15,951	0.2%
Grants and contributions not restricted	153,646	250,326	(96,680)	-38.6%
Investment earnings	146,004	1,798	144,206	8020.4%
Total revenues	<u>15,527,182</u>	<u>14,463,931</u>	<u>1,063,251</u>	7.4%
Expenses:				
General government	1,246,462	1,255,437	(8,975)	-0.7%
Public works	1,087,246	1,622,946	(535,700)	-33.0%
Public safety	413,617	395,053	18,564	4.7%
Sanitation and waste	161,012	178,889	(17,877)	-10.0%
Building, planning and zoning	169,503	133,605	35,898	26.9%
Community services	314,415	344,031	(29,616)	-8.6%
Health and welfare	115,651	111,439	4,212	3.8%
Education	9,780,999	10,394,651	(613,652)	-5.9%
Interest expense	17,764	-	17,764	100.0%
Total expenses	<u>13,306,669</u>	<u>14,436,051</u>	<u>(1,129,382)</u>	-7.8%
Change in net position	<u>\$ 2,220,513</u>	<u>\$ 27,880</u>	<u>\$ 2,192,633</u>	7864.5%

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

Governmental activities increased the Town's net position by \$2,220,513 during the current fiscal year.

Revenues generated by the Town increased by \$1,063,251 or 7.4% over the prior year due primarily to increases in capital grants and investment earnings. The increase in capital grants was primarily related to the recognition of coronavirus state and local fiscal recovery funds used to fund construction of a new community and senior center.

Expenses incurred by the Town decreased by \$1,129,382 or 7.8%. Education expenses decreased by \$613,652 or 5.9% in part due to a decrease in on-behalf revenues and expenses recognized in connection with the Town's participation in the Connecticut Teachers' Retirement System. In addition, public works expenses decreased by \$535,700 primarily due to noncapitalized road maintenance expensed in the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,179,772, an increase of \$1,129,809 in comparison with the prior year. Of this amount, \$4,877,745 consists of unrestricted fund balance (committed, assigned and unassigned), which is available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,684,152. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. At the end of the current fiscal year, unassigned fund balance for the General Fund was 13.1% of the Town's total fiscal year 2025 General Fund budgetary expenditure appropriation. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.57 months of General Fund operating expenditures.

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

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Capital Reserve Fund

The fund balance of the Capital Reserve Fund increased by \$655,401 during the current fiscal year from \$1,125,261 as of June 30, 2023 to \$1,780,662 as of June 30, 2024. The current year increase reflects budgetary transfers in from the General Fund offset by the use of capital reserves. Significant capital outlays consisted of facility and infrastructure improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original and final budget planned for the use of fund balance of \$35,000 to reduce the amount of property taxes levied. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$372,617, resulting in a favorable budgetary variance of \$407,617. Revenues and other financing sources were \$227,421 more than budgeted and expenditures and other financing uses were \$180,196 less than budgeted. The budgetary results include the transfer of the education surplus for the year of \$445,644 to the School District's nonlapsing and capital related reserve funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2024 and 2023 totaled \$10,514,505 and \$9,373,537, respectively (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, buildings and improvements, machinery, equipment and vehicles and infrastructure assets such as roads and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$1,140,968 or 12.2%, which consisted of capital asset additions of \$1,734,123, offset by current year depreciation of \$593,155.

Major capital asset additions during the current fiscal year consisted the purchase of public works equipment, a senior bus and construction of a new community and senior center.

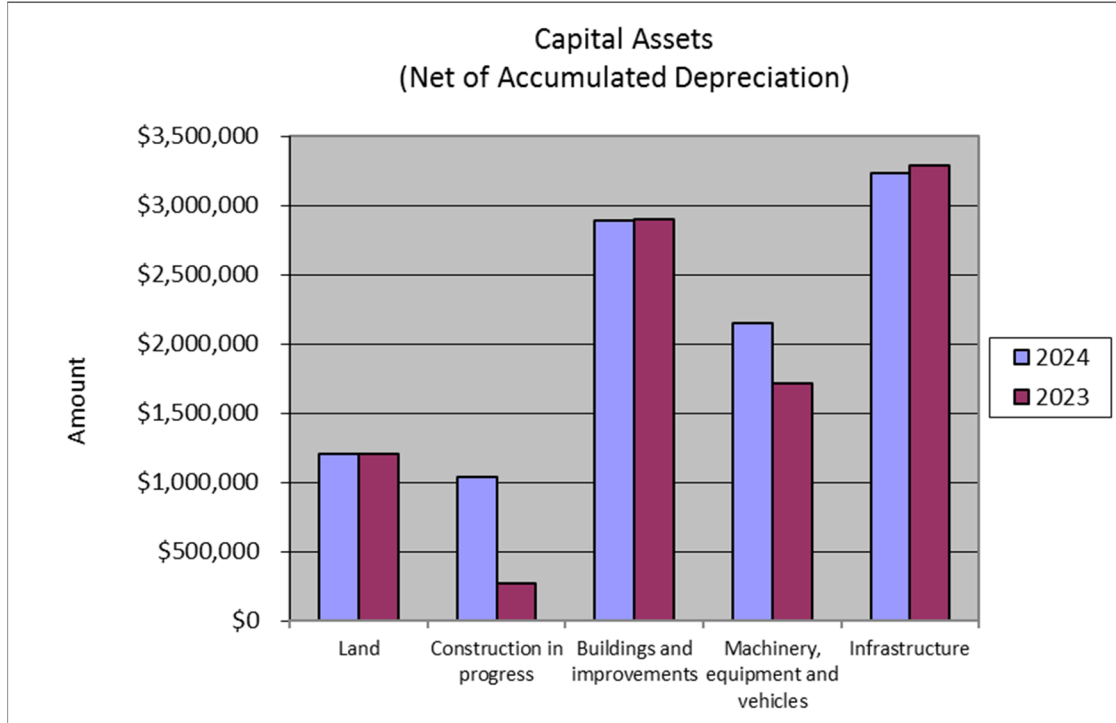
The following table is a two-year comparison of the investment in capital assets:

	2024	2023	\$ Variance	% Variance
Land	\$ 1,205,733	\$ 1,205,733	\$ -	-
Construction in progress	1,038,910	268,609	770,301	286.8%
Buildings and improvements	2,892,399	2,900,071	(7,672)	-0.3%
Machinery, equipment and vehicles	2,147,553	1,713,075	434,478	25.4%
Infrastructure	3,229,910	3,286,049	(56,139)	-1.7%
Totals	<u>\$ 10,514,505</u>	<u>\$ 9,373,537</u>	<u>\$ 1,140,968</u>	12.2%

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Additional information on the Town's capital assets can be found in the notes to the basic financial statements of this report.

Long-term Debt

At the end of the current fiscal year, the Town had long-term debt outstanding of \$314,641, which consisted of financed purchase arrangements. The change in the Town's long-term debt consisted of a new financed purchase arrangement for \$203,874, offset by current year scheduled repayments.

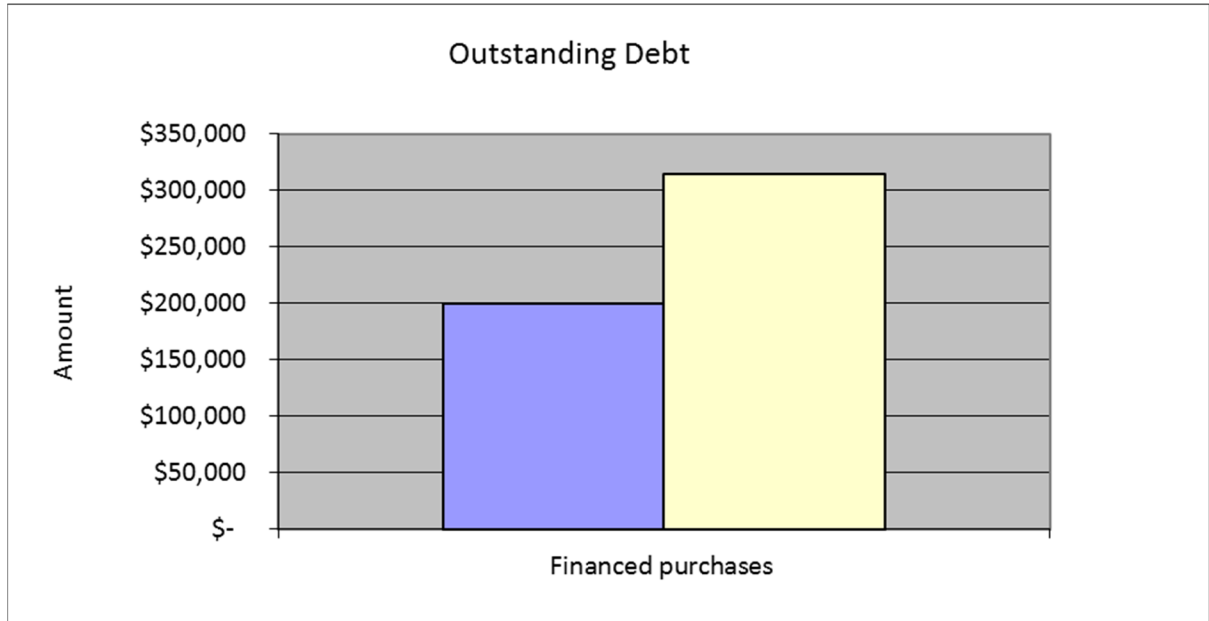
The following table is a two-year comparison of long-term debt:

	2024	2023	\$ Variance	% Variance
Financed purchases	\$ 314,641	\$ 199,728	\$ 114,913	57.5%

