

OFFICIAL STATEMENT DATED AUGUST 19, 2025

NEW MONEY ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. (See "Tax Matters" herein.)

TOWN OF BOLTON, CONNECTICUT

\$630,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BANK QUALIFIED)

Dated: August 27, 2025

Due: August 26, 2026

Amount	Coupon	Yield	CUSIP (1)
\$ 630,000	4.000%	2.650%	097707GR8



The \$630,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the Town of Bolton, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Notes when due. (See "Security and Remedies" herein).

Interest on the Notes will be payable at maturity.

The Notes are NOT subject to optional redemption prior to maturity.

The Notes will be issued by means of a book-entry transfer system and will be registered in the name of Cede & Co., as Noteowner, respectively, and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Ownership of the Notes will be in the denominations of \$5,000 or integral multiples thereof plus any odd amount. The Beneficial Owners will not receive certificates representing their ownership interest in the Notes. Principal and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. So long as Cede & Co. is the Noteowner as nominee for DTC, reference herein to the or Noteowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. (See "Book-Entry-Only Transfer System" herein).

The Notes will be certified by U.S. Bank Trust Company, National Association, in Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

The Notes are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in definitive form will be made on or about August 27, 2025 through the facilities of DTC.

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

No dealer, broker, salesperson or other person has been authorized by the Town of Bolton, Connecticut (the "Town"), to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

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

Set forth in Appendix A – "2024 Audited Financial Statements" to this Official Statement is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendix B "Form of Opinion of Bond Counsel" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission Rule ("SEC") 15c2-12(b)(1), but is subject to revision or amendment.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Note Issue Summary.....	i	V. Financial Information	
I. Securities Offered		Fiscal Year	23
Introduction	1	Accounting Policies	23
Description of the Notes	1	Basis of Accounting	23
Authorization and Use of Proceeds	1	Annual Audit	23
Ratings.....	2	Budgetary Procedures	23
Security and Remedies	2	Municipal Budget Expenditure Cap	23
Book-Entry-Only Transfer System.....	3	Employee Pension Systems.....	24
Replacement Notes.....	4	Other Post-Employment Benefits.....	25
DTC Practices.....	4	Investment Policies and Procedures	26
Tax Matters.....	4	Property Tax Revenues	26
The COVID-19 Outbreak and		Intergovernmental Revenues.....	27
Future Pandemics.....	6	Expenditures	27
Cybersecurity.....	6	Comparative General Fund Operating Statement..	28
Climate Change	6	Comparative General Fund Balance Sheet.....	29
Qualification for Financial Institutions.....	7	Analysis of General Fund Equity	29
Availability of Continuing Disclosure		Comparative General Fund Revenues and	
Information	7	Expenditures	30
II. The Issuer		VI. Debt Summary	
Description of the Town.....	8	Principal Amount of Indebtedness	31
Form of Government	9	Combined Schedule of Long-Term Debt	32
Organizational Chart	10	Overlapping and Underlying Indebtedness	32
Municipal Officials.....	11	Debt Statement.....	33
Summary of Municipal Services	11	Current Debt Ratios	33
Educational System	14	Legal Requirements for Approval of Borrowing..	34
Educational Facilities	14	Temporary Financing	34
Educational Enrollment History and		School Building Grant Reimbursements	34
Projections	14	Limitation of Indebtedness.....	34
Municipal Employment.....	14	Statement of Statutory Debt Limitation	35
Municipal Employees Bargaining Units.....	15	Authorized but Unissued Debt.....	36
III. Economic and Demographic Information		Historical Debt Statement	36
Population Trends.....	16	Historical Debt Ratios	37
Age Distribution of the Population.....	16	Ratio of Annual Debt Service Expenditures	
Income Distribution.....	16	To Total General Fund Expenditures and	
Selected Wealth and Income Levels.....	17	Transfers Out.....	37
Educational Attainment	17	VII. Legal and Other Litigation	
Major Employers.....	17	Litigation.....	38
Employment by Industry	18	Municipal Advisor	38
Unemployment Rate Statistics	18	Documents Accompanying Delivery of the	
Number of Dwelling Units	18	Notes	38
Characteristics of Housing Units.....	19	Concluding Statement	39
Age Distribution of Housing	19		
Number and Value of Building Permits.....	19		
IV. Tax Base Data		Appendix A – Audited Financial Statements	
Assessment Practices	20	Appendix B – Form of Opinion of Bond Counsel	
Property Tax Collection Procedure.....	20	Appendix C – Form of Continuing Disclosure Agreement	
Motor Vehicle Property Tax Rate.....	21	Appendix D – Notice of Sale	
Real Property Tax Levies and Collections.....	21		
Taxable Grand List.....	21		
Largest Taxpayers	22		
Equalized Net Grand List	22		

NOTE ISSUE SUMMARY

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

Issuer:	Town of Bolton, Connecticut (the "Town").
Issue:	\$630,000 General Bond Anticipation Notes (the "Notes").
Dated Date:	Date of Delivery, August 27, 2025.
Interest Due:	At maturity, August 26, 2026.
Principal Due:	At maturity, August 26, 2026.
Purpose and Authority:	The Notes will be used to finance a pumper truck authorized by the Town. See "Authorization and Use of Proceeds" herein.
Redemption:	The Notes are <u>NOT</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Basis of Award:	Lowest Net Interest Cost ("NIC"), as of dated date.
Credit Rating:	The Town has not applied for a rating on the Notes. Currently, the Town's outstanding bonds are rated "Aa2" by Moody's Ratings ("Moody's"). (See "Ratings" herein).
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Notes <u>SHALL BE</u> designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events not in excess of ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about August 27, 2025 against payment in Federal Funds .
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Jill Collins, Finance Director/Treasurer, Town of Bolton, 104 Notch Road, Bolton, Connecticut, 06043 - Telephone (860) 649-7780.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Bolton, Connecticut (the "Town") in connection with the issuance and sale of \$630,000 General Obligation Bond Anticipation Notes (the "Notes"), of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated August 11, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale (See Appendix D to this Official Statement) for the terms and conditions of the bidding on the Notes.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B) and they make no representation that they have independently verified the same.

DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and will bear interest at the rate or rates per annum shown on the cover page of this Official Statement. The Notes will be payable as to both principal and interest at maturity. The Notes will be issued as fully registered notes in denominations of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Unless the winning bidder requests otherwise, a book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

The Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement. **The Notes are NOT subject to optional redemption prior to maturity.**

AUTHORIZATION AND USE OF PROCEEDS

The Notes are issued pursuant to a bond resolution to finance the acquisition of a pumper fire truck approved by referendum on November 2, 2021.

Project	Total Amount of Bonds Authorized	Notes Maturing	Additions / (Reductions)	The Notes (This Issue)
Pumper Fire Truck (1).....	\$ 630,000	\$ 630,000	\$ -	\$ 630,000

(1) Total appropriation is \$810,000, the remaining to funded by a \$180,000 prior appropriation.

RATINGS

The Town has not applied for a rating on the Notes. Currently, the Town's bond rating "Aa2" by Moody's Ratings ("Moody's"). Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds and notes, including the Notes.

SECURITY AND REMEDIES

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

Unless paid from other sources, the Notes are payable from the general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There were no acres of such certified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of the relief granted plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the Statutes upon its power to tax such dwelling houses of qualified elderly persons of low income.

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes. There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues or property to secure the Notes or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such bonds or notes of the Town would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

[The remainder of this page intentionally left blank]

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC") of New York, New York, will act as securities depository for the Notes, unless directed otherwise by the purchaser of the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent, or the Town subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

REPLACEMENT NOTES

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

DTC PRACTICES

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

TAX MATTERS

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Notes.

Original Issue Premium. The initial public offering prices of certain maturities of the Notes may be more than their stated principal amounts payable at maturity (the “OIP Notes”). In general, an owner who purchases an OIP Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Note for federal income tax purposes. Prospective purchasers of OIP Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Notes.

Changes in Federal and State Tax Law. Legislation, administrative actions and rulings, or court decisions, at both federal and state levels, may adversely affect the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Notes should be aware that such future legislative or legal actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal and/or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Notes.

THE COVID-19 OUTBREAK AND FUTURE PANDEMICS

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$1,445,442 from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

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

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial. The Town subscribes to Forticlient for its software protection to mitigate the risks associated with cybersecurity threats. Also, during the last fiscal year both the Town and the Board of Education (“BOE”) underwent two cyber security assessments. One was completed by a private firm which is Novus. The second was completed by the Connecticut National Guard. Both the Town and BOE are undergoing cyber security enhancements because of those assessments. We also have cyber insurance to help cover costs in the event of a cyber incident. The town and the school have completed a significant portion of our planned cyber upgrades.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. The Town does have a Local Emergency Operations Plan and participates in annual Statewide exercises. The Town also has a history of preparing for, responding to and recovering from natural disasters quickly and efficiently as demonstrated most recently with Tropical Storm Isaias.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Notes **SHALL BE** designated as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided timely notice of the occurrence of certain events not in excess of 10 business days of the occurrence of such events with respect to the Notes. The Continuing Disclosure Agreement for the Notes shall be executed by the Town in substantially the form contained in Appendix C to this Official Statement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and events of notices pursuant to Rule 15c2-12(b)(5). In the past five (5) years, the Town has not failed to meet any of its undertakings, except for the following: for the fiscal years ending June 30, 2020, June 30, 2021, June 30, 2023 and June 30, 2024 the Town timely filed a notice of the failure to file its annual financial information on February 27, 2021, February 28, 2022, February 27, 2024 and February 28, 2025, respectively. Subsequently the Town filed audited financial statements and operating data for the fiscal year ending June 30, 2020, June 30, 2021 and June 30, 2023 on March 19, 2021, March 30, 2022, May 2, 2024 and May 12, 2025, respectively. The Town has hired its municipal advisor to make its annual filings and is implementing procedures to ensure it files all required annual financial information in a timely manner in the future.