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

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt *(Continued)*



Additional information on the Town's long-term debt can be found in the notes to the basic financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- The unemployment rate for the Town compares favorably to the state's average unemployment rate and the national unemployment rate.
- Inflationary trends in the region compare favorably to national indices.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrator's Office, Town of Andover, 17 School Road, Andover, CT 06278.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,992,545
Investments	52,894
Receivables:	
Property taxes	391,155
Interest on property taxes	251,435
Grants and contracts	203,738
Other	16,224
Other	5,000
Capital assets:	
Non-depreciable	2,244,643
Depreciable, net	8,269,862
Total assets	17,427,496
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	624,130
OPEB related	524,929
Total deferred outflows of resources	1,149,059
LIABILITIES	
Accounts payable	847,318
Accrued liabilities	54,914
Unearned revenue	181,110
Deposits payable	41,367
Noncurrent liabilities:	
Due within one year	133,862
Due in more than one year	2,571,094
Total liabilities	3,829,665
DEFERRED INFLOWS OF RESOURCES	
Pension related	202,109
OPEB related	149,574
Total deferred inflows of resources	351,683
NET POSITION	
Net investment in capital assets	10,199,864
Restricted for:	
Endowments - nonexpendable	58,795
Endowments - expendable	67,668
Grant programs	170,564
Unrestricted	3,898,316
Total net position	\$ 14,395,207

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,246,462	\$ 64,483	\$ 47,528	\$ -	\$ (1,134,451)
Public works	1,087,246	-	169,759	79,901	(837,586)
Public safety	413,617	2,466	-	-	(411,151)
Sanitation and waste	161,012	41,135	-	-	(119,877)
Building, planning and zoning	169,503	71,354	-	-	(98,149)
Community services	314,415	8,641	25,970	1,093,345	813,541
Health and welfare	115,651	-	-	-	(115,651)
Education	9,780,999	178,288	3,291,414	-	(6,311,297)
Interest	17,764	-	-	-	(17,764)
Total governmental activities	<u>\$ 13,306,669</u>	<u>\$ 366,367</u>	<u>\$ 3,534,671</u>	<u>\$ 1,173,246</u>	<u>(8,232,385)</u>
General revenues:					
					10,153,248
					153,646
					146,004
					<u>10,452,898</u>
					2,220,513
					<u>12,174,694</u>
					<u>\$ 14,395,207</u>

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

TOWN OF ANDOVER, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,239,066	\$ 340,378	\$ 413,101	\$ 5,992,545
Investments	-	-	52,894	52,894
Receivables:				
Property taxes	391,155	-	-	391,155
Interest on property taxes	251,435	-	-	251,435
Grants and contracts	180,519	-	23,219	203,738
Other	16,224	-	-	16,224
Due from other funds	135,860	1,562,222	1,240,992	2,939,074
Other	5,000	-	-	5,000
Total assets	<u>\$ 6,219,259</u>	<u>\$ 1,902,600</u>	<u>\$ 1,730,206</u>	<u>\$ 9,852,065</u>
LIABILITIES				
Accounts payable	\$ 842,102	\$ -	\$ 5,216	\$ 847,318
Accrued liabilities	54,914	-	-	54,914
Due to other funds	2,803,214	121,938	13,922	2,939,074
Deposits payable	41,367	-	-	41,367
Unearned revenue	-	-	181,110	181,110
Total liabilities	<u>3,741,597</u>	<u>121,938</u>	<u>200,248</u>	<u>4,063,783</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	608,510	-	-	608,510
FUND BALANCES				
Nonspendable	5,000	-	58,795	63,795
Restricted	-	-	238,232	238,232
Committed	-	1,866,195	1,233,362	3,099,557
Assigned	180,000	-	-	180,000
Unassigned	1,684,152	(85,533)	(431)	1,598,188
Total fund balances	<u>1,869,152</u>	<u>1,780,662</u>	<u>1,529,958</u>	<u>5,179,772</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,219,259</u>	<u>\$ 1,902,600</u>	<u>\$ 1,730,206</u>	<u>\$ 9,852,065</u>

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

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

Total fund balances for governmental funds \$ 5,179,772

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$	1,038,910	
Construction in progress		1,205,733	
Buildings and improvements		11,172,554	
Machinery, equipment and vehicles		5,283,785	
Infrastructure		4,030,101	
Less: accumulated depreciation and amortization		<u>(12,216,578)</u>	
Total capital assets, net			10,514,505

Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds. 608,510

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Long-term debt:			
Financed purchases		(314,641)	
Other long-term liabilities:			
Compensated absences		(169,416)	
Net pension liability		(1,679,288)	
Total OPEB liability		<u>(541,611)</u>	
Total long-term liabilities			(2,704,956)

Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension and total OPEB liabilities are reported in the statement of net position. 797,376

Net position of governmental activities \$ 14,395,207

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

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

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 10,207,662	\$ -	\$ -	\$ 10,207,662
Intergovernmental	2,813,341	49,597	2,002,359	4,865,297
Charges for services	177,032	-	190,185	367,217
Investment earnings	129,279	413	16,320	146,012
Other	-	14,104	46,346	60,450
Total revenues	<u>13,327,314</u>	<u>64,114</u>	<u>2,255,210</u>	<u>15,646,638</u>
EXPENDITURES				
Current:				
General government	1,143,348	-	9,044	1,152,392
Public safety	147,185	-	156,104	303,289
Public works	568,193	-	196,537	764,730
Sanitation and waste	159,281	-	-	159,281
Building planning and zoning	169,034	-	-	169,034
Community services	154,027	-	109,127	263,154
Health and welfare	115,651	-	-	115,651
Education	8,937,478	-	867,816	9,805,294
Capital outlays	-	786,006	1,095,147	1,881,153
Debt service:				
Principal payments	-	88,961	-	88,961
Interest and fiscal charges	-	17,764	-	17,764
Total expenditures	<u>11,394,197</u>	<u>892,731</u>	<u>2,433,775</u>	<u>14,720,703</u>
Excess (deficiency) of revenues over expenditures	1,933,117	(828,617)	(178,565)	925,935
OTHER FINANCING SOURCES (USES)				
Financed purchases	-	203,874	-	203,874
Transfers in	733	1,280,144	281,089	1,561,966
Transfers out	(1,561,233)	-	(733)	(1,561,966)
Total other financing sources (uses)	<u>(1,560,500)</u>	<u>1,484,018</u>	<u>280,356</u>	<u>203,874</u>
Net change in fund balances	372,617	655,401	101,791	1,129,809
Fund balances - beginning	<u>1,496,535</u>	<u>1,125,261</u>	<u>1,428,167</u>	<u>4,049,963</u>
Fund balances - ending	<u>\$ 1,869,152</u>	<u>\$ 1,780,662</u>	<u>\$ 1,529,958</u>	<u>\$ 5,179,772</u>

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

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

Net change in fund balances - total governmental funds	\$	1,129,809
Total change in net position reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:</p>		
Expenditures for capital assets	\$ 1,734,123	
Depreciation and amortization expense	<u>(593,155)</u>	
Net adjustment		1,140,968
<p>Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflow of resources in governmental funds. This amount represents the change in unavailable revenues.</p>		
		(54,414)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:</p>		
Debt issued or incurred:		
Financed purchases	(203,874)	
Principal repayments:		
Financed purchases	<u>88,961</u>	
Net adjustment		(114,913)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:</p>		
Compensated absences	(5,981)	
Net pension liability	117,037	
Total OPEB liability	<u>16,145</u>	
Net adjustment		127,201
<p>Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities.</p>		
		<u>(8,138)</u>
Change in net position of governmental activities	\$	<u><u>2,220,513</u></u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

History and Organization

The Town of Andover, Connecticut, was settled in 1848 and covers 39.5 square miles located in Tolland County. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services as authorized by Connecticut General Statutes: public works, public safety, sanitation and waste, building, planning and zoning, community services, health and welfare, education and general administrative services.

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

The basic financial statements of the reporting entity include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Related Organizations

The Town is a member of Regional School District No. 8 (the District), which is located in Hebron, Connecticut. The District provides educational services for the grade 7 through 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District's outstanding bonds. The District is governed by an elected Board of Education and issues publicly available financial reports.

The Town contracts for fire protection and emergency ambulance services from the Andover Volunteer Fire Department, Inc. (the Department), a legally separate 501(c)(3) nonprofit corporation. The Town funds a significant portion of the Department's operating and capital activities.

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

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

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

Capital Reserve Fund - This fund is used to account for the revenues and expenditures relating to construction, repairs and capital purchases.

Additionally, the Town reports the following fund types:

Special Revenue Funds - These funds account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds - These funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

Permanent Funds - These funds account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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

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

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

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

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Property Taxes

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in four installments, July 1, October 1, January 1, and April 1. Personal property and motor vehicle taxes are billed in July and are due in four installments. A supplemental motor vehicle tax is billed in one installment on January 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. No allowance for doubtful accounts has been recorded on property tax receivables as liens are either filed when amounts become past due or such amounts have been deemed immaterial.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for land, building and improvements, machinery, equipment and vehicles, and an estimated useful life in excess of one year.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30 - 50
Machinery, equipment and vehicles	3 - 10
Infrastructure	30 - 50

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

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

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

Leases (as Lessor)

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

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

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represents a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time. The Town reports deferred charges on pension and other post-employment benefit (OPEB) expenses in the government-wide statement of net position. Deferred charges on pension and OPEB expenses are amortized as a component of pension and OPEB expense on a systematic and rational basis.

The Town also reports unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

Long-term Debt

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

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

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

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

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

Long-term Obligations *(Continued)*

Long-term Debt (Continued)

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

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more.

Compensated Absences

Town and Board of Education employees (except teachers who are granted sick time only) may accumulate unused vacation and sick pay benefits (compensated absences) subject to certain union and contract provisions. All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources.

Net Position

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

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

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

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

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

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

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

Net Position *(Continued)*

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

Fund Balance

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

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

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

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of financial decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by Connecticut General Statutes.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance determines assignments by way of formal resolution on behalf of the Town to document the Town's intent to use available resources for specific purposes. The applicable assignments do not require formal Town Meeting approval. A review of assignments will be performed by the Board of Finance at regularly scheduled meetings.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories. In accordance with the Town's fund balance policy, the Town strives to maintain a General Fund unassigned fund balance of 10.0% of current year General Fund budgetary operating expenditures.

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

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

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

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

Interfund Activities

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

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

Government-wide statement of net position:		
Cash and cash equivalents	\$	5,992,545
Less: cash equivalents considered investments for disclosure purposes		(3,427,548)
	\$	<u>2,564,997</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$1,895,267, of the Town's bank balance of \$2,668,400 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,705,740
Uninsured and collateralized with securities held by the pledging bank's trust department or agent held in the Town's name		189,527
	\$	<u>1,895,267</u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio.

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

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

Custodial Credit Risk *(Continued)*

The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

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

Government-wide statement of net position:		
Investments	\$	52,894
Add: cash equivalents considered investments for disclosure purposes		3,427,548
	\$	3,480,442

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

Investment type	Valuation Method	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Governmental Activities:				
Debt Securities:				
Short-term Investment Fund	Amortized cost	AAA	\$ 3,427,548	\$ 3,427,548
Other investments:				
Common stock	Fair value	unrated	52,894	
Total			\$ 3,480,442	

Interest Rate Risk

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

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in 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; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

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

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

Credit Risk *(Continued)*

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments are not exposed to custodial credit risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the Town.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2024, 100% of the Town's investments within the government-wide statement of net position were invested in Bank of America Corporation common stock.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2024, by level within the fair value hierarchy are presented in the table below:

<u>Financial Assets Measured at Fair Value</u>	<u>Prices in Active Market (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Common stock	\$ 52,894	\$ -	\$ -	\$ 52,894
		Investments measured at amortized cost		3,427,548
				<u>\$ 3,480,442</u>

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

NOTE 4 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Construction in progress	\$ 268,609	\$ 1,028,910	\$ (258,609)	\$ 1,038,910
Land	1,205,733	-	-	1,205,733
Total capital assets, not being depreciated	<u>1,474,342</u>	<u>1,028,910</u>	<u>(258,609)</u>	<u>2,244,643</u>
Capital assets, being depreciated:				
Buildings and improvements	10,943,078	229,476	-	11,172,554
Machinery, equipment and vehicles	4,604,804	420,372	258,609	5,283,785
Infrastructure	3,974,736	55,365	-	4,030,101
Total capital assets, being depreciated	<u>19,522,618</u>	<u>705,213</u>	<u>258,609</u>	<u>20,486,440</u>
Less accumulated depreciation for:				
Buildings and improvements	8,043,007	237,148	-	8,280,155
Machinery, equipment and vehicles	2,891,729	244,503	-	3,136,232
Infrastructure	688,687	111,504	-	800,191
Total accumulated depreciation	<u>11,623,423</u>	<u>593,155</u>	<u>-</u>	<u>12,216,578</u>
Total capital assets, being depreciated, net	<u>7,899,195</u>	<u>112,058</u>	<u>258,609</u>	<u>8,269,862</u>
Governmental activities capital assets, net	<u>\$ 9,373,537</u>	<u>\$ 1,140,968</u>	<u>\$ -</u>	<u>\$ 10,514,505</u>

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

Governmental Activities:	
General government	\$ 51,726
Public works	144,049
Public safety	110,328
Sanitation and waste	1,731
Community services	99,385
Education	185,936
Total depreciation expense - governmental activities	<u>\$ 593,155</u>

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

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Reserve Fund	\$ 121,938
	Other Governmental Funds	13,922
		<u>135,860</u>
Capital Reserve Fund	General Fund	1,562,222
Other Governmental Funds	General Fund	1,240,992
		<u>\$ 2,939,074</u>

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

NOTE 6 - INTERFUND TRANSFERS

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 733
Capital Reserve Fund	General Fund	1,280,144
Other Governmental Funds	General Fund	281,089
		<u>\$ 1,561,966</u>

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

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

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>Long-term debt:</i>					
Financed purchases	\$ 199,728	\$ 203,874	\$ (88,961)	\$ 314,641	\$ 83,862
<i>Other long-term liabilities:</i>					
Compensated absences	163,435	12,019	(6,038)	169,416	50,000
Net pension liability (see Note 9)	1,796,325	-	(117,037)	1,679,288	-
Total OPEB liability (see Note 10)	557,756	-	(16,145)	541,611	-
	<u>\$ 2,717,244</u>	<u>\$ 215,893</u>	<u>\$ (228,181)</u>	<u>\$ 2,704,956</u>	<u>\$ 133,862</u>

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 for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. The Town had no outstanding general obligation bonds as of June 30, 2024.

Financed Purchases

The Town enters into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes periodic principal and interest payments at interest rates ranging from 6.9% to 7.6% through various maturity dates.

The debt service requirements for the Town's finance purchase arrangements are as follows:

<u>Year ending June 30:</u>	Governmental Activities Financed Purchases		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 83,862	\$ 22,865	\$ 106,727
2026	89,911	16,816	106,727
2027	96,397	10,329	106,726
2028	44,471	3,374	47,845
	<u>\$ 314,641</u>	<u>\$ 53,384</u>	<u>\$ 368,025</u>

Authorized, but Unissued Debt

The Town had no authorized, but unissued debt as of June 30, 2024.

Overlapping Debts

The Town is contingently liable for its pro-rata share of Regional School District No. 8's (the District) outstanding bonds. At June 30, 2024, the District's total outstanding bonds were \$1,180,000. The Town's share will be approximately 14.43% of the total, or \$170,274. Such outstanding indebtedness represents general obligations of the Regional School District No. 8 and its member towns, however, the Town is not required to record its share in the accompanying statement of net position. Regional School District No. 8 has no authorized, unissued bonds, for which the Town would be contingently liable.

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

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

Legal Debt Limit

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

NOTE 8 - FUND BALANCE

The various components of fund balance at June 30, 2024 are as follows:

	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ 58,795	\$ 58,795
Prepaid items	5,000	-	-	5,000
	<u>5,000</u>	<u>-</u>	<u>58,795</u>	<u>63,795</u>
Restricted for:				
Donor restrictions	-	-	67,668	67,668
Road maintenance	-	-	108,916	108,916
Education programs	-	-	24,473	24,473
Student activities	-	-	23,340	23,340
Other purposes	-	-	13,835	13,835
	<u>-</u>	<u>-</u>	<u>238,232</u>	<u>238,232</u>
Committed to:				
Community service programs	-	-	77,280	77,280
Open space	-	-	225,839	225,839
Severance pay	-	-	28,825	28,825
Library	-	-	42,077	42,077
Capital purposes	-	1,866,195	827,178	2,693,373
Other purposes	-	-	32,163	32,163
	<u>-</u>	<u>1,866,195</u>	<u>1,233,362</u>	<u>3,099,557</u>
Assigned to:				
Use in fiscal year 2025 budget	180,000	-	-	180,000
Unassigned				
	1,684,152	(85,533)	(431)	1,598,188
	<u>\$ 1,869,152</u>	<u>\$ 1,780,662</u>	<u>\$ 1,529,958</u>	<u>\$ 5,179,772</u>

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS

The Town accounts for activity relating to two defined benefit pension plans, (1) the Connecticut Municipal Employees' Retirement System and (2) 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 Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>Pension Expense</u>
Connecticut Municipal Employees' Retirement System (proportionate share)	\$ 1,679,288	\$ 624,130	\$ 202,109	\$ -	\$ 91,307
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	666,728	666,728
	<u>\$ 1,679,288</u>	<u>\$ 624,130</u>	<u>\$ 202,109</u>	<u>\$ 666,728</u>	<u>\$ 758,035</u>

Connecticut Municipal Employees' Retirement System

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS 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. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

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

Certain employees of the Town are eligible to participate in CMERS and are classified within the general employees with social security sub plan. The following disclosures have been provided for this sub plan.

Plan Description

Plan administration - CMERS is a cost-sharing pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

Plan membership - All full-time employees of the Town, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security.

Benefits provided - The Plan provides retirement, disability and death benefits as defined in the Statutes. General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active non-continuous service. Employees under the age of 55 are eligible to retire with 25 years of service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

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 2.0% of average final compensation in excess of the year's breakpoint, times years of service.

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

Employees are eligible for early retirement after 5 years of active continuous or 15 years of active non-continuous 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.

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 benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

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. The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute 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 administrative fee per active and retired member.

For the fiscal year beginning July 1, 2023, employees covered by social security are required to contribute 4.75% of compensation up to the social security taxable wage base plus 7.50% of compensation, if any, in excess of such base. The contribution rate will increase each year through fiscal year 2025 per Public Act 19-124.

Summary of Significant Accounting Policies

Pensions - 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.

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.

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability

The total estimated collective net pension liability of the CMERS as of June 30, 2023 was \$1.415 billion, 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 \$456.3 million as of June 30, 2023. The portion that was associated with the Town totaled \$1,679,288 or approximately 0.119% of the total estimated collective net pension liability of the CMERS sub plan for general employees. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

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

Inflation	2.50%
Salary increases	3.50% - 9.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a statistical analysis 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Target Expected Real Rate of Return</u>
Global Equity	37.0%	6.9%
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%	6.2%
Real Estate	10.0%	6.3%
Infra. & Natural Resources	7.0%	7.7%
	<u>100.0%</u>	

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

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

Sensitivity of the net pension liability to changes in the discount rate - The following presents the Town's proportionate share of the collective net pension liability for the general employees with social security sub plan calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.00% Decrease	Current Rate	1.00% Increase
Town's proportionate share of the collective net pension liability	\$ 2,355,000	\$ 1,679,288	\$ 1,117,000

Pension plan fiduciary net position - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense related to the CMERS of \$91,307. At June 30, 2024, the Town reported its proportionate share of deferred outflows and inflows of resources related to the CMERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Differences between expected and actual experience	\$ 107,530	\$ 18,491	\$ 89,039
Net difference between projected and actual earnings on pension plan investments	140,713	-	140,713
Change of assumptions	152,859	-	152,859
Contributions paid to the CMERS subsequent to the measurement date	187,472	-	187,472
Other	35,556	183,618	(148,062)
Total	\$ 624,130	\$ 202,109	\$ 422,021

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

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

Amounts reported as deferred outflows and inflows of resources related to the CMERS will be amortized as a component of pension expense in future years as follows:

Year ended June 30,		
2025	\$	233,776
2026		24,933
2027		152,452
2028		5,981
2029		4,879
	<u>\$</u>	<u>422,021</u>

Connecticut Teachers' Retirement System

Plan Description

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

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

Benefit Provisions

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

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

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

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 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

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

Contributions

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

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

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

Administrative Expenses

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

Basis of Presentation

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Basis of Presentation *(Continued)*

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

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.041% as of the most recent measurement date.