[The remainder of this page intentionally left blank]

II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Bolton, Connecticut (the "Town" or "Bolton") was incorporated in October 1720 after being settled in 1716 by a few persons from Windsor, Hartford and Wethersfield. The Town was taken from Hartford and included in the present Town of Vernon until 1808. The Town had been essentially rural and agricultural until the 1950s. The suburban exodus of the Hartford region contributed greatly to the rapid rate of growth in the Town. According to the Department of Public Health's most recent estimate, the Town has a population of 4,947 and it covers an area of 15.5 square miles along the extreme western edge of the eastern Connecticut upland, overlooking the Connecticut River Valley to the west. It is located approximately 15 miles east of Hartford and 55 miles west of Providence and is bordered by the Towns of Vernon to the north, Hebron to the south, Manchester and Glastonbury on the west, and Coventry and Andover on the east. The Town's terrain is mountainous, with level ground primarily in the Bolton Center and Notch Pond areas. The Town is served by Interstate 384 (currently ending at Bolton Notch), U.S. Routes 6 and 44 (running east/west), and State Route 85 (running north/south). Interstate 84 is accessible within ten minutes' travel time.

Geological features contributed to the Town's historic development. The area of Town known as Quarryville is the famous site where granite and slate was blasted and drilled for approximately 75 years for use in cities and towns as far west as the Mississippi River. The stone quarried is a micaceous slate, but is so thoroughly filled with mica that the slaty matrix is barely discernable by the eye. The best qualities are not affected by moistures and frosts, are not corroded by acids, nor stained by oils. This stone is in great demand for doors and tables for chemical factories and laboratories, for hospitals and in public buildings where cleanliness is a requisite. This remarkable stone cannot be duplicated in its qualities in this country. Flagging stone and trap rock quarries, manufacture of bricks, and the processing of sand and gravel continue in operation today. Loam, the rich topsoil washed to lower levels over time, is a product which is sold and also constitutes the basis for farming and gardening markets conducted in the Town.

The major industries in the Town are agriculture, manufacturing of printed circuits, commercial cleaning solvents and small machine shops. Most residents are employed in Hartford and surrounding communities. Simoniz USA, one of the Town's top employers, produces professional cleaning and maintenance products. Recently, the company completed a 22,120 square foot addition at its Bolton location.

The Town is also home to Munson's Chocolates, founded in 1946 as the Dandy Candy Company. Today Munson's is a third-generation candy family and Connecticut's largest retail chocolate manufacturer. The company has won numerous awards including "Best Chocolate Shop" by the Advocate newspaper, "Family Owned Business of the Year" by the Small Business Administration, and a gold award in the PIANKO competition, a prestigious competition based on packaging printing and design. Most recently, Munson's completed an addition on to its Bolton facility.

The Bolton Ice Palace is another key business in Town. The facility includes a 200-foot by 85-foot rink, four locker rooms with showers, an electric Zamboni, a pro shop and vending room. The Ice Palace offers a multitude of recreational activities and classes such as figure skating, ice hockey, speed skating, learn-to-skate programs and social dance nights.

One of the more popular locations in Town is Georgina's Restaurant and Banquet Facility. The restaurant is a major gathering place for local residents. It was recently renovated from the inside out with the addition of banquet facilities capable of accommodating major events such as weddings and can seat from 25 to 275 guests. It is centrally located with easy access from all major highways and only 15 minutes from down town Hartford.

The Town is also home to A Villa Louisa, a meeting facility and caterer located atop Birch Mountain near the border of Manchester and Glastonbury. Originally established in 1890, the existing house was remodeled into an inn. In 1971, a new banquet hall was added to create the structures that exist on the property today. A Villa Louisa can accommodate from 25 to 90 guests in the Sunset Room or up to 350 guests in the Grand Ballroom. A gazebo is also available on the property for weddings or other social events.

Natural resources include Bolton Lake, Bolton Notch State Park, and the upper portion of Gay City State Park, which provides facilities for fishing, hiking, picnicking, swimming, and winter sports. Numerous multi-modal trails have also been developed throughout the Town.

There are no separate tax districts or coterminous entities within the territorial limits of the Town.

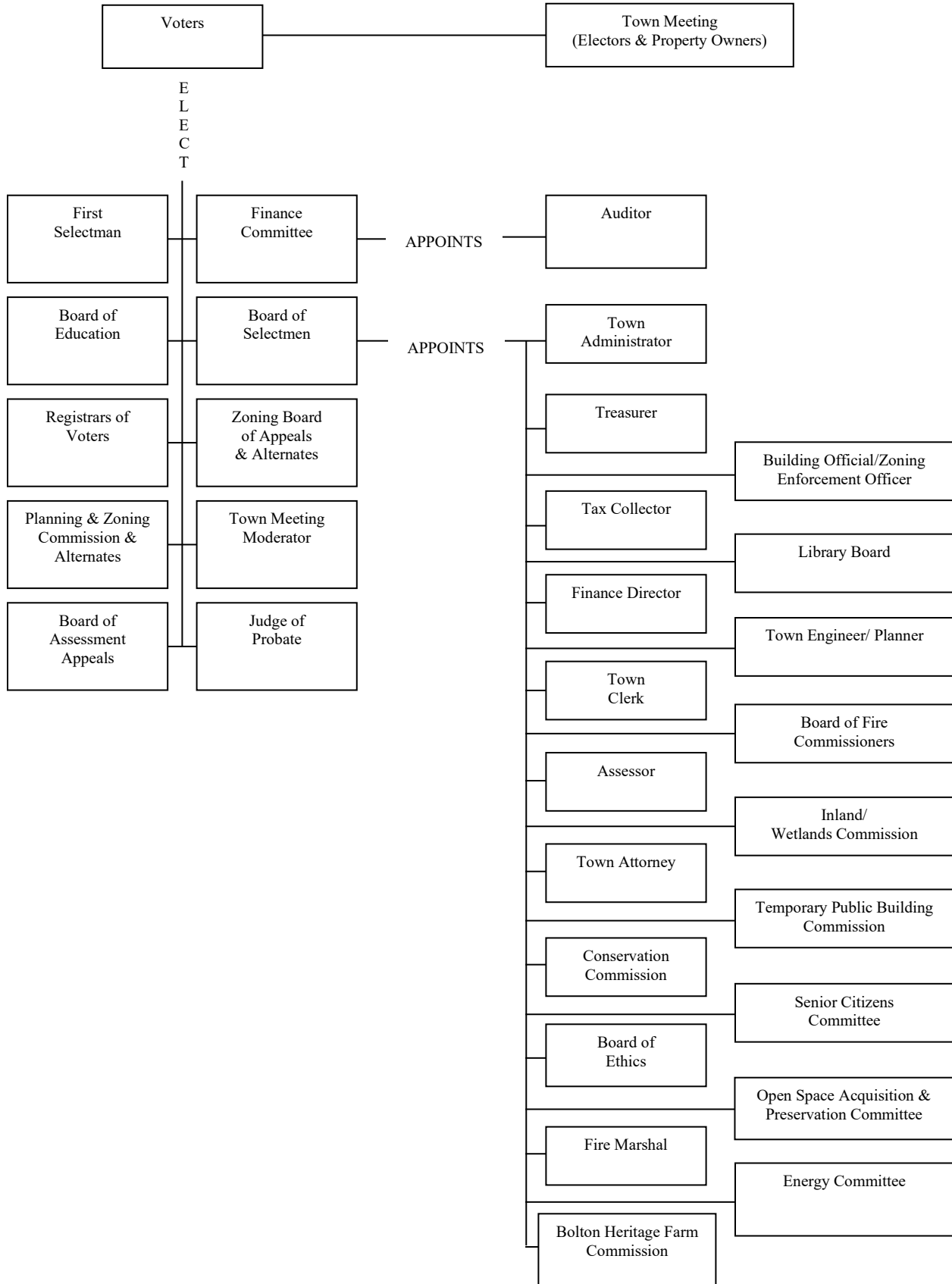
FORM OF GOVERNMENT

The Town has a Town Meeting/Board of Selectmen form of government. The Board of Selectmen consists of seven elected members, including a First Selectman, serving concurrent two-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes and a Charter which was adopted in 1976 and last revised on November 4, 2008, effective July 1, 2009. The Board of Selectmen is the Town's legislative body except with respect to those matters for which the Charter provides that the Town Meeting is deemed the Town's legislative body. The Town Meeting must approve all supplemental appropriations in excess of 0.2% of the total expenditure amount, any purchase of real estate by the Town in excess of \$20,000 and appropriations to Capital Reserve and Capital Projects Funds for non-recurring expenditures. The Town has an automatic referendum vote on the annual budget. The First Selectman is a member of the Board of Selectmen and the Chief Executive Officer of the Town. The Town also has an Administrative Officer who reports to the Board of Selectmen and is responsible for the administration of all Town matters with the exception of the education system. Presiding over the Board of Selectmen, the First Selectman has full voting privileges.

The Finance Committee is the budget-making authority responsible for financial and taxation matters, presenting the annual budget which is automatically voted on at referendum. In addition, the Finance Committee establishes the tax rate and considers special appropriation requests with final approval at Town Meeting if they exceed 0.2% of total expenditure amount.

The Board of Education, which is an elected seven-member board, is the policy-making authority for all public education, grades pre-kindergarten through twelve. The Superintendent of Schools is directly responsible to the Board of Education for the supervision and administration of the education system.

ORGANIZATIONAL CHART



MUNICIPAL OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service (1)</u>
Rodney Fournier.....	First Selectman.....	4 Years – Elected	2.0
Robert R. Morra (2).....	Deputy First Selectman.....	2 Years – Elected	44.0
Gwen Marrior (3).....	Selectman.....	4 Years – Elected	6.0
Amanda Gordon.....	Selectman.....	2 Years – Elected	2.0
Pamela Z. Sawyer.....	Selectman.....	2 Years – Elected	4.0
Mather Clarke.....	Selectman.....	4 Years – Elected	2.0
Timothy Sadler.....	Selectman.....	4 Years – Elected	2.0
James Rupert (4).....	Town Administrator.....	Appointed	3.0
Elizabeth C. Waters.....	Town Clerk.....	Appointed	11.0
Jill Collins.....	Finance Director/Treasurer...	Appointed	9.0
Lori Bushnell.....	Tax Collector.....	Appointed	29.0
David Caruso (5).....	Superintendent.....	Appointed	0.0

- (1) Years of Service for elected officials only demonstrates the number of consecutive years that they have held their current post. Several members of the Board of Selectmen have past experience on the Board or as First Selectmen. Please read all footnotes for full information.
- (2) Robert R. Morra also served as First Selectman from 1989 to 1993 and as a Selectman from 1993 to 2001 and again as First Selectman from July 2001 to June 2007. He returned to the Board of Selectmen as First Selectman in July of 2009 to 2017.
- (3) Gwen Marrior also served as a Selectman from 2013 to 2017.
- (4) James Rupert has served the Town in various capacities for 16 years including 1.5 years as Interim Town Administrator.
- (5) David Caruso was appointed Superintendent on July 1, 2025.

SUMMARY OF MUNICIPAL SERVICES

Administration: The Town has a full-time Town Administrator who is appointed by the seven-member Board of Selectmen. The Town Administrator is responsible for the operations of the Town. This includes serving as personnel officer; coordinating the administration of all officers, boards, commissions, agencies, and authorities appointed by the Town; supervising all financial matters; developing policies, regulations, and ordinances; and representing the Town on various regional and state entities. In addition to the Administrative Officer, the Town has a full-time Finance Director. These two positions provide a high level of professional services and stability to the Town and its residents.

Administration constantly works to implement proactive financial measures to improve and capitalize on opportunities for the community. An example is the adoption in April 2007 of the School Capital Fund Ordinance. The renovation and expansion project at Bolton High School was inevitable. The Bolton Board of Education entered into a contract with the Town of Columbia to accept Columbia students to Bolton High School beginning in September of 2007. Under the ordinance, 80% of the gross tuition from the Columbia students attending Bolton High School is deposited into the School Capital Fund for funding the renovation and expansion project, including debt service. The contract with Columbia for students is through 2030. The development of a comprehensive Financial Policy Manual for the Town, which was written by the Administrative Officer and Finance Director was approved by the Board of Selectmen in April 2020, revised and reapproved in June 2023 and has been used and executed by all departments since that time.

Public Safety: Police Protection is provided by two Resident State Troopers with supplemental coverage from Troop K in Colchester to provide 24-hour protection and assistance.

Fire protection is provided by the Bolton Volunteer Fire Department. The department has approximately 45 members who attend regular drills and weekly training sessions in firefighting technology and emergency medical services. The department is managed by the Fire Chief and his officers. All emergency calls are answered by trained professional dispatchers, 365 days a year and 24 hours a day, by the Tolland County Mutual Aid Fire Service. While the Bolton Fire Department is the first responder, ambulance service is provided by the Manchester Ambulance Service.

Solid Waste and Refuse Collection: The curbside collection of refuse and garbage is contracted by the Town. The Town owns and operates a bulky waste transfer station and recycling center. Solid waste is hauled to the Willimantic Waste Paper Co., Inc. in Willimantic, Connecticut, by All American Waste, a private hauling company. The Town has a contract with All American Waste through June 30, 2032 to accept solid waste, recyclables and bulky waste from the Town.

Library: The Bentley Memorial Library provides full library services and programs. The library has a full-time Director and an appointed seven-member board. The library provides a wide variety of materials including books, magazines, books-on-tape, large print books, cassettes, compact discs, and videos. The library is also a member of Bibliomation, Inc., a library consortium with dozens of member libraries, which provides automated circulation, cataloging, public access catalogs and internet services. The library is linked to the Bolton High School Library Media Center in addition to participation in ReQuest, the Connecticut statewide on-line card catalog and ICONN, the Connecticut on-line digital library network of databases. The library is a member of the Connecticut Library Association, the Association of Connecticut Library Boards and the American Library Association.

Public Health: The Town is a member of the Eastern Highlands Health District, one of twenty local health districts in the State. Established on June 6, 1997, it includes the Towns of Andover, Ashford, Bolton, Chaplin, Columbia, Coventry, Mansfield, Scotland, Tolland and Willington. The district is a cooperative effort to pool resources to create a professional full-time health department. The services provided by the district include communicable disease control program, a public health education and training program, community assessment and public health planning and a comprehensive environmental health program. The main components of the environmental health program include an on-site subsurface sewage disposal program, a complaint investigation program, a food protection program and an environmental monitoring program.

Sewer / Water / Natural Gas: The Town has no public water supply. Three community water systems supplied by five drilled wells service over 400 Bolton residents. On-site private drilled wells, however, and individual sewage disposal are used primarily for developed properties' systems. Through the use of the Bolton Lakes Regional Water Pollution Control Authority, the Town has installed sewers along the Route 44 corridor and around Bolton Lake.

By concurrent ordinances (the "Enabling Ordinances") adopted in April 2003, the Towns of Bolton and Vernon established the Bolton Lakes Regional Water Pollution Control Authority (the "BLRWPCA") pursuant to Sections 22a-500 through 22a-519, inclusive, of the Connecticut General Statutes. The BLRWPCA is authorized pursuant to the Enabling Ordinances to act as a regional water pollution control authority and to construct, maintain and operate a regional sewerage system to serve portions of the two towns designated in the Enabling Ordinances.

The project cost \$21,700,000. Significant shares of the construction costs were funded through Federal and State grants. These include grants from the United States Department of Agriculture Office of Rural Development, the Federal Environmental Protection Agency State and Tribal Grants program, the State of Connecticut Small Town Economic Assistance Program and the Connecticut Department of Energy and Environmental Protection ("DEEP") Clean Water Program. The remaining local share of the construction costs is funded by long-term loans (20 years) from the DEEP Clean Water Fund at 2% interest. The loan will be repaid through sewer benefit assessments, which represent about 22% of total project costs and a small tax increase. The Clean Water Fund loan was closed in June 2016 for \$8,849,010.

By concurrent ordinances (the "Financing Ordinances") adopted in September 2007, the Towns of Bolton and Vernon, among other matters, authorized the entrance into one or more agreements by the towns with the BLRWPCA to guarantee the punctual payment of each town's proportionate share of all principal and interest on any bonds issued by the BLRWPCA, to pledge such town's full faith and credit to the payment of its guarantee obligations, and to appropriate, and have available an amount of money which, together with other revenues benefit assessments available for such purpose, shall be sufficient to meet the town's guarantee obligations in connection with the bonds. Pursuant to the Enabling Ordinances, as amended by the Financing Ordinances, initially 71% of the capital and non-capital expenses of the BLRWPCA are assigned to the Town of Bolton, with the remaining 29% of such costs assigned to the Town of Vernon.

Connecticut Natural Gas ("CNG") has extended a natural gas line into Bolton. The gas line services Route 85, Bolton Center Road to the Town Hall, Notch Road to the Town facilities, and Route 44 to the vicinity of the commuter parking lot. This services many of Bolton's commercial properties located on Route 44.

Senior Citizens Programs and Services: The five-member appointed Senior Citizens Committee advises the Director of Senior and Social Services in providing a number of programs services and activities. The Town has two handicap accessible vans which allow for continued expansion of services to seniors. The Senior Needs Assistance Program provides assistance with yard work, snow shoveling, household chores, minor plumbing and maintenance. Other services include an outreach program, food pantry, emergency fuel delivery, sand delivery, a friendly visitor's program and health screenings.

Recreation and Open Space: Through the Recreation Director, recreational activities and programs are provided within the community, including basketball, softball, and swimming. The department also provides a Summer Camp and a number of after-school programs as well as a number of ongoing adult programs.

The Town, with the supervision of the Buildings and Grounds Supervisor, owns and maintains several parks and parcels of open space. These include Freja Park, Herrick Park and Indian Notch Park. Freja Park sits on 21 acres of undeveloped land off of Route 44 on Bolton Pond. Herrick Park is located on Hebron Road. Its facilities include a community building for meetings and social events, two fields for baseball and softball with lighting for night games, and soccer, an outdoor basketball court, playscape and nature trail in the 70 acres of woodland. The 27-acre Indian Notch Park has a beach on Bolton Lake, a picnic area, basketball court, baseball field, pavilion and restrooms. A daily fee is charged at Indian Notch Park, or seasonal passes may be purchased in the Selectmen's Office.

In 1999 and 2000, the Town purchased two large parcels of land in the center of town including the historic Bolton Heritage Farm. The Town also purchased the Pistrutto property, which is adjacent to the Town Hall. This property contains a house which serves as the offices of the Resident State Trooper. These purchases, allow the Town to preserve its historically significant and rural character. A fire at the Bolton Heritage Farm barn in May 2015 necessitated fire damage repairs and offered an opportunity to do additional repair work. The work was completed and included repairs to the siding, a new roof and structural upgrades. The Heritage Farm Commission through the use of grant funds generated a master plan for the farm to be implemented over time.

The State of Connecticut owns 253.4 acres of parklands within Bolton including three community parks: the Gay City State Park, which offers swimming, picnicking, hiking and cross country skiing; the Hop River State Park Trail, which is a part of the East Coast Greenway; and Bolton Notch State Park, which overlooks the scenic Bolton Notch Pond and offers hiking, as well as Bolton Lake which offers small boat launching areas and shore frontage. The State of Connecticut in conjunction with the Town has developed a considerable number of trails throughout the town. This includes a spur from the rails to trails to explore the historic Bolton Heritage Farm property.

Highway Department: The Highway Department is responsible for maintenance of the Town roads. Other work done by the department includes roadside mowing, brush and line trimming to improve sight lines, street sweeping, catch basin cleaning, road resurfacing, repairing curbing, patching potholes, cleaning ditches, replacing lost street signs, rebuilding catch basins when necessary, hauling and mixing winter sand and salt, plowing and sanding, and maintaining all of the Town-owned equipment and trucks. Currently the Town has 45 miles of Town road to maintain.

[The remainder of this page intentionally left blank]

EDUCATIONAL SYSTEM

The Bolton school system serves grades pre-kindergarten through twelve and is governed by a local Board of Education. The Town has a seven-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

EDUCATIONAL FACILITIES

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Last Remodeled</u>	<u>Classroom</u>	<u>Enrollment 10/01/24</u>	<u>Rated Capacity</u>
Bolton Center.....	Pre-K-8	1968	1993/1994	48	471	830
Bolton High.....	9-12	1963	2010/2011	29	212	415
Total					683	1,245

Source: Superintendent of Schools.

EDUCATIONAL ENROLLMENT HISTORY AND PROJECTIONS

Actual			
<u>As of October 1</u>	<u>Pre-K-8</u>	<u>9 - 12</u>	<u>Total</u>
2015	507	302	809
2016	531	278	809
2017	530	275	805
2018	520	261	781
2019	498	276	774
2020	486	262	748
2021	498	252	750
2022	498	236	734
2023	471	223	694
2024	471	212	683
Projected			
2025	476	218	694
2026	463	211	674
2027	460	220	680
2028	467	213	680
2029	461	221	682

Source: Superintendent of Schools.

MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Board of Education.....	150	143	145	148	149	141
General Government.....	57	52	50	48	51	50
Total.....	207	195	195	196	200	191

Source: Town Officials.

MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Highway.....	Local 1303-126, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	4	6/30/2025 (1)
Non-supervisors.....	Local 1303-331, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	14	6/30/2025 (1)
Supervisors.....	Local 818, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	5	6/30/2027
<u>BOARD OF EDUCATION</u>			
Teachers.....	Bolton Education Association.....	84	6/30/2027
Administrators.....	Bolton Administrators Association.....	6	6/30/2026
Secretaries.....	Local 1303-236, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	7	6/30/2028
Cusodians.....	Local 1303-127, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	10	6/30/2028
Instructional Assistants.....	Local 1303-355, Council #4, American Federation of State, County and Municipal Employees, AFL-CIO.....	22	6/30/2028

(1) In negotiations.

Source: Town of Bolton

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

[The remainder of this page intentionally left blank]

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of Bolton	Tolland County	Capital Planning Region (1)	State of Connecticut
1980	3,951	114,823	n/a	3,107,576
1990	4,575	128,699	n/a	3,287,116
2000	5,017	136,364	n/a	3,405,565
2010	4,980	152,691	n/a	3,574,097
2023	4,848	n/a	969,029	3,598,348

(1) Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data is shown.

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

AGE CHARACTERISTICS OF POPULATION

Age	Town of Bolton		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	118	2.4	49,427	5.1	181,240	5.0
5 - 9.....	229	4.7	52,684	5.4	195,390	5.4
10 - 14.....	341	7.0	58,663	6.1	217,297	6.0
15 - 19.....	304	6.3	64,550	6.7	238,145	6.6
20 - 24.....	262	5.4	67,854	7.0	233,423	6.5
25 - 34.....	399	8.2	125,901	13.0	449,771	12.5
35 - 44.....	761	15.7	124,288	12.8	451,461	12.5
45 - 54.....	580	12.0	120,303	12.4	462,543	12.9
55 - 59.....	345	7.1	68,840	7.1	260,758	7.2
60 - 64.....	550	11.3	65,012	6.7	257,548	7.2
65 - 74.....	653	13.5	98,478	10.2	376,023	10.4
75 - 84.....	247	5.1	49,101	5.1	187,378	5.2
85 and over.....	59	1.2	23,928	2.5	87,371	2.4
Total	4,848	100.0	969,029	100.0	3,598,348	100.0

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

INCOME DISTRIBUTION

	Town of Bolton		Capital Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	0	0.0	6,510	2.6	22,973	2.5
\$ 10,000 to 14,999	0	0.0	3,252	1.3	12,547	1.4
\$ 15,000 to 24,999	96	6.9	8,127	3.3	29,893	3.3
\$ 25,000 to 34,999	30	2.1	9,460	3.9	35,598	3.9
\$ 35,000 to 49,999	61	4.4	17,197	7.0	61,793	6.7
\$ 50,000 to 74,999	62	4.4	27,693	11.3	108,046	11.8
\$ 75,000 to 99,999	145	10.4	30,649	12.5	108,216	11.8
\$100,000 to 149,999	327	23.4	51,601	21.0	185,242	20.2
\$150,000 to 199,999	328	23.4	37,017	15.1	128,574	14.0
\$200,000 or more	351	25.1	54,188	22.1	224,258	24.5
Total	1,400	100.0	245,694	100.0	917,140	100.0

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

SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2023)	(2000)	(2023)
Town of Bolton.....	\$ 78,933	\$ 147,500	\$ 29,205	\$ 56,168
Capital Planning Region.....	n/a	118,964	n/a	49,924
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

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

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Older

Educational Attainment Group	Town of Bolton		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	157	4.4	25,463	3.8	101,530	4.0
9th to 12th grade.....	33	0.9	34,247	5.1	118,019	4.7
High School graduate.....	768	21.4	169,580	25.1	647,094	25.5
Some college - no degree.....	589	16.4	110,639	16.4	410,591	16.2
Associates degree.....	300	8.3	55,519	8.2	193,216	7.6
Bachelor's degree.....	1,005	28.0	154,618	22.9	581,935	23.0
Graduate or professional degree.....	742	20.6	125,785	18.6	480,468	19.0
Total.....	3,594	100.0	675,851	100.0	2,532,853	100.0
Percent High School Graduate or Higher.....		94.7%		91.2%		91.3%
Percent Bachelor's Degree or Higher.....		48.6%		41.5%		41.9%

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

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employee
Town of Bolton.....	Municipality.....	207
Bolton Veterinary Hospital.....	Animal health care.....	100 - 249
Larco Machine Co.....	Machinery and equipment.....	50 - 99
Simoniz.....	Manufacturer, cleaning solutions.....	50 - 99
Georgina's Restaurant-Banquets.....	Restaurant.....	50 - 99
Carlyle Johnson Machine Co. LLC..	Engineering and manufacturing, clutches and brakes...	20 - 49
Able Coil & Electronics.....	Manufacturing electrical products.....	20 - 49
Munson's Candy Kitchen.....	Confectioner.....	20 - 49
M & J Bus Inc.....	Bus Lines.....	20 - 49
Constitution Coach.....	Transportation.....	20 - 49
A Villa Louisa.....	Caterer.....	20 - 49
Connecticut Trailers.....	Trailers-Automobile utility.....	20 - 49
Budget Fuel.....	Oil-fuel.....	20 - 49
Dean Cabinetry.....	Cabinetry Manufacturer.....	20 - 30
Country Carpenters.....	Post and Beam Buildings.....	20 - 30

Source: State of Connecticut, Department of Labor

EMPLOYMENT BY INDUSTRY

	Town of Bolton		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	25	0.9	1,896	0.4	7,261	0.4
Construction.....	133	5.0	25,479	5.1	112,821	6.1
Manufacturing.....	265	10.0	53,698	10.8	195,355	10.6
Wholesale trade.....	103	3.9	10,772	2.2	37,294	2.0
Retail trade.....	171	6.4	52,165	10.5	192,535	10.5
Transportation & warehousing & utilities.....	106	4.0	27,064	5.4	84,571	4.6
Information.....	29	1.1	8,112	1.6	36,631	2.0
Finance, insurance, real estate.....	330	12.4	51,930	10.5	162,724	8.9
Professional, scientific & management.....	340	12.8	56,853	11.4	223,982	12.2
Educational, health & social services.....	839	31.6	131,615	26.5	490,839	26.7
Arts, entertainment & recreation.....	148	5.6	36,610	7.4	145,445	7.9
Other professional services.....	51	1.9	19,874	4.0	78,662	4.3
Public administration.....	114	4.3	20,758	4.2	67,335	3.7
Total.....	<u>2,654</u>	<u>100.0</u>	<u>496,826</u>	<u>100.0</u>	<u>1,835,455</u>	<u>100.0</u>

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

UNEMPLOYMENT RATE STATISTICS

Yearly Average	Town of Bolton %	Hartford Labor Market %	State of Connecticut %	United States %
2015	4.1	5.6	5.6	5.3
2016	3.6	4.9	4.8	4.9
2017	3.3	4.4	4.4	4.4
2018	2.6	3.9	3.9	3.9
2019	2.6	3.6	3.6	3.7
2020	5.1	7.8	7.9	8.1
2021	4.6	6.3	6.3	5.4
2022	3.1	4.2	4.2	3.7
2023	2.8	3.7	3.7	3.6
2024	2.8	3.5	3.5	4.0
2025 Monthly				
January	4.1	4.0	4.0	4.4
February	4.3	4.4	4.5	4.5
March	3.7	4.1	4.1	4.2
April	2.9	3.5	3.4	3.9
May	3.2	3.9	3.9	4.0

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

NUMBER OF DWELLING UNITS

2023	2010	2000	1990	% Increase 2010-2023	% Increase 2000-2023	% Increase 1990-2023
2,009	2,015	1,969	1,704	-0.30%	2.03%	17.90%

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

CHARACTERISTICS OF HOUSING UNITS

Sales Price Category	Town of Bolton		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	0	0.0	5,845	2.3	22,174	2.4
\$ 50,000 to \$ 99,999	9	0.5	4,305	1.7	15,116	1.6
\$ 100,000 to \$149,999	10	0.6	10,893	4.3	38,832	4.1
\$ 150,000 to \$199,999	61	3.5	26,083	10.3	77,152	8.2
\$ 200,000 to \$299,999	492	28.6	81,570	32.1	233,824	24.9
\$ 300,000 to \$499,999	913	53.0	90,636	35.6	319,703	34.0
\$ 500,000 to \$999,999	207	12.0	31,964	12.6	173,643	18.5
\$1,000,000 and over	30	1.7	3,128	1.2	59,468	6.3
Total	<u>1,722</u>	<u>100.0</u>	<u>254,424</u>	<u>100.0</u>	<u>939,912</u>	<u>100.0</u>
Median Value.....	\$348,700		\$298,200		\$343,200	

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

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Bolton		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier.....	216	10.8	75,663	18.2	313,434	20.4
1940 - 1949.....	163	8.1	27,309	6.6	95,842	6.2
1950 - 1959.....	451	22.4	69,489	16.7	221,879	14.4
1960 - 1969.....	261	13.0	58,758	14.1	198,807	12.9
1970 - 1979.....	335	16.7	54,681	13.2	210,611	13.7
1980 - 1989.....	274	13.6	53,601	12.9	197,533	12.9
1990 - 1999.....	190	9.5	31,067	7.5	116,617	7.6
2000 - 2009.....	59	2.9	26,176	6.3	108,430	7.1
2010 - 2019.....	60	3.0	16,959	4.1	66,546	4.3
2020 or later.....	0	0.0	1,566	0.4	6,350	0.4
Total.....	<u>2,009</u>	<u>100.0</u>	<u>415,269</u>	<u>100.0</u>	<u>1,536,049</u>	<u>100.0</u>

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

NUMBER AND VALUE OF BUILDING PERMITS

Fiscal Year	Residential		Industrial/Commercial		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2025 (1)	390	\$ 6,771,793	29	\$ 616,500	419	\$ 7,388,293
2024	359	7,272,379	36	2,352,083	395	9,624,462
2023	431	6,341,587	28	313,882	459	6,655,469
2022	469	5,732,204	32	3,958,237	501	9,690,441
2021	416	4,882,371	25	531,895	441	5,414,266
2020	162	2,603,408	19	2,007,500	181	4,610,908
2019	151	2,814,058	21	2,404,164	172	5,218,222
2018	133	3,233,091	20	718,978	153	3,952,069
2017	103	2,177,836	17	256,137	120	2,433,973
2016	177	3,263,770	18	1,748,902	195	5,012,672

(1) As of June 18, 2025.