Collective Net Pension Liability

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

Collective Net Pension Liability of the State for the TRS		\$ 17,007,295,000
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net Pension Liability	0.000%	\$ -
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.041%	\$ 6,964,000

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$646,121 or 0.041% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2024.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$666,728 or 0.041% of the total collective pension expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2024.

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

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

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

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

Long-Term Rate of Return

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

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Andover Other Post-employment Benefits	\$ 541,611	\$ 524,929	\$ 149,574	\$ -	\$ 53,489
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(76,857)	(76,857)
	\$ 541,611	\$ 524,929	\$ 149,574	\$ (76,857)	\$ (23,368)

Detailed disclosures for each plan follow.

Andover Other Post-Employment Benefits Plan

Plan Description

The Town's Board of Education administers one single-employer defined benefit healthcare plan (the Plan) to provide medical benefits to certain eligible retirees, spouses and beneficiaries. The plan provides for medical, prescription drugs and dental benefits. Benefits provisions are established by contract and may be amended by union negotiations each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided

The OPEB Plan provides for medical, prescription, dental and vision insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees. Currently, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go basis.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Andover Other Post-Employment Benefits Plan *(Continued)*

Employees Covered by Benefit Terms

As of the July 1, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	52
	57
	57

Total OPEB Liability

The July 1, 2022 actuarial valuation directly calculated the July 1, 2022 total OPEB liability. The July 1, 2022 total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the total OPEB liability as of June 30, 2024. The total OPEB liability as of June 30, 2024 was also adjusted to reflect any material plan changes after the valuation.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.93%
Inflation rate	2.40%
Healthcare cost trend rates	6.50% decreasing to an ultimate rate of 4.40% in 2033

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality tables projected to the valuation date with scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2023	\$ 557,756
Changes for the year:	
Service cost	7,920
Interest	18,717
Changes in benefit terms	-
Differences between expected and actual experience	81,208
Changes of assumptions	(17,292)
Benefit payments	(106,698)
Net changes	(16,145)
Balance as of June 30, 2024	\$ 541,611

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Andover Other Post-Employment Benefits Plan *(Continued)*

Changes in the Total OPEB Liability *(Continued)*

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

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 607,218	\$ 541,611	\$ 485,834

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 473,364	\$ 541,611	\$ 622,947

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized OPEB expense of \$53,489. As of June 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Differences between expected and actual experience	\$ 457,933	\$ 87,089	\$ 370,844
Changes in assumptions	66,996	62,485	4,511
Total	\$ 524,929	\$ 149,574	\$ 375,355

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

Year ended June 30,	
2025	\$ 34,772
2026	34,772
2027	34,772
2028	34,772
2029	34,772
Thereafter	201,495
	\$ 375,355

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

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

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

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

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

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

Administrative Expenses

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

Basis of Presentation

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

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

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.041% as of the most recent measurement date.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

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

Collective Net OPEB Liability of the State for the TRS		\$ 1,593,350,000
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.041%	\$ 652,000

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$8,792 or 0.041% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled a negative \$(76,857) or 0.041% of the total collective OPEB expense and has been recognized as reduction to the Town's operating contributions and education expenses in the statement of activities for the year ended 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, applied to all periods included in the measurement:

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

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

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

Discount Rate

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

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase 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 2028 and, as a result, the Municipal Bond Index Rate of 3.65% was used in the determination of the single equivalent rate.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2024, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims that exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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

NOTE 11 - RISK MANAGEMENT *(Continued)*

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

Workers' Compensation Pool

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Liability-Automobile-Property Pool

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Insurance Consortium

The Town is a member of the Regional School District No. 8 Health and Medical Insurance Consortium (the Consortium), a cooperative formed in accordance with Public Act 10-174 of the Connecticut General Statutes. The Consortium provides medical and dental benefits to the employees and eligible retirees of its member Towns and Boards of Education. The costs of claims are paid by the Consortium and the risk of claims are shared collectively by its members. Each member is responsible for its share of any assessment or additional contribution. This share is based on its relative premium or equivalency contribution to the plan(s) as a percentage of the aggregate net total premium equivalency contribution to the plan(s), as is appropriate based on the nature of the assessment or contribution. In addition, each member is liable, on a pro rata basis, for any additional contributions required in the event the Consortium funding falls below specified levels. The Town believes that no additional contributions will be assessed for the year ended June 30, 2024.

NOTE 12 - CONTINGENCIES

Litigation, Claims and Assessments

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

Federal Awards and State Financial Assistance

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 10,176,381	\$ 10,176,381	\$ 10,207,662	\$ 31,281
Intergovernmental	2,085,132	2,085,132	2,158,428	73,296
Charges for services	181,200	181,200	177,032	(4,168)
Interest income	3,000	3,000	129,279	126,279
Total revenues	<u>12,445,713</u>	<u>12,445,713</u>	<u>12,672,401</u>	<u>226,688</u>
EXPENDITURES				
Current:				
General government	1,270,620	1,243,007	1,143,348	(99,659)
Public works	615,398	616,381	568,193	(48,188)
Public safety	319,710	321,502	299,935	(21,567)
Sanitation and waste	165,149	165,149	159,281	(5,868)
Building planning and zoning	159,425	172,904	169,034	(3,870)
Community services	161,311	171,427	170,355	(1,072)
Health and welfare	115,461	115,651	115,651	-
Recreation	10,930	11,983	12,011	28
Education	8,728,209	8,728,209	8,728,209	-
Capital outlays	-	-	-	-
Total expenditures	<u>11,546,213</u>	<u>11,546,213</u>	<u>11,366,017</u>	<u>(180,196)</u>
Excess (deficiency) of revenues over expenditures	899,500	899,500	1,306,384	406,884
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	35,000	35,000	-	(35,000)
Transfers in	-	-	733	733
Transfer out	(934,500)	(934,500)	(934,500)	-
Total other financing sources (uses)	<u>(899,500)</u>	<u>(899,500)</u>	<u>(933,767)</u>	<u>(34,267)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,617</u>	<u>\$ 372,617</u>

See accompanying notes to required supplementary information.

TOWN OF ANDOVER, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.1187%	0.1306%	0.1397%	0.1534%	0.1488%	0.1586%	0.2446%	0.2167%	0.2887%	0.4242%
Town's proportionate share of the net pension liability	<u>\$ 1,679,288</u>	<u>\$ 1,796,325</u>	<u>\$ 992,023</u>	<u>\$ 1,707,000</u>	<u>\$ 1,537,000</u>	<u>\$ 1,537,000</u>	<u>\$ 607,000</u>	<u>\$ 720,749</u>	<u>\$ 556,399</u>	<u>\$ 418,050</u>
Town's covered payroll	\$ 1,110,874	\$ 1,110,874	\$ 1,134,976	\$ 1,053,593	\$ 1,070,924	\$ 1,116,491	\$ 874,125	\$ 901,816	\$ 901,809	\$ 908,272
Town's proportionate share of the net pension liability as a percentage of its covered payroll	151.2%	161.7%	87.4%	162.0%	143.5%	137.7%	69.4%	79.9%	61.7%	46.0%
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%	96.06%

See accompanying notes to required supplementary information.

TOWN OF ANDOVER, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS -
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

	<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>
Contractually required contribution	\$ 187,471	\$ 197,939	\$ 157,514	\$ 157,512	\$ 125,726	\$ 127,057	\$ 99,475	\$ 108,038	\$ 108,037	\$ 107,085
Contributions in relation to the contractually required contribution	<u>187,471</u>	<u>197,939</u>	<u>157,514</u>	<u>157,512</u>	<u>125,726</u>	<u>127,057</u>	<u>99,475</u>	<u>108,038</u>	<u>108,037</u>	<u>107,085</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,110,874	\$ 1,127,857	\$ 1,134,976	\$ 1,053,593	\$ 1,070,924	\$ 1,116,491	\$ 874,125	\$ 901,816	\$ 901,809	\$ 908,272
Contributions as a percentage of covered payroll	16.88%	17.55%	13.88%	14.95%	11.74%	11.38%	11.38%	11.98%	11.98%	11.79%

See accompanying notes to required supplementary information.

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

	<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>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	6,964,000	7,985,000	6,294,000	7,947,000	7,748,000	5,974,000	7,092,000	7,482,000	6,105,000	5,643,000
Total	<u>\$ 6,964,000</u>	<u>\$ 7,985,000</u>	<u>\$ 6,294,000</u>	<u>\$ 7,947,000</u>	<u>\$ 7,748,000</u>	<u>\$ 5,974,000</u>	<u>\$ 7,092,000</u>	<u>\$ 7,482,000</u>	<u>\$ 6,105,000</u>	<u>\$ 5,643,000</u>
Town's covered payroll	\$ 2,046,000	\$ 1,994,000	\$ 1,898,000	\$ 1,836,000	\$ 1,992,000	\$ 1,945,000	\$ 2,268,000	\$ 2,186,000	\$ 2,269,000	\$ 2,187,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

See accompanying notes to required supplementary information.

TOWN OF ANDOVER, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:							
Service cost	\$ 7,920	\$ 8,699	\$ 10,894	\$ 14,907	\$ 11,247	\$ 13,916	\$ 13,773
Interest	18,717	11,003	8,956	10,720	14,750	20,561	19,447
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	81,208	343,655	121,838	(32,793)	11,199	(130,934)	667
Changes of assumptions	(17,292)	8,641	(55,086)	27,601	53,658	20,917	(14,412)
Benefit payments, including refunds	(106,698)	(230,744)	(146,921)	(27,480)	(31,670)	(33,973)	(29,151)
Net change in total OPEB liability	(16,145)	141,254	(60,319)	(7,045)	59,184	(109,513)	(9,676)
Total OPEB liability - beginning	557,756	416,502	476,821	483,866	424,682	534,195	543,871
Total OPEB liability - ending	<u>\$ 541,611</u>	<u>\$ 557,756</u>	<u>\$ 416,502</u>	<u>\$ 476,821</u>	<u>\$ 483,866</u>	<u>\$ 424,682</u>	<u>\$ 534,195</u>
 Town's covered employee payroll	 \$ 3,423,000	 \$ 3,343,000	 \$ 2,824,000	 \$ 2,758,000	 \$ 2,857,000	 \$ 2,785,000	 \$ 2,953,000
 Total OPEB liability as a percentage of covered employee payroll	 15.82%	 16.68%	 14.75%	 17.29%	 16.94%	 15.25%	 18.09%

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

See accompanying notes to required supplementary information.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	652,000	699,000	686,000	1,185,000	1,208,000	1,194,000	1,825,000
Total	<u>\$ 652,000</u>	<u>\$ 699,000</u>	<u>\$ 686,000</u>	<u>\$ 1,185,000</u>	<u>\$ 1,208,000</u>	<u>\$ 1,194,000</u>	<u>\$ 1,825,000</u>
Town's covered employee payroll	\$ 2,046,000	\$ 1,994,000	\$ 1,898,000	\$ 1,836,000	\$ 1,992,000	\$ 1,945,000	\$ 2,268,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

See accompanying notes to required supplementary information.

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

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

BUDGETARY INFORMATION

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

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- The Board of Selectmen presents a budget message, estimates of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.
- The Regional School District No. 8 (the District) Board of Education presents the proposed District budget to the Board of Finance. A separate public hearing and referendum for the District's budget are administered by the District's Board of Education.
- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the local Board of Education. The Board of Finance then prepares a budget to be presented at the Town's Annual Budget meeting. This meeting shall consider the budget presented by the Board of Finance and may approve or lower the General Government, Andover Board of Education and/or Capital Projects budgets. The District's budget cannot be approved or lowered during this meeting as it is subject to a separate referendum held by the District. The Annual Budget meeting will adjourn to referendum.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level. Transfers of budgeted amounts between departments must be approved by the Board of Selectman and the Board of Finance. The Board of Selectman may transfer amounts between line items within a department. Additional appropriation requests are submitted by the department heads to the Board of Selectmen. The Board of Selectmen acts on the requests, which, if approved are sent to the Board of Finance. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission or department. Appropriations in excess of the amount which the Board of Finance may approve or a second request by the requesting board, commission or department, must also be approved by vote of a Town Meeting. During the year ended June 30, 2024, no additional appropriations from fund balance were authorized.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.

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

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

BUDGETARY INFORMATION *(Continued)*

- All unexpended appropriations lapse at year-end, except those amounts appropriated within the Capital Reserve Fund and certain amounts approved by the Board of Finance for carryover. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). The differences consist primarily of payments made by the State of Connecticut on-behalf of the Town into the State Teachers' Retirement System, which are not recorded for budgetary purposes, and certain reclassifications between revenues, expenditures and other financing sources (uses) due to perspective differences.

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2024:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses), Net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 12,673,134	\$ 11,366,750	\$ (933,767)	\$ 372,617
"On-behalf" payments - State Teachers Retirement Fund	654,913	654,913	-	-
Reclassification of transfers for GAAP purposes	(733)	(627,466)	(626,733)	-
Noncash financed purchase	-	-	-	-
GAAP basis	<u>\$ 13,327,314</u>	<u>\$ 11,394,197</u>	<u>\$ (1,560,500)</u>	<u>\$ 372,617</u>

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

NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of June 30, 2023. This information is utilized by the Town for reporting as of June 30, 2024.

Benefit Changes - The following benefit changes had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024:

- In 2023, the Connecticut Legislature passed House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans. Certain benefit and provision changes were made to include Cost-of-Living Adjustments, benefit formula multiplier was increased for certain members effective July 1, 2025, and a DROP plan is offered beginning July 1, 2025 for eligible members.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024:

- Mortality rates were updated based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.
- Salary increases were updated to 3.00% - 9.50%, including inflation.

NOTE 3 - SCHEDULE OF CONTRIBUTIONS - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Actuarially determined contribution rates are calculated as of June 30 for the fiscal year ending two years after the valuation date.

- Actuarial cost method: Entry Age Normal
- Amortization method: Level dollar, closed;
- Single equivalent amortization period: Blended 24.3 to 24.4 years depending on Tier
- Asset valuation method: Market Value on the measurement date.
- Inflation: 2.50%;
- Salary increases: 3.50% to 9.50%, including inflation
- Investment rate of return: 7.00%, net of investment related expenses; and
- Mortality rates were based on the Pub-2010 Mortality Tables set-forward one year (except Active employees) and projected generationally with Scale MP-2021.

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

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

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

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

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

NOTE 5 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years. This schedule will present 10 years of information as additional information becomes available.

The July 1, 2022 actuarial valuation was utilized to calculate the July 1, 2022 total OPEB liability. The July 1, 2022 total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2024.

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

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

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

NOTE 6 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

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

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

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2024.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
PROPERTY TAXES				
Tax collections - current year	\$ 9,955,181	\$ 9,955,181	\$ 9,869,555	\$ (85,626)
Tax collections - prior year	155,000	155,000	225,386	70,386
Tax interest and liens	66,200	66,200	112,721	46,521
TOTAL PROPERTY TAXES	<u>10,176,381</u>	<u>10,176,381</u>	<u>10,207,662</u>	<u>31,281</u>
INTERGOVERNMENTAL REVENUES				
Town:				
Municipal Stabilization Grant	43,820	43,820	43,820	-
State miscellaneous	11,000	11,000	570	(10,430)
Payment in Lieu of Taxes on State-owned Property	10,830	10,830	11,642	812
Mashantucket Pequot and Mohegan Fund Grant	6,680	6,680	6,680	-
Telephone access	5,000	5,000	7,429	2,429
Municipal Grant-in-Aid	2,620	2,620	2,620	-
Tax Relief on Property of Totally Disabled Persons	400	400	455	55
Municipal Revenue Sharing Grant	-	-	79,679	79,679
Tax Relief for Veterans	-	-	751	751
	<u>80,350</u>	<u>80,350</u>	<u>153,646</u>	<u>73,296</u>
Education:				
Education cost sharing	2,004,782	2,004,782	2,004,782	-
TOTAL INTERGOVERNMENTAL REVENUES	<u>2,085,132</u>	<u>2,085,132</u>	<u>2,158,428</u>	<u>73,296</u>
CHARGES FOR SERVICES				
Building department	68,000	68,000	71,354	3,354
Town clerk	55,000	55,000	51,121	(3,879)
Transfer station	44,200	44,200	41,135	(3,065)
Miscellaneous	3,000	3,000	2,112	(888)
Rentals	10,000	10,000	11,250	1,250
Waste redemption	1,000	1,000	-	(1,000)
Permits	-	-	60	60
TOTAL CHARGES FOR SERVICES	<u>181,200</u>	<u>181,200</u>	<u>177,032</u>	<u>(4,168)</u>
INVESTMENT INCOME	<u>3,000</u>	<u>3,000</u>	<u>129,279</u>	<u>126,279</u>
TOTAL REVENUES	<u>12,445,713</u>	<u>12,445,713</u>	<u>12,672,401</u>	<u>226,688</u>
OTHER FINANCING SOURCES				
Appropriation of fund balance	35,000	35,000	-	(35,000)
Transfers in	-	-	733	733
TOTAL OTHER FINANCING SOURCES	<u>35,000</u>	<u>35,000</u>	<u>733</u>	<u>(34,267)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 12,480,713</u>	<u>\$ 12,480,713</u>	<u>\$ 12,673,134</u>	<u>\$ 192,421</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
GENERAL GOVERNMENT				
Selectmen	\$ 8,300	\$ 7,300	\$ 5,114	\$ (2,186)
Town Administrator	117,930	102,930	100,884	(2,046)
Board of Finance	1,700	2,500	2,499	(1)
Audit, actuarial and consulting services	40,500	42,500	42,475	(25)
Town Attorney	17,000	17,000	11,725	(5,275)
Treasurer	59,100	62,511	62,375	(136)
Tax Collector	63,568	63,568	62,206	(1,362)
Assessor	93,963	93,963	91,526	(2,437)
Board of Assessment Appeals	550	700	616	(84)
Town Clerk	112,584	106,584	96,690	(9,894)
Probate Court	3,200	3,262	3,262	-
Elections	32,575	27,575	16,922	(10,653)
Old Town Hall maintenance	4,050	4,050	902	(3,148)
Registrars	19,603	19,603	16,181	(3,422)
Advertising	5,500	5,500	4,719	(781)
Town Office building	99,007	99,007	90,148	(8,859)
Insurance	113,047	114,257	114,253	(4)
Employee benefits	413,397	403,874	370,791	(33,083)
Custodial and cleaning services	14,846	16,123	16,123	-
Contingency	50,000	50,000	33,937	(16,063)
Historical	200	200	-	(200)
TOTAL GENERAL GOVERNMENT	<u>1,270,620</u>	<u>1,243,007</u>	<u>1,143,348</u>	<u>(99,659)</u>
PUBLIC WORKS				
Public Works Department	427,983	427,983	415,384	(12,599)
Snow removal	95,250	95,250	84,829	(10,421)
Town Garage	37,295	37,295	25,072	(12,223)
Street lighting	10,360	10,360	5,166	(5,194)
Engineer	10,000	10,983	10,983	-
Ground maintenance	34,510	34,510	26,759	(7,751)
TOTAL PUBLIC WORKS	<u>615,398</u>	<u>616,381</u>	<u>568,193</u>	<u>(48,188)</u>
PUBLIC SAFETY				
Fire Department	152,750	153,293	153,153	(140)
Law enforcement	140,450	140,450	122,056	(18,394)
Old Fire House	1,000	1,000	839	(161)
Fire marshal	12,039	12,039	9,553	(2,486)
Animal control	10,500	11,749	11,749	-
Civil preparedness	2,971	2,971	2,585	(386)
TOTAL PUBLIC SAFETY	<u>319,710</u>	<u>321,502</u>	<u>299,935</u>	<u>(21,567)</u>
SANITATION AND WASTE				
Transfer Station	157,169	157,169	149,617	(7,552)
Recycling	7,980	7,980	9,664	1,684
TOTAL SANITATION AND WASTE	<u>165,149</u>	<u>165,149</u>	<u>159,281</u>	<u>(5,868)</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED) *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
BUILDING PLANNING AND ZONING				
Building Department	\$ 135,860	\$ 148,366	\$ 146,668	\$ (1,698)
Conservation Commission	650	650	85	(565)
Capital Region Council of Governments	8,500	8,616	8,616	-
Planning and Zoning	10,950	11,807	11,807	-
Inlands Wetlands Commission	1,965	1,965	929	(1,036)
Economic Development Commission	1,000	1,000	450	(550)
Zoning Board of Appeals	500	500	479	(21)
TOTAL BUILDING PLANNING AND ZONING	<u>159,425</u>	<u>172,904</u>	<u>169,034</u>	<u>(3,870)</u>
COMMUNITY SERVICES				
Library	108,860	108,860	108,799	(61)
Senior transportation	39,595	49,076	48,076	(1,000)
Senior citizens	12,856	13,491	13,480	(11)
TOTAL COMMUNITY SERVICES	<u>161,311</u>	<u>171,427</u>	<u>170,355</u>	<u>(1,072)</u>
HEALTH AND WELFARE				
Youth services	97,002	97,002	97,002	-
Health services	18,459	18,649	18,649	-
TOTAL HEALTH AND WELFARE	<u>115,461</u>	<u>115,651</u>	<u>115,651</u>	<u>-</u>
RECREATION	<u>10,930</u>	<u>11,983</u>	<u>12,011</u>	<u>28</u>
EDUCATION				
Andover Elementary School	4,234,796	4,234,796	3,789,152	(445,644)
Andover Elementary School - Year End Transfer	-	-	445,644	445,644
Regional School District No. 8	4,493,413	4,493,413	4,493,413	-
TOTAL EDUCATION	<u>8,728,209</u>	<u>8,728,209</u>	<u>8,728,209</u>	<u>-</u>
TOTAL EXPENDITURES	<u>11,546,213</u>	<u>11,546,213</u>	<u>11,366,017</u>	<u>(180,196)</u>
OTHER FINANCING USES				
Transfers out to other funds	934,500	934,500	934,500	-
TOTAL EXPENDITURES	<u>\$ 12,480,713</u>	<u>\$ 12,480,713</u>	<u>\$ 12,300,517</u>	<u>\$ (180,196)</u>