Source: Town of Bolton.

IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Town last revalued its real property to be effective on the October 1, 2023 Grand List, for the 2024-25 fiscal year. The next revaluation is scheduled for October 1, 2028. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

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

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

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

The Assessor's Office is also responsible for the administration of several property exemption and payment-in-lieu- of-taxes programs which include, but are not limited to, the following: special veterans programs; elderly tax relief for homeowners and renters; farm, forest and open space; blind and disabled taxpayers; manufacturing exemptions; and State- owned property reimbursement programs.

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

PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent. Motor vehicle taxes must be paid in a single installment due July 1. Real estate and personal property taxes of less than \$100 are due in full in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January.

According to Connecticut General Statutes, delinquent property taxes are subject to interest at the rate of 1.5% per month (18% per annum) for all delinquent property taxes. Real estate is liened for delinquent taxes within one year after the tax due date.

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-66f of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 32.30 mills.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2024
2026	\$ 612,555,679	32.30	\$19,682,336	In Process	In Process	In Process
2025 (1)	580,947,381	32.74	18,852,915	In Process	In Process	In Process
2024	468,886,431	43.82	19,945,605	99.3	\$ 133,955	\$ 133,955
2023	462,530,748	39.99	18,234,597	99.2	145,173	47,829
2022	450,457,869	39.43	17,938,590	99.2	145,173	20,783
2021	446,875,681	38.96	17,439,004	99.2	136,932	8,781
2020 (1)	443,024,196	39.00	17,510,017	99.3	130,751	6,577
2019	435,012,548	39.00	17,135,786	98.5	253,187	4,902
2018	432,599,233	38.59	17,152,040	99.0	166,448	2,301
2017	429,972,628	37.50	16,198,307	98.9	179,390	3,478

(1) Indicates years of revaluations. The Town's last revaluation is effective as of 10/01/2023. (See "Assessments Practices" herein).

Source: Annual audited financial statements, fiscal years 2024-25 and 2025-26 adopted budgets.

TAXABLE GRAND LIST (1)

Grand List Dated	Real Property %	Personal Property %	Motor Vehicle %	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List (1)
10/01/24	88.3	2.9	8.8	\$ 621,282,796	\$ 8,727,117	\$ 612,555,679
10/01/23 (1)	87.5	3.1	9.4	587,820,470	6,873,089	580,947,381
10/01/22	84.2	3.5	12.3	474,911,092	6,024,661	468,886,431
10/01/21	84.9	3.3	11.8	468,442,804	5,912,056	462,530,748
10/01/20	86.3	4.0	9.7	456,339,374	5,881,505	450,457,869
10/01/19	88.0	3.0	9.0	452,827,126	5,951,445	446,875,681
10/01/18 (1)	88.0	3.0	9.0	448,341,291	5,317,095	443,024,196
10/01/17	88.0	2.4	9.6	470,761,128	35,748,580	435,012,548
10/01/16	88.4	2.3	9.3	438,634,833	6,035,600	432,599,233
10/01/15	88.6	2.2	9.2	434,993,688	5,021,060	429,972,628
10/01/14	88.6	2.4	9.0	434,408,360	5,004,135	429,404,225

(1) Indicates years of revaluation. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1 (Includes Board of Assessment Appeals). A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/1/2023). The next revaluation is scheduled for 10/1/2028.

Source: Town Officials.

LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Grand List Amount</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource.....	Utility.....	\$ 6,068,910	1	0.99
Gorra William & Gorra O'Neil Michele.....	Manufacturing.....	3,019,600	2	0.49
Connecticut Natural Gas.....	Utility.....	2,783,690	3	0.45
Global Montell Group Corp.....	Retail.....	2,077,380	4	0.34
Fiano Lawrence F.....	Apartments.....	1,905,110	5	0.31
Howard Road Realty.....	Real estate.....	1,796,300	6	0.29
174 Hop River Road LLC.....	Confectioner.....	1,409,200	7	0.23
Comcast of CT Inc.....	Utility.....	1,454,060	8	0.24
Sunset Apartments LLC.....	Real estate.....	1,104,600	9	0.18
GAC Bolton LLC.....	Manufacturing.....	1,024,600	10	0.17
Total		<u>\$ 22,643,450</u>		<u>3.70</u>

Source: Town Officials.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2023 (1)	\$ 830,037,683	-7.67%
2022	899,015,269	9.36%
2021	822,089,775	9.67%
2020	749,622,556	10.20%
2019	680,220,855	7.35%
2018 (1)	633,650,480	-0.71%
2017	638,184,674	1.50%
2016	628,759,699	0.86%
2015	623,371,566	1.31%
2014	615,311,148	0.72%

- (1) Years of revaluation. In the year of revaluation, the methodology utilized by the State of Connecticut to estimate the Equalized Net Grand List does include developing a ratio of actual property sale values to their individual assessed values as it does in non-revaluation years.

Source: State of Connecticut, Office of Policy and Management.

[The remainder of this page intentionally left blank]

V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements.

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements ("Appendix A").

ANNUAL AUDIT

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Stephen T. Hopkins, CPA, PC currently serves as the Town's auditor and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, which receives a copy of said audit report when completed.

The most recent audited report covers the fiscal year ended June 30, 2024. Included in this Official Statement and made a part hereof as "Appendix A" are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and Notes to the Financial Statements, together with the report of the independent auditor as prepared by Stephen T. Hopkins, CPA, PC of Scarborough, ME. The information contained in "Appendix A" is not the entire audit report. A copy of the complete report is available upon request to the Finance Director, Town of Bolton.

BUDGETARY PROCEDURES

Annual operating budget requests are prepared by each department and agency head and submitted to the Administrative Officer who compiles them into a general government budget, debt budget and capital budget for review by the Board of Selectmen. Following review and revision, the Board of Selectmen adopt a general government budget, a debt budget and a capital budget which are forwarded to the Board of Finance by March 15th. The Superintendent of Schools submits the local education budget to the Board of Education, which has the authority to increase or decrease the Superintendent's requests. After one or more public hearings, the Board of Finance may increase or decrease the bottom line only for education budget requests as well as the Board of Selectmen's budgets. By the Town of Bolton Charter, the Board of Finance determines the level of funding between one and four mills for the Capital Reserve budget. The annual budget shall become effective only after it has been approved by the Board of Finance and adopted by an annual referendum. The annual budget referendum may adopt, reject, but cannot increase the budget or any portion thereof as approved or deemed to have been approved by the Board of Finance. The adoption of the budget by the annual budget referendum shall be deemed to constitute the appropriation to the Board of Education's and the Board of Selectmen's budgets. Subsequent to the budget approval, the mill rate is set by the Board of Finance.

MUNICIPAL BUDGET EXPENDITURE CAP

Connecticut General Statutes Section 4-66l, as amended, creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

EMPLOYEE PENSION SYSTEMS

The employees of the Town are covered under a Deferred Compensation Plan. The plan allows employees to defer a portion of their salaries through payroll deductions into the Plan and invest it, on a tax-deferred basis. The Plan is administered by ICMA RC and is authorized under Section 457 of the Internal Revenue Code. Plans of deferred compensation described in IRC section 457 are available for certain state and local governments and non-governmental entities tax exempt under IRC 501. They can be either eligible plans under IRC 457(b) or ineligible plans under IRC 457(f). Plans eligible under 457(b) allow employees of sponsoring organizations to defer income taxation on retirement savings into future years.

Funds in the Deferred Compensation Plan are not subject to taxes until they are withdrawn from the Plan. At the time of withdrawal normal income taxes are due, but there is no IRS penalty, regardless of age. Because of the tax-deferred status of the funds in the Deferred Compensation Plan, Federal law strictly limits access to these funds and under normal circumstances prohibits participants from withdrawing these funds while employed with the Town. Employers or employees through salary reductions are allowed to contribute up to the standard IRC 402 (g) limit of \$24,000 in 2024 and \$22,500 in 2023 on behalf of participants under the plan. In addition to employee elective deferrals, the Town contributions consist of 8.5% of the wages of two employees, 6%, of wages for one employee 5.5% of wages for supervisors and non-union employees and 5% of the wages for the remaining covered employees. During the fiscal year ended June 30, 2023, approximately 26 employees participated in the plan at some point during the year. Total payroll for Town employees (excluding the Board of Education) was approximately \$2,518,990 of which approximately \$1,840,911 represented wages attributable to plan participants. For the fiscal year ended June 30, 2024, the Town contributed approximately \$110,369 to the plan on-behalf of the plan participants.

The non-certified employees of the Board of Education are covered under a Simplified Employee Pension Plan and a Tax sheltered annuity plan. These plans cover non-certified personnel such as secretaries, custodians, instructional aides, and certain administrative staff. Tax-Sheltered Annuity ("TSA") arrangements are a form of defined contribution retirement plan available under Section 403(b) of the Internal Revenue Code. They are available to employees of Code Section 501(C)(3) tax-exempt organizations such as public colleges, universities and school systems. Subject to various limitations and restrictions, IRC §403(b) allows tax-deferred contributions to be made for the employees through salary reduction contributions of the employees. IRC §403(b) contributions must be invested in annuity contracts issued by life insurance companies or in shares of regulated investment companies (mutual funds) held in custodial accounts for the employee. Under the arrangement, a portion of the employee's compensation (determined by the employee within the limitations imposed by the Internal Revenue Code) is applied on a before-tax basis to an annuity contract or mutual fund shares owned by the employee. These amounts, together with any investment earnings, are not subject to federal income tax until they are paid to the employee (or beneficiary) in the form of benefits, normally during retirement. The Board of Education contributes between 6.0% and 13.0% of the covered employees' wages. For the fiscal year ended June 30, 2024, approximately 2 employees participated in the plan at some point during the year. Total payroll for all employees including those eligible for the plan and those covered by other plans was approximately \$10,278,206, of which approximately \$118,341, represented the wages attributable to plan participants. For the fiscal year ended June 30, 2024, the Board of Education contributed \$7,100 to the plan on-behalf of the plan participants.