(Concluded)

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

Grand List Year	Balance Uncollected June 30, 2023	Current Levy	Lawful Corrections		Transfers To (From) Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2024
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2022	\$ -	\$ 10,040,202	\$ 18,886	\$ 28,359	\$ 37	\$ 10,030,692	\$ 9,892,916	\$ 42,034	\$ 9,934,950	\$ 137,776
2021	266,501	-	1,149	2,796	12	264,842	187,042	30,892	217,934	77,800
2020	79,233	-	453	1,059	-	78,627	34,513	15,644	50,157	44,114
2019	48,248	-	27	9	-	48,266	18,673	13,151	31,824	29,593
2018	41,328	-	-	-	314	41,014	17,605	13,723	31,328	23,409
2017	29,675	-	-	2	103	29,570	9,279	7,148	16,427	20,291
2016	18,008	-	-	-	375	17,633	2,946	2,827	5,773	14,687
2015	17,577	-	-	-	330	17,247	487	442	929	16,760
2014	10,199	-	-	-	-	10,199	106	208	314	10,093
2013	5,028	-	-	-	41	4,987	46	100	146	4,941
2012	5,755	-	-	-	43	5,712	141	346	487	5,571
2011	5,004	-	-	-	-	5,004	-	-	-	5,004
2010	211	-	-	-	-	211	-	-	-	211
2009	357	-	-	-	-	357	-	-	-	357
2008	548	-	-	-	-	548	-	-	-	548
2007	548	-	-	548	-	-	-	-	-	-
Total	\$ 528,220	\$ 10,040,202	\$ 20,515	\$ 32,773	\$ 1,255	\$ 10,554,909	\$ 10,163,754	\$ 126,515	\$ 10,290,269	\$ 391,155

TOWN OF ANDOVER, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2024

Total cash collections for the year ended
June 30, 2024:

Taxes	\$ 10,163,754
Interest and lien fees	126,515
Total	<u>10,290,269</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	-
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Base	<u>\$ 10,290,269</u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 23,153,105	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	46,306,211	-	-	-
3-3/4 times base	-	-	38,588,509	-	-
3-1/4 times base	-	-	-	33,443,374	-
3 times base	-	-	-	-	30,870,807
Total debt limitation	<u>23,153,105</u>	<u>46,306,211</u>	<u>38,588,509</u>	<u>33,443,374</u>	<u>30,870,807</u>
Indebtedness:					
Bonds payable, net - Regional School District No. 8	-	170,274 *	-	-	-
Total indebtedness	<u>-</u>	<u>170,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 23,153,105</u>	<u>\$ 46,135,937</u>	<u>\$ 38,588,509</u>	<u>\$ 33,443,374</u>	<u>\$ 30,870,807</u>
Total capacity of borrowing (7 times base)	\$ 72,031,883				
Total present indebtedness	<u>170,274</u>				
Margin for additional borrowing	<u>\$ 71,861,609</u>				

* Andover is a member of Regional School District No. 8, which provides education for grades seven through twelve for the Towns of Marlborough, Andover and Hebron. As of June 30, 2024, the District has bonds outstanding of \$1,180,000. The Town of Andover's share is approximately 14.43%. These are general obligations of Regional School District No. 8 and its member towns.

CAPITAL RESERVE FUND

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET AND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 CAPITAL RESERVE FUND
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

	Nonrecurring Reserve Fund	Fire Engine Reserve Fund	AES Reserve Fund	Equipment Reserve Fund	Tree Removal Reserve Fund	Library Reserve Fund	Conservation and Development Reserve Fund
ASSETS							
Cash and cash equivalents	\$ 41,063	\$ 54,709	\$ 165,872	\$ 25,346	\$ -	\$ 11	\$ -
Due from other funds	-	217,274	93,705	-	14,573	62	14,905
Total assets	<u>\$ 41,063</u>	<u>\$ 271,983</u>	<u>\$ 259,577</u>	<u>\$ 25,346</u>	<u>\$ 14,573</u>	<u>\$ 73</u>	<u>\$ 14,905</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ 89,498	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Committed	41,063	271,983	259,577	-	14,573	73	14,905
Uassigned	-	-	-	(64,152)	-	-	-
Total fund balances	<u>41,063</u>	<u>271,983</u>	<u>259,577</u>	<u>(64,152)</u>	<u>14,573</u>	<u>73</u>	<u>14,905</u>
Total liabilities and fund balances	<u>\$ 41,063</u>	<u>\$ 271,983</u>	<u>\$ 259,577</u>	<u>\$ 25,346</u>	<u>\$ 14,573</u>	<u>\$ 73</u>	<u>\$ 14,905</u>
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	41	55	167	24	-	73	-
Other	-	-	-	-	-	-	-
Total revenues	<u>41</u>	<u>55</u>	<u>167</u>	<u>24</u>	<u>-</u>	<u>73</u>	<u>-</u>
EXPENDITURES							
Capital outlays	-	28,423	-	270,834	52,049	-	-
Debt service:							
Principal payments	-	-	-	88,961	-	-	-
Interest and fiscal charges	-	-	-	17,764	-	-	-
Total expenditures	<u>-</u>	<u>28,423</u>	<u>-</u>	<u>377,559</u>	<u>52,049</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	41	(28,368)	167	(377,535)	(52,049)	73	-
OTHER FINANCING SOURCES (USES)							
Financed purchases	-	-	-	203,874	-	-	-
Transfers in	-	125,000	84,696	125,000	50,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>125,000</u>	<u>84,696</u>	<u>328,874</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	41	96,632	84,863	(48,661)	(2,049)	73	-
Fund balances - beginning	41,022	175,351	174,714	(15,491)	16,622	-	14,905
Fund balances - ending	<u>\$ 41,063</u>	<u>\$ 271,983</u>	<u>\$ 259,577</u>	<u>\$ (64,152)</u>	<u>\$ 14,573</u>	<u>\$ 73</u>	<u>\$ 14,905</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET AND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 CAPITAL RESERVE FUND *(Concluded)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