A simplified employee pension ("SEP") plan is an employer sponsored, tax-favored retirement plan. Unlike a traditional qualified plan, a SEP plan doesn't need an extensive written plan document and has minimal reporting and disclosure requirements for compliance. Any type of business entity (sole proprietorship, partnership or corporation), as well as certain tax-exempt organizations, can establish a SEP plan for its employees. Each eligible employee opens a SEP IRA account with an approved custodian and the employer makes contributions to those accounts on behalf of the employees. To be valid for any given tax year, the SEP plan document must be executed and the SEP IRA accounts established and funded by the due date of the employer's tax return, including extensions. A SEP plan is funded by the employer and is 100% vested at all times. The SEP contribution limit is 25% of an individual employee's compensation or \$69,000 in 2024 and \$66,000 in 2023 and is generally allocated on a straight salary ratio basis. Any employee who is at least 21 years old and has worked for the employer in any three of the preceding five years must have contributions made on his or her behalf, provided that in the year they become eligible, they earn in excess of the minimum indexed compensation amount (\$500 in 2024 and 2023). This includes part-time employees. The employer may set less restrictive age or service requirements, but the eligibility rules must be applied on a consistent basis to all employees. The Board of Education contributes between 6% and 11% of the covered employees' wages. For the fiscal year ended June 30, 2024, approximately 37 employees participated in the plan at some point during the year. Total payroll for all employees including those eligible for the plan and those covered by other plans was approximately \$10,278,206 of which approximately \$1,824,486, represented the wages attributable to plan participants. For the fiscal year ended June 30, 2024, the Board of Education contributed \$120,660 to the plan on-behalf of the plan participants.

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education does not contribute to the plan. The actuarial present value of accumulated plan benefits for this plan is not available. For further discussion on the plans, see "Appendix A, Notes 10 and 12 to Financial Statements" herein.

OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits ("OPEB") plans are plans that provide post-employment healthcare benefits, either separately or through a defined benefit pension plan. The most common forms of healthcare benefits are medical, dental and vision. Other examples of benefits which are covered by this statement include life insurance, disability and long-term care benefits only when they are provided separately from a defined benefit pension plan. This statement tells us that OPEB arise from an exchange of salaries and benefits for employee services, and it is part of the compensation that employers offer for services received.

The Board of Education and the Town provide a benefit to certain employees upon retirement in the form of the ability to be part of the health insurance plan while paying the full amount of the premium charged for active employees and receiving no physical subsidy from the Board of Education or the Town. Under this statement, this type of benefit is referred to as an implicit rate subsidy. An implicit rate subsidy exists in effect when a health insurance premium rate is made up of age adjusted factors covering active and retired employees. The health insurance premiums which would be charged to a group of solely retirees are most likely larger than those which would be charged to a group of solely active employees. When these two groups are merged together, a rate somewhere in the middle is charged to all of the employees, whether active or retired. The difference between the premium costs paid by the employer and what would have been paid if the rates were not blended is considered a non-current cost of the employer. The difference between the premium costs paid by the retiree and what would have been paid if the rates were not blended is considered a benefit to the retiree. Hence, a very simplified description of an implicit rate subsidy.

The Board of Education and the Town maintain a single employer defined benefit OPEB Plan. Town supervisors are eligible for medical and dental coverage upon retirement on or after age 60 with 15 years of service. Board of Education certified employees are eligible for medical and dental coverage upon retirement under the State of Connecticut Teachers Retirement Board system. The normal retirement under this system is the earlier of age 60 with 20 years of service or 35 years of service. Early retirement is the earliest of 60 with 10 years of service, 55 with 20 years of service or 25 years of service. Board of Education non-certified employees are eligible for medical and dental coverage upon retirement. Both the retirees and the retiree's spouse are eligible to participate in the OPEB Plan and they must pay 100% of the cost of the medical coverage. A number of different plan coverages are available. Surviving spouses are permitted to continue coverage after the death of the retiree, but are responsible for continuing to pay the same monthly premium amount or percentage that was being paid while the retiree was alive. The funding and payment for these post-employment benefits are accounted for within the Board of Education and Town budget within the general fund of the Town on a pay-as-you-go basis. The Town accounts for dental coverage in the Form of a self-insured dental internal service fund.

The Town implemented Government Accounting Standards Board's ("GASB") Statement No. 75. In accordance with GASB Statement No. 75, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30 were as follows:

	2024	2023	2022	2021	2020
Total OPEB liability.....	\$ 1,082,998	\$ 1,263,318	\$ 1,321,594	\$ 1,855,131	\$ 1,788,829
Plan fiduciary net position.....	-	-	-	-	-
Net pension liability.....	<u>\$ 1,082,998</u>	<u>\$ 1,263,318</u>	<u>\$ 1,321,594</u>	<u>\$ 1,855,131</u>	<u>\$ 1,788,829</u>
Plan fiduciary net position as a % of total pension liability.....	0.00%	0.00%	0.00%	0.00%	0.00%

The following represents the net OPEB liability of the Town, calculated using the discount rate of 3.93%, as well as what the Town's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Net Town OPEB Liability.....	\$ 1,203,096	\$ 1,082,998	\$ 980,942

The following represents the Town’s net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net Town OPEB Liability.....	\$ 969,455	\$ 1,082,998	\$ 1,216,842

For further details on the plans, see "Appendix A, Notes 13 and 14 to Financial Statements" herein.

INVESTMENT POLICIES AND PROCEDURES

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

The Connecticut General Statutes permit municipalities to invest in obligations of the United States and its agencies, highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated investment companies (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. The Connecticut General Statutes also provide for investment in shares of the State of Connecticut Short-Term Investment Fund ("STIF"). Other provisions of the Connecticut General Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the laws applicable to fiduciaries and the provisions of the applicable plan generally control investment of such funds.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a % of General Fund
2026 (Adopted Budget) (1)	\$ 23,538,927	\$ 19,682,336	83.62
2025 (Unaudited Estimates) (1)	24,048,424	19,226,747	79.95
2024	27,068,648	20,029,174	73.99
2023	24,478,022	18,290,727	74.72
2022	23,582,131	18,009,657	76.37
2021	25,652,212	17,461,814	68.07
2020	24,426,546	17,616,327	72.12
2019	21,927,392	17,237,177	78.61
2018	23,637,320	17,304,877	73.21
2017	21,722,157	16,171,601	74.45

(1) Budgetary figures for fiscal years 2024-25 and 2025-26 do not include one-time pass-through state funding for the teachers’ retirement system pension liability. The figure was \$2,501,166 in fiscal year 2023-24.

Source: Annual audited financial statements, unaudited estimates fiscal year 2024-25 and 2025-26 adopted budget.

[The remainder of this page intentionally left blank]

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Intergovernmental Revenues	Aid As a % of General Fund Revenue
2026 (Adopted Budget) (1)	\$ 23,538,927	\$ 2,794,723	11.87
2025 (Unaudited Estimates) (1)	24,048,424	3,518,107	14.63
2024	27,068,648	5,914,269	21.85
2023	24,478,022	5,588,354	22.83
2022	23,582,131	4,926,143	20.89
2021	25,652,212	7,616,420	29.69
2020	24,426,546	5,958,854	24.39
2019	21,927,392	3,880,725	17.70
2018	23,637,320	5,567,930	23.56
2017	21,722,157	4,873,927	22.44

(1) Budgetary figures for fiscal years 2024-25 and 2025-26 do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$2,501,166 in fiscal year 2023-24.

Source: Annual audited financial statements, unaudited estimates fiscal year 2024-25 and 2025-26 adopted budget.

EXPENDITURES

Fiscal Year	Education %	General Government %	Public Works %	Debt Service %	Public Safety %
2026 (Adopted Budget) (1)	65.76	15.19	3.81	4.75	2.55
2025 (Unaudited Estimates) (1)	67.04	14.68	4.46	3.79	2.49
2024	70.45	12.82	4.01	3.61	2.23
2023	71.30	12.15	4.16	3.56	2.27
2022	71.68	11.86	4.18	2.98	2.70
2021	74.75	11.15	3.46	2.37	2.42
2020	72.73	12.04	3.90	2.60	2.45
2019	70.42	12.85	4.58	2.99	2.59
2018	72.85	11.63	4.33	2.65	2.35
2017	71.21	12.19	4.53	3.30	2.36

(1) Budgetary figures for fiscal years 2024-25 and 2025-26 do not include one-time pass-through state funding for the teachers' retirement system pension liability. The figure was \$2,501,166 in fiscal year 2023-24.

Source: Annual audited financial statements, unaudited estimates fiscal year 2024-25 and 2025-26 adopted budget.

[The remainder of this page intentionally left blank]

COMPARATIVE GENERAL FUND OPERATING STATEMENT
(Budget and Actual – Budgetary Basis)

	Fiscal Year 2023-24			2024-25	2025-26
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	Unaudited Estimates	Adopted Budget
REVENUES					
Property taxes.....	\$ 19,726,797	\$ 20,029,174	\$ 302,377	\$ 19,226,747	\$ 19,682,336
Intergovernmental.....	3,194,648	3,379,067	184,419	3,518,107	2,794,723
Education tuition.....	94,839	90,986	(3,853)	133,989	79,105
Charges for services and fees.....	327,759	396,806	69,047	461,346	575,763
Interest income.....	15,000	578,828	563,828	522,461	375,000
Miscellaneous.....	54,324	58,585	4,261	185,774	12,000
TOTAL REVENUES.....	23,413,367	24,533,446	1,120,079	24,048,424	23,518,927
EXPENDITURES					
Current:					
General government.....	3,493,869	3,229,636	264,233	3,535,113	3,879,987
Public works.....	1,037,628	1,014,080	23,548	1,073,967	973,967
Public safety.....	613,781	562,789	50,992	600,323	650,699
Building, planning and zoning.....	388,744	360,225	28,519	384,044	493,175
Community services.....	513,762	483,716	30,046	511,481	548,620
Sanitation and waste refuse services.....	656,969	648,931	8,038	717,830	727,830
Education.....	16,093,708	15,268,215	825,493	16,146,157	16,800,367
Capital outlay.....	18,433	18,433	-	-	-
Contingency.....	25,000	-	25,000	-	50,000
Debt issuance costs.....	75,000	14,293	60,707	12,782	20,000
Bolton Lakes debt assessment.....	190,000	190,000	-	190,000	190,000
Debt service.....	1,161,168	911,138	250,030	912,904	1,213,321
TOTAL EXPENDITURES.....	24,268,062	22,701,456	1,566,606	24,084,601	25,547,966
Revenues over expenditures.....	(854,695)	1,831,990	2,686,685	(36,177)	(2,029,039)
OTHER FINANCING SOURCES (USES)					
Proceeds from short-term debt.....	250,000	-	(250,000)	-	250,000
Appropriation of fund balance.....	1,163,412	-	(1,163,412)	-	2,500,055
Utilization of committed fund balance.....	10,249	-	(10,249)	-	-
Operating transfers in.....	-	-	-	-	63,000
Operating transfers out.....	(5,966)	(518,966)	(513,000)	(832,250)	(784,016)
TOTAL OTHER FINANCING SOURCES (USES).....	1,417,695	(518,966)	(1,936,661)	(832,250)	2,029,039
Change in fund balance.....	<u>\$ 563,000</u>	1,313,024	<u>\$ 750,024</u>	(868,427)	<u>\$ -</u>
Current year encumbrances.....		-		-	
Prior year encumbrances.....		(9,976)		-	
Net change in budgetary fund balance.....		1,303,048		(868,427)	
Budgetary Fund Balance, beginning.....		4,759,612		6,062,660	
Budgetary Fund Balance, ending.....		<u>\$ 6,062,660</u>		<u>\$ 5,194,233</u>	

Source: Annual audited financial statements, unaudited estimates fiscal year 2024-25 and 2025-26 adopted budget.