	Revaluation Reserve Fund	Town Garage Reserve Fund	Multi-use Building Reserve Fund	Road Improvement Reserve Fund	Building Maintenance Reserve Fund	Transfer Station Shed Repair Reserve Fund	AES Capital Reserve Fund	Total Capital Reserve Fund
ASSETS								
Cash and cash equivalents	\$ 44,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,765	\$ 340,378
Due from other funds	-	26,697	413,515	316,879	-	-	464,612	1,562,222
Total assets	<u>\$ 44,612</u>	<u>\$ 26,697</u>	<u>\$ 413,515</u>	<u>\$ 316,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,377</u>	<u>\$ 1,902,600</u>
LIABILITIES								
Due to other funds	\$ 11,059	\$ -	\$ -	\$ -	\$ 13,764	\$ 7,617	\$ -	\$ 121,938
Total liabilities	<u>11,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,764</u>	<u>7,617</u>	<u>-</u>	<u>121,938</u>
FUND BALANCES								
Committed	33,553	26,697	413,515	316,879	-	-	473,377	1,866,195
Unassigned	-	-	-	-	(13,764)	(7,617)	-	(85,533)
Total fund balances	<u>33,553</u>	<u>26,697</u>	<u>413,515</u>	<u>316,879</u>	<u>(13,764)</u>	<u>(7,617)</u>	<u>473,377</u>	<u>1,780,662</u>
Total liabilities and fund balances	<u>\$ 44,612</u>	<u>\$ 26,697</u>	<u>\$ 413,515</u>	<u>\$ 316,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,377</u>	<u>\$ 1,902,600</u>
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 49,597	\$ -	\$ -	\$ 49,597
Investment income	45	-	-	-	-	-	8	413
Other	-	-	-	7,244	6,860	-	-	14,104
Total revenues	<u>45</u>	<u>-</u>	<u>-</u>	<u>7,244</u>	<u>56,457</u>	<u>-</u>	<u>8</u>	<u>64,114</u>
EXPENDITURES								
Capital outlays	-	-	23,129	159,878	251,693	-	-	786,006
Debt service:								
Principal payments	-	-	-	-	-	-	-	88,961
Interest and fiscal charges	-	-	-	-	-	-	-	17,764
Total expenditures	<u>-</u>	<u>-</u>	<u>23,129</u>	<u>159,878</u>	<u>251,693</u>	<u>-</u>	<u>-</u>	<u>892,731</u>
Excess (deficiency) of revenues over expenditures	45	-	(23,129)	(152,634)	(195,236)	-	8	(828,617)
OTHER FINANCING SOURCES (USES)								
Financed purchases	-	-	-	-	-	-	-	203,874
Transfers in	16,500	-	-	410,000	108,000	-	360,948	1,280,144
Total other financing sources (uses)	<u>16,500</u>	<u>-</u>	<u>-</u>	<u>410,000</u>	<u>108,000</u>	<u>-</u>	<u>360,948</u>	<u>1,484,018</u>
Net change in fund balances	16,545	-	(23,129)	257,366	(87,236)	-	360,956	655,401
Fund balances - beginning	17,008	26,697	436,644	59,513	73,472	(7,617)	112,421	1,125,261
Fund balances - ending	<u>\$ 33,553</u>	<u>\$ 26,697</u>	<u>\$ 413,515</u>	<u>\$ 316,879</u>	<u>\$ (13,764)</u>	<u>\$ (7,617)</u>	<u>\$ 473,377</u>	<u>\$ 1,780,662</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF ANDOVER, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Andover Public Library Fund	Andover Fire Commission Fund	Open Space Fund	Severance Pay Fund	Historic Preservation Fund	Community Investment Fund	Community Garden Fund	Town Aid Road Fund
ASSETS								
Cash and cash equivalents	\$ 40,520	\$ 8,500	\$ 234,193	\$ -	\$ 1,152	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	1,557	-	-	-	-	-	-	-
Due from other funds	-	-	-	28,825	-	78,678	1,644	108,916
Total assets	<u>\$ 42,077</u>	<u>\$ 8,500</u>	<u>\$ 234,193</u>	<u>\$ 28,825</u>	<u>\$ 1,152</u>	<u>\$ 78,678</u>	<u>\$ 1,644</u>	<u>\$ 108,916</u>
LIABILITIES								
Accounts payable	\$ -	\$ 5,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	8,354	-	1,583	-	-	-
Unearned revenue	-	-	-	-	-	41,888	-	-
Total liabilities	<u>-</u>	<u>5,216</u>	<u>8,354</u>	<u>-</u>	<u>1,583</u>	<u>41,888</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	108,916
Committed	42,077	3,284	225,839	28,825	-	36,790	1,644	-
Unassigned	-	-	-	-	(431)	-	-	-
Total fund balances	<u>42,077</u>	<u>3,284</u>	<u>225,839</u>	<u>28,825</u>	<u>(431)</u>	<u>36,790</u>	<u>1,644</u>	<u>108,916</u>
Total liabilities and fund balances	<u>\$ 42,077</u>	<u>\$ 8,500</u>	<u>\$ 234,193</u>	<u>\$ 28,825</u>	<u>\$ 1,152</u>	<u>\$ 78,678</u>	<u>\$ 1,644</u>	<u>\$ 108,916</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 AS OF JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Housing Incentive Grant Fund	Hartford Foundation Grant Fund	Energy Assurance Grant Fund	Senior Services Grant Fund	Eversource Energy Grant Fund	Senior Lunch Program Fund	Senior Activity Fund	Early Voting Grant Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ 511	\$ -	\$ -	\$ -	\$ -	\$ 4,677	\$ -
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-	-
Due from other funds	9,400	4,774	1,087	425	138	5,067	-	8,237
Total assets	<u>\$ 9,400</u>	<u>\$ 5,285</u>	<u>\$ 1,087</u>	<u>\$ 425</u>	<u>\$ 138</u>	<u>\$ 5,067</u>	<u>\$ 4,677</u>	<u>\$ 8,237</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	2,500	-	-	-	-	-	-	8,237
Total liabilities	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,237</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	6,900	5,285	1,087	425	138	-	-	-
Committed	-	-	-	-	-	5,067	4,677	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>6,900</u>	<u>5,285</u>	<u>1,087</u>	<u>425</u>	<u>138</u>	<u>5,067</u>	<u>4,677</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 9,400</u>	<u>\$ 5,285</u>	<u>\$ 1,087</u>	<u>\$ 425</u>	<u>\$ 138</u>	<u>\$ 5,067</u>	<u>\$ 4,677</u>	<u>\$ 8,237</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 AS OF JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Social Services Fund	Veterans Monument Fund	Miscellaneous Donations Fund	Dog Fund	Farmers Market Fund	Andover Youth Basketball Fund	Town Conservation Fund	Economic and Community Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ 171	\$ -	\$ -	\$ 161	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-	-
Due from other funds	6,266	15,289	7,339	8,427	840	6,375	-	77,000
Total assets	<u>\$ 6,266</u>	<u>\$ 15,460</u>	<u>\$ 7,339</u>	<u>\$ 8,427</u>	<u>\$ 1,001</u>	<u>\$ 6,375</u>	<u>\$ -</u>	<u>\$ 77,000</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	77,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,000</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	6,266	15,460	7,339	8,427	1,001	6,375	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>6,266</u>	<u>15,460</u>	<u>7,339</u>	<u>8,427</u>	<u>1,001</u>	<u>6,375</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,266</u>	<u>\$ 15,460</u>	<u>\$ 7,339</u>	<u>\$ 8,427</u>	<u>\$ 1,001</u>	<u>\$ 6,375</u>	<u>\$ -</u>	<u>\$ 77,000</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 AS OF JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Student Activities Fund	School Lunch Fund	School Grants Fund	Connectivity Fund	ARPA Library Grant	ARPA Fiscal Recovery	Community Bike Share Fund	Total Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 23,340	\$ 10,213	\$ 20,959	\$ -	\$ -	\$ -	\$ -	\$ 344,397
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	21,662	-	-	-	-	23,219
Due from other funds	-	2,900	-	12,792	2,757	17,121	4,652	408,949
Total assets	<u>\$ 23,340</u>	<u>\$ 13,113</u>	<u>\$ 42,621</u>	<u>\$ 12,792</u>	<u>\$ 2,757</u>	<u>\$ 17,121</u>	<u>\$ 4,652</u>	<u>\$ 776,565</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,216
Due to other funds	-	-	3,985	-	-	-	-	13,922
Unearned revenue	-	-	14,163	12,792	2,757	17,121	4,652	181,110
Total liabilities	<u>-</u>	<u>-</u>	<u>18,148</u>	<u>12,792</u>	<u>2,757</u>	<u>17,121</u>	<u>4,652</u>	<u>200,248</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	23,340	-	24,473	-	-	-	-	170,564
Committed	-	13,113	-	-	-	-	-	406,184
Unassigned	-	-	-	-	-	-	-	(431)
Total fund balances	<u>23,340</u>	<u>13,113</u>	<u>24,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>576,317</u>
Total liabilities and fund balances	<u>\$ 23,340</u>	<u>\$ 13,113</u>	<u>\$ 42,621</u>	<u>\$ 12,792</u>	<u>\$ 2,757</u>	<u>\$ 17,121</u>	<u>\$ 4,652</u>	<u>\$ 776,565</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 AS OF JUNE 30, 2024

	Nonmajor Capital Projects Funds			
	Pedestrian Bridge Fund	Bunker Hill Bridge Fund	Bridge and Culvert Fund	Total Capital Projects Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Grants and contracts receivable	-	-	-	-
Due from other funds	5,820	438,096	383,262	827,178
Total assets	<u>\$ 5,820</u>	<u>\$ 438,096</u>	<u>\$ 383,262</u>	<u>\$ 827,178</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	5,820	438,096	383,262	827,178
Unassigned	-	-	-	-
Total fund balances	<u>5,820</u>	<u>438,096</u>	<u>383,262</u>	<u>827,178</u>
Total liabilities and fund balances	<u>\$ 5,820</u>	<u>\$ 438,096</u>	<u>\$ 383,262</u>	<u>\$ 827,178</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 AS OF JUNE 30, 2024

	Nonmajor Permanent Funds							
	Norton Children's Fund	Norton Library Fund	Norton School Fund	Sprague Library Fund	Irene Mooney Fund	Brown & Brown Fund	Total Permanent Funds	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 14,358	\$ 3,705	\$ 9,315	\$ 3,288	\$ 11,879	\$ 26,159	\$ 68,704	\$ 413,101
Investments	-	-	52,894	-	-	-	52,894	52,894
Grants and contracts receivable	-	-	-	-	-	-	-	23,219
Due from other funds	259	-	4,606	-	-	-	4,865	1,240,992
Total assets	<u>\$ 14,617</u>	<u>\$ 3,705</u>	<u>\$ 66,815</u>	<u>\$ 3,288</u>	<u>\$ 11,879</u>	<u>\$ 26,159</u>	<u>\$ 126,463</u>	<u>\$ 1,730,206</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,216
Due to other funds	-	-	-	-	-	-	-	13,922
Unearned revenue	-	-	-	-	-	-	-	181,110
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,248</u>
FUND BALANCES								
Nonspendable	8,795	3,000	8,000	3,000	11,000	25,000	58,795	58,795
Restricted	5,822	705	58,815	288	879	1,159	67,668	238,232
Committed	-	-	-	-	-	-	-	1,233,362
Unassigned	-	-	-	-	-	-	-	(431)
Total fund balances	<u>14,617</u>	<u>3,705</u>	<u>66,815</u>	<u>3,288</u>	<u>11,879</u>	<u>26,159</u>	<u>126,463</u>	<u>1,529,958</u>
Total liabilities and fund balances	<u>\$ 14,617</u>	<u>\$ 3,705</u>	<u>\$ 66,815</u>	<u>\$ 3,288</u>	<u>\$ 11,879</u>	<u>\$ 26,159</u>	<u>\$ 126,463</u>	<u>\$ 1,730,206</u>

(Concluded)

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

	Nonmajor Special Revenue Funds							
	Andover Public Library Fund	Andover Fire Commission Fund	Open Space Fund	Severance Pay Fund	Historic Preservation Fund	Community Investment Fund	Community Garden Fund	Town Aid Road Fund
REVENUES								
Intergovernmental	\$ 1,557	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 185,959
Charges for services	692	-	-	-	-	2,215	-	-
Investment income	4	-	235	1	-	-	-	-
Other	3,000	-	-	-	-	-	2,935	-
Total revenues	<u>5,253</u>	<u>-</u>	<u>235</u>	<u>1</u>	<u>6,000</u>	<u>2,215</u>	<u>2,935</u>	<u>185,959</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	5,790	-	-	-
Public safety	-	154,338	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	196,537
Community services	31,927	-	-	-	-	-	1,291	-
Education	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	<u>31,927</u>	<u>154,338</u>	<u>-</u>	<u>-</u>	<u>5,790</u>	<u>-</u>	<u>1,291</u>	<u>196,537</u>
Excess (deficiency) of revenues over expenditures	(26,674)	(154,338)	235	1	210	2,215	1,644	(10,578)
OTHER FINANCING SOURCES (USES)								
Transfers in	28,339	152,750	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>28,339</u>	<u>152,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,665	(1,588)	235	1	210	2,215	1,644	(10,578)
Fund balances - beginning	40,412	4,872	225,604	28,824	(641)	34,575	-	119,494
Fund balances - ending	<u>\$ 42,077</u>	<u>\$ 3,284</u>	<u>\$ 225,839</u>	<u>\$ 28,825</u>	<u>\$ (431)</u>	<u>\$ 36,790</u>	<u>\$ 1,644</u>	<u>\$ 108,916</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Housing Incentive Grant Fund	Hartford Foundation Grant Fund	Energy Assurance Grant Fund	Senior Services Grant Fund	Eversource Energy Grant Fund	Senior Lunch Program Fund	Senior Activity Fund	Early Voting Grant Fund
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 130,922	\$ -	\$ -	\$ -	\$ 2,263
Charges for services	-	-	-	-	-	-	925	-
Investment income	-	-	-	-	-	-	-	-
Other	-	5,000	1,192	-	-	11,002	11	-
Total revenues	<u>-</u>	<u>5,000</u>	<u>1,192</u>	<u>130,922</u>	<u>-</u>	<u>11,002</u>	<u>936</u>	<u>2,263</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community services	-	1,249	705	-	-	11,164	899	2,263
Education	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	130,922	-	-	-	-
Total expenditures	<u>-</u>	<u>1,249</u>	<u>705</u>	<u>130,922</u>	<u>-</u>	<u>11,164</u>	<u>899</u>	<u>2,263</u>
Excess (deficiency) of revenues over expenditures	-	3,751	487	-	-	(162)	37	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	3,751	487	-	-	(162)	37	-
Fund balances - beginning	6,900	1,534	600	425	138	5,229	4,640	-
Fund balances - ending	<u>\$ 6,900</u>	<u>\$ 5,285</u>	<u>\$ 1,087</u>	<u>\$ 425</u>	<u>\$ 138</u>	<u>\$ 5,067</u>	<u>\$ 4,677</u>	<u>\$ -</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Social Service Fund	Veterans Monument Fund	Miscellaneous Donations Fund	Dog Fund	Farmers Market Fund	Andover Youth Basketball Fund	Town Conservation Fund	
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,000
Charges for services	-	-	-	2,406	1,074	4,585	-	-
Investment income	-	-	-	-	-	-	-	-
Other	-	1,680	18,193	-	-	75	-	-
Total revenues	<u>-</u>	<u>1,680</u>	<u>18,193</u>	<u>2,406</u>	<u>1,074</u>	<u>4,660</u>	<u>-</u>	<u>23,000</u>
EXPENDITURES								
Current:								
General government	-	3,254	-	-	-	-	-	-
Public safety	-	-	-	1,766	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community services	-	-	14,361	-	1,091	3,203	-	23,000
Education	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3,254</u>	<u>14,361</u>	<u>1,766</u>	<u>1,091</u>	<u>3,203</u>	<u>-</u>	<u>23,000</u>
Excess (deficiency) of revenues over expenditures	-	(1,574)	3,832	640	(17)	1,457	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(733)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(733)</u>	<u>-</u>
Net change in fund balances	-	(1,574)	3,832	640	(17)	1,457	(733)	-
Fund balances - beginning	6,266	17,034	3,507	7,787	1,018	4,918	733	-
Fund balances - ending	<u>\$ 6,266</u>	<u>\$ 15,460</u>	<u>\$ 7,339</u>	<u>\$ 8,427</u>	<u>\$ 1,001</u>	<u>\$ 6,375</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Special Revenue Funds							
	Student Activities Fund	School Lunch Fund	School Grants Fund	Connectivity Fund	ARPA Library Grant	ARPA Fiscal Recovery	Community Bike Share Fund	Total Special Revenue Funds
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 696,761	\$ 16,126	\$ -	\$ 939,423	\$ 348	\$ 2,002,359
Charges for services	23,912	41,970	112,406	-	-	-	-	190,185
Investment income	-	-	-	-	-	-	-	240
Other	-	-	-	-	-	-	-	43,088
Total revenues	<u>23,912</u>	<u>41,970</u>	<u>809,167</u>	<u>16,126</u>	<u>-</u>	<u>939,423</u>	<u>348</u>	<u>2,235,872</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	9,044
Public safety	-	-	-	-	-	-	-	156,104
Public works	-	-	-	-	-	-	-	196,537
Community services	-	-	-	16,126	-	-	348	107,627
Education	14,863	38,577	814,376	-	-	-	-	867,816
Capital outlays	-	-	-	-	-	939,423	-	1,070,345
Total expenditures	<u>14,863</u>	<u>38,577</u>	<u>814,376</u>	<u>16,126</u>	<u>-</u>	<u>939,423</u>	<u>348</u>	<u>2,407,473</u>
Excess (deficiency) of revenues over expenditures	9,049	3,393	(5,209)	-	-	-	-	(171,601)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	181,089
Transfers out	-	-	-	-	-	-	-	(733)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,356</u>
Net change in fund balances	9,049	3,393	(5,209)	-	-	-	-	8,755
Fund balances - beginning	<u>14,291</u>	<u>9,720</u>	<u>29,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,562</u>
Fund balances - ending	<u>\$ 23,340</u>	<u>\$ 13,113</u>	<u>\$ 24,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 576,317</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Capital Projects Funds			
	Pedestrian Bridge Fund	Bunker Hill Bridge Fund	Bridge and Culvert Fund	Total Capital Projects Funds
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Education	-	-	-	-
Capital outlays	-	-	24,802	24,802
Total expenditures	<u>-</u>	<u>-</u>	<u>24,802</u>	<u>24,802</u>
Excess (deficiency) of revenues over expenditures	-	-	(24,802)	(24,802)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	100,000	100,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net change in fund balances	-	-	75,198	75,198
Fund balances - beginning	<u>5,820</u>	<u>438,096</u>	<u>308,064</u>	<u>751,980</u>
Fund balances - ending	<u>\$ 5,820</u>	<u>\$ 438,096</u>	<u>\$ 383,262</u>	<u>\$ 827,178</u>

(Continued)

TOWN OF ANDOVER, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Permanent Funds						Total Permanent Funds	Total Nonmajor Governmental Funds
	Norton Children's Fund	Norton Library Fund	Norton School Fund	Sprague Library Fund	Irene Mooney Fund	Brown & Brown Fund		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,002,359
Charges for services	-	-	-	-	-	-	-	190,185
Investment income	14	3	16,022	3	12	26	16,080	16,320
Other	3,258	-	-	-	-	-	3,258	46,346
Total revenues	3,272	3	16,022	3	12	26	19,338	2,255,210
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	9,044
Public safety	-	-	-	-	-	-	-	156,104
Public works	-	-	-	-	-	-	-	196,537
Community services	1,500	-	-	-	-	-	1,500	109,127
Education	-	-	-	-	-	-	-	867,816
Capital outlays	-	-	-	-	-	-	-	1,095,147
Total expenditures	1,500	-	-	-	-	-	1,500	2,433,775
Excess (deficiency) of revenues over expenditures	1,772	3	16,022	3	12	26	17,838	(178,565)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	281,089
Transfers out	-	-	-	-	-	-	-	(733)
Total other financing sources (uses)	-	-	-	-	-	-	-	280,356
Net change in fund balances	1,772	3	16,022	3	12	26	17,838	101,791
Fund balances - beginning	12,845	3,702	50,793	3,285	11,867	26,133	108,625	1,428,167
Fund balances - ending	\$ 14,617	\$ 3,705	\$ 66,815	\$ 3,288	\$ 11,879	\$ 26,159	\$ 126,463	\$ 1,529,958

(Concluded)