COMPARATIVE GENERAL FUND BALANCE SHEETS
Summary of Assets and Liabilities
(GAAP Basis)

Fiscal Year Ended:	2020	2021	2022	2023	2024
ASSETS					
Cash.....	\$ 783,700	\$ 7,775,071	\$ 8,147,560	\$ 10,457,824	\$ 8,864,735
Investments.....	6,490,269	-	-	-	2,789,264
Receivables:					
Property taxes.....	189,328	212,108	225,109	265,762	232,707
Intergovernmental.....	23,868	109,874	20,799	92,889	41,922
Other.....	8,358	10,453	3,148	4,574	129,348
Prepaid items.....	3,969	11,474	103,802	5,977	7,447
Due from internal service fund.....	-	323	15,489	-	-
Due from other funds.....	172,160	324,758	850,860	8,585	272,276
Total Assets.....	\$ 7,671,652	\$ 8,444,061	\$ 9,366,767	\$ 10,835,611	\$ 12,337,699
LIABILITIES					
Accounts payable.....	\$ 326,630	\$ 404,308	\$ 780,275	\$ 869,632	\$ 663,159
Accrued payroll.....	67,622	74,488	104,762	67,189	72,969
Other liabilities.....	443	106,460	149,833	254,931	235,048
Unearned revenues.....	2,099	1,925	3,424	3,642	2,870
Due to other funds.....	2,671,361	3,154,269	3,380,212	4,666,157	4,866,093
Total Liabilities.....	3,068,155	3,741,450	4,418,506	5,861,551	5,840,139
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue -					
Property taxes.....	152,813	193,834	193,060	214,448	214,170
Advance property tax collections....	-	-	-	-	220,730
Total Deferred Inflows of Resources.....	152,813	193,834	193,060	214,448	434,900
FUND BALANCES					
Nonspendable.....	3,969	11,474	103,802	5,977	7,447
Committed.....	149,753	169,792	217,332	403,481	450,848
Assigned.....	3,774,076	1,834,110	1,942,420	3,143,023	4,433,504
Unassigned.....	522,886	2,493,401	2,491,647	1,207,131	1,170,861
Total Fund Balances.....	4,450,684	4,508,777	4,755,201	4,759,612	6,062,660
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 7,671,652	\$ 8,444,061	\$ 9,366,767	\$ 10,835,611	\$ 12,337,699

Source: Town annual audited financial statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Nonspendable.....	\$ 3,969	\$ 11,474	\$ 103,802	\$ 5,977	\$ 7,447
Committed.....	149,753	169,792	217,332	403,481	450,848
Assigned.....	3,774,076	1,834,110	1,942,420	3,143,023	4,433,504
Unassigned.....	522,886	2,493,401	2,491,647	1,207,131	1,170,861
Total Fund Balance.....	\$ 4,450,684	\$ 4,508,777	\$ 4,755,201	\$ 4,759,612	\$ 6,062,660
Total Fund Balance as % of					
Total Expenditures & Transfers.....	<u>18.52%</u>	<u>17.61%</u>	<u>20.35%</u>	<u>19.31%</u>	<u>23.51%</u>

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES
Summary of Audited Revenues and Expenditures
(GAAP Basis)

Fiscal Year Ended:	2020	2021	2022	2023	2024
Revenues					
Property taxes.....	\$ 17,616,327	\$ 17,461,814	\$ 18,009,657	\$ 18,290,727	\$ 20,029,174
Intergovernmental.....	5,958,854	7,616,420	4,926,143	5,588,354	5,914,269
Education tuition.....	230,904	170,549	157,807	128,358	90,986
Charges for goods and services.....	271,932	323,867	401,873	372,128	396,806
Interest income.....	207,533	30,608	5,541	22,075	578,828
Miscellaneous.....	140,996	48,954	81,110	76,380	58,585
Total Revenues.....	24,426,546	25,652,212	23,582,131	24,478,022	27,068,648
Expenditures					
General government.....	2,827,868	2,777,630	2,711,759	2,925,442	3,239,612
Public works.....	916,126	861,519	956,384	1,002,095	1,014,080
Public safety.....	575,482	603,927	616,923	547,165	562,789
Building, planning and zoning.....	322,629	292,178	270,555	298,387	360,225
Community services.....	455,306	472,023	461,585	477,912	483,716
Sanitation and waste.....	488,294	515,773	534,306	598,622	648,931
Education.....	13,956,405	13,845,402	14,231,384	14,796,491	15,268,215
Education - on behalf.....	3,126,351	4,775,526	2,159,093	2,364,444	2,535,202
Capital outlay - operating.....	38,494	720	30,592	17,630	18,433
Capital outlay - leases.....	-	-	31,691	-	-
Bolton Lakes debt assessment.....	170,000	175,000	180,000	185,000	190,000
Debt issuance costs.....	-	-	-	-	14,293
Non-cash notes payable purchases.....	-	-	-	-	23,256
Debt service.....	611,570	590,114	681,542	855,821	911,138
Total Expenditures.....	23,488,525	24,909,812	22,865,814	24,069,009	25,269,890
Revenues over expenditures.....	938,021	742,400	716,317	409,013	1,798,758
Other Financing Sources (Uses)					
Non-cash notes payable proceeds.....	-	-	-	-	23,256
Transfer in.....	-	-	-	-	-
Transfer out.....	(547,896)	(687,950)	(501,584)	(578,992)	(518,966)
Issuance of leases.....	-	-	31,691	-	-
Total Other Financing Sources (Uses).....	(547,896)	(687,950)	(469,893)	(578,992)	(495,710)
Net change in fund balances.....	390,125	54,450	246,424	(169,979)	1,303,048
Fund Balance - July 1.....	4,060,559	4,454,327 (1)	4,508,777	4,929,591 (1)	4,759,612
Fund Balance - June 30.....	\$ 4,450,684	\$ 4,508,777	\$ 4,755,201	\$ 4,759,612	\$ 6,062,660

(1) As restated.

Source: Town annual audited financial statements.

[The remainder of this page intentionally left blank]

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 27, 2025

(Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 8/27/25</u>	<u>Final Fiscal Year Maturity</u>
<u>General Purpose</u>					
6/21/2017	General Purpose	3.00 - 5.00	\$ 633,000	\$ 65,000	2027
2/17/2021	Refunding - General Purpose	1.05 - 2.00	401,000	265,000	2032
			\$ 1,034,000	\$ 330,000	
<u>Schools</u>					
6/21/2017	Refunding - Schools	3.00 - 5.00	4,995,000	2,715,000	2031
6/21/2017	Schools	3.00 - 5.00	1,042,000	105,000	2027
2/17/2021	Refunding - Schools	1.05 - 2.00	2,289,000	1,515,000	2032
			\$ 8,326,000	\$ 4,335,000	
	Total		\$ 9,360,000	\$ 4,665,000	

Short-Term Debt: Notes

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 8/27/25</u>	<u>Date of Maturity</u>
<u>General Purpose</u>					
8/27/2025	General Purpose (This Issue)	4.00	\$ 630,000	\$ 630,000	8/26/2026
			\$ 630,000	\$ 630,000	

Other Long-Term Commitments: Operating Leases

<u>Fiscal Year June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 65,215	\$ 6,333	\$ 71,548
2026	58,549	2,501	61,050
2027	20,260	249	20,509
Total lease payments.....	\$ 144,024	\$ 9,083	\$ 153,107

[The remainder of this page intentionally left blank]

COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
GENERAL FUND
As of August 27, 2025
(Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)
2026	\$ 885,000	\$ 166,470	\$ 1,051,470
2027	915,000	133,633	1,048,633
2028	770,000	101,583	871,583
2029	800,000	75,283	875,283
2030	825,000	47,983	872,983
2031	850,000	19,783	869,783
2032	265,000	2,783	267,783
	<u>\$ 5,310,000</u>	<u>\$ 547,518</u>	<u>\$ 5,857,518</u>

(1) Does not reflect principal payments of \$645,000 made by the Town as of August 27, 2025.

Source: Town Officials.

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

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The Town, along with the Town of Vernon, is a member of the Bolton Lakes Regional Water Pollution Control Authority (the "BLRWPCA") which has the authority to issue debt, constituting overlapping debt of the Town. The BLRWPCA currently has a State of Connecticut Clean Water Fund (CWF) Project Loan Obligation (132-C1) outstanding. As of June 30, 2025, the outstanding balance is \$4,579,751. A benefit assessment of \$10,000 per single family dwelling has been assessed. Assessments are financed at 2% interest over 20 years. The benefit assessment annual payments go towards the CWF debt service payments. The balance of the debt is split between Bolton (71%) and Vernon (29%).

Amount of Outstanding Debt (1)	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt (1)
\$ 4,579,751	71.00%	\$ 3,251,623

(1) As of June 30, 2025.

[The remainder of this page intentionally left blank]

DEBT STATEMENT

As of August 27, 2025

(Pro Forma)

Long-Term Indebtedness (1)	
General Purpose.....	\$ 330,000
Schools.....	4,335,000
Total Long-Term Indebtedness.....	4,665,000
Short-Term Indebtedness	
The Notes (This Issue).....	630,000
Total Direct Indebtedness	5,295,000
Exclusions: (School building grants receivable).....	-
Total Net Direct Indebtedness.....	5,295,000
Total Underlying and Net Overlapping Indebtedness (2).....	3,251,623
Total Net Direct and Overlapping Indebtedness.....	\$ 8,546,623

- (1) Does not include authorized but unissued debt in the amount of \$78,401. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.
- (2) Overlapping and underlying debt as of June 30, 2025. (See "Overlapping and Underlying Indebtedness" herein).

CURRENT DEBT RATIOS

As of August 27, 2025

(Pro Forma)

Total Direct Indebtedness.....	\$ 5,295,000
Total Net Direct Indebtedness.....	\$ 5,295,000
Total Net Direct Indebtedness.....	\$ 8,546,623
Population (1).....	4,848
Net Taxable Grand List (10/1/24).....	\$ 612,555,679
Estimated Full Value.....	\$ 875,079,541
Equalized Net Taxable Grand List (2023) (2).....	\$ 830,037,683
Per Capita Income (1).....	\$ 56,168
Total Direct Indebtedness:	
Per Capita.....	\$1,092.20
To Net Taxable Grand List	0.86%
To Estimated Full Value	0.61%
To Equalized Net Taxable Grand List.....	0.64%
Per Capita to Per Capita Income.....	1.94%
Total Net Direct Indebtedness:	
Per Capita.....	\$1,092.20
To Net Taxable Grand List.....	0.86%
To Estimated Full Value.....	0.61%
To Equalized Net Taxable Grand List.....	0.64%
Per Capita to Per Capita Income.....	1.94%
Total Net Direct and Net Overlapping Indebtedness:	
Per Capita.....	\$1,762.92
To Net Taxable Grand List.....	1.40%
To Estimated Full Value.....	0.98%
To Equalized Net Taxable Grand List.....	1.03%
Per Capita to Per Capita Income.....	3.14%

- (1) U.S. Census Bureau, 2019-2023 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Meeting upon the recommendation of the Board of Finance, except for refunding bonds which are authorized by the Board of Selectmen. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes. The issuance of refunding bonds is authorized by a resolution adopted by the Board of Selectmen.

TEMPORARY FINANCING

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

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

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

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs. Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during certain phases of construction.

The Town has executed a contract with the Town of Columbia through fiscal year 2021-22 to provide secondary educational services to high school students on tuition-fee basis since Columbia does not have its own high school. By ordinance, 80% of the tuition payments defrays debt service costs for the 2010-11 Bolton High School Renovation and Addition Project. For fiscal year 2023-24 the 80% is estimated to be \$155,345. For fiscal year 2024-2025 the 80% is estimated to be \$182,154. For fiscal year 2025-2026 the 80% is estimated to be \$153,180 towards debt service.

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION

As of August 27, 2025

(Pro Forma)

Total tax collections (including interest and lien fees)	\$ 20,057,138
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	-
Base for Establishing Debt Limit	<u>\$ 20,057,138</u>

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 45,128,561					
(4.50 times base).....		\$ 90,257,121				
(3.75 times base).....			\$ 75,214,268			
(3.25 times base).....				\$ 65,185,699		
(3.00 times base).....					\$ 60,171,414	
(7.00 times base).....						\$ 140,399,966
Indebtedness (Including the Notes)						
Bonds Payable.....	\$ 330,000	\$ 4,335,000	\$ -	\$ -	\$ -	\$ 4,665,000
The Notes (This Issue).....	630,000	-	-	-	-	630,000
Overlapping and						
Underlying Debt (2).....	-	-	3,251,623	-	-	3,251,623
Authorized but						
Unissued Debt.....	-	78,401	-	-	-	78,401
Total Indebtedness.....	960,000	4,413,401	3,251,623	-	-	8,625,024
Less:						
School grants receivable.....	-	-	-	-	-	-
Total Net Indebtedness.....	960,000	4,413,401	3,251,623	-	-	8,625,024
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$ 44,168,561</u>	<u>\$ 85,843,720</u>	<u>\$ 71,962,644</u>	<u>\$ 65,185,699</u>	<u>\$ 60,171,414</u>	<u>\$ 131,774,942</u>

(1) Under Connecticut General Statutes, total indebtedness for all classes cannot exceed seven times the base, or \$140,399,966.

(2) Overlapping and underlying debt as of June 30, 2025. (See "Overlapping and Underlying Indebtedness" herein).

Source: Town Officials.

[The remainder of this page intentionally left blank]

AUTHORIZED BUT UNISSUED DEBT

Projects	Amount Authorized	Prior Bonds	BANs Outstanding	Paydowns/ Grants	The Notes (This Issue)	Authorized But Unissued
Facilities Improvements Program at Bolton Center School (1).....	\$ 946,500	\$ 804,000	\$ -	\$ 64,099	\$ -	\$ 78,401
Pumper Fire Truck (1,2).....	630,000	-	630,000	-	630,000	-
Total.....	<u>\$ 1,576,500</u>	<u>\$ 804,000</u>	<u>\$ 630,000</u>	<u>\$ 64,099</u>	<u>\$ 630,000</u>	<u>\$ 78,401</u>

- (1) The Town does not expect to issue any additional debt for these projects.
- (2) Total appropriation is \$810,000, the remaining to funded by a \$180,000 prior appropriation.

HISTORICAL DEBT STATEMENT

	2024-25 (1)	2023-24	2022-23	2021-22	2020-21
Population (2).....	4,848	4,848	4,848	4,848	4,848
Net taxable grand list.....	\$ 580,947,381	\$ 468,886,431	\$ 462,530,748	\$ 450,457,869	\$ 446,875,681
Estimated full value.....	\$ 829,924,830	\$ 669,837,759	\$ 660,758,211	\$ 643,511,241	\$ 638,393,830
Equalized net taxable grand list (3).....	\$ 830,037,683	\$ 899,015,269	\$ 882,089,775	\$ 749,622,556	\$ 680,220,855
Per capita income (2).....	\$ 56,168	\$ 56,168	\$ 56,168	\$ 56,168	\$ 56,168
Short-term debt.....	\$ 630,000	\$ 630,000	\$ -	\$ -	\$ 12,379
Long-term debt.....	\$ 5,310,000	\$ 6,175,000	\$ 7,020,000	\$ 7,845,000	\$ 8,650,000
Total Direct Indebtedness.....	\$ 5,940,000	\$ 6,805,000	\$ 7,020,000	\$ 7,845,000	\$ 8,662,379
Net Direct Indebtedness.....	\$ 5,940,000	\$ 6,805,000	\$ 7,020,000	\$ 7,845,000	\$ 8,662,379
Net Overlapping Indebtedness.....	\$ 3,251,623	\$ 3,582,296	\$ 3,968,082	\$ 4,298,756	\$ 4,629,429
Total Net Direct and Net Overlapping Indebtedness.....	\$ 9,191,623	\$ 10,387,296	\$ 10,988,082	\$ 12,143,756	\$ 13,291,808

- (1) Unaudited Estimates.
- (2) U.S. Census Bureau, 2019-2023 American Community Survey.
- (3) Office of Policy and Management, State of Connecticut

[The remainder of this page intentionally left blank]

HISTORICAL DEBT RATIOS

	2024-25 (1)	2023-24	2022-23	2021-22	2020-21
Total Direct Indebtedness:					
Per capita.....	\$1,225.25	\$1,403.67	\$1,448.02	\$1,618.19	\$1,786.79
To net taxable grand list.....	1.02%	1.45%	1.52%	1.74%	1.94%
To estimated full value.....	0.72%	1.02%	1.06%	1.22%	1.36%
To equalized net taxable grand list.....	0.72%	0.76%	0.80%	1.05%	1.27%
Debt per capita to per capita income.....	2.18%	2.50%	2.58%	2.88%	3.18%
Net Direct Indebtedness:					
Per capita.....	\$1,225.25	\$1,403.67	\$1,448.02	\$1,618.19	\$1,786.79
To net taxable grand list.....	1.02%	1.45%	1.52%	1.74%	1.94%
To estimated full value.....	0.72%	1.02%	1.06%	1.22%	1.36%
To equalized net taxable grand list.....	0.72%	0.76%	0.80%	1.05%	1.27%
Debt per capita to per capita income.....	2.18%	2.50%	2.58%	2.88%	3.18%
Net Direct and Net Overlapping Indebtedness:					
Per capita.....	\$1,895.96	\$2,142.59	\$2,266.52	\$2,504.90	\$2,741.71
To net taxable grand list.....	1.58%	2.22%	2.38%	2.70%	2.97%
To estimated full value.....	1.11%	1.55%	1.66%	1.89%	2.08%
To equalized net taxable grand list.....	1.11%	1.16%	1.25%	1.62%	1.95%
Debt per capita to per capita income.....	3.38%	3.81%	4.04%	4.46%	4.88%

(1) Unaudited Estimates.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS OUT

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures and Transfers out	Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %
2026 (1)	\$ 1,213,321	\$ 26,331,982	4.61%
2025 (1)	912,904	24,916,851	3.66%
2024	911,138	25,787,856	3.53%
2023	855,821	24,648,001	3.47%
2022	681,542	23,367,398	2.92%
2021	590,114	25,597,762	2.31%
2020	611,570	24,036,421	2.54%
2019	629,744	21,579,047	2.92%
2018	599,815	23,145,450	2.59%
2017	695,959	21,534,570	3.23%

(1) Unaudited estimates fiscal year 2024-25 and 2025-26 adopted budget.

[The remainder of this page intentionally left blank]

VII. LEGAL AND OTHER LITIGATION

LITIGATION

Following consultation with the Town Attorney and other attorneys providing legal services to the Town, Town officials advise that the Town of Bolton, Connecticut, its officers, employees, boards and commissions are currently not named defendants in any lawsuits.

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Upon delivery of the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman and the Town Treasurer, which will be dated the date of delivery and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Notes, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact, necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut substantially in the form attached as Appendix B;
4. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached as Appendix C;
5. A Receipt for the purchase price of the Notes;
6. Within seven business days of the bid opening, the Town will furnish the winning bidders(s) of the Notes a reasonable number of copies of the Official Statement, as prepared by the Town

A record of the proceedings taken by the Town in authorizing the Notes will be kept on file at the principal office of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum St., 27th Floor, Hartford, Connecticut, and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information concerning the Town and this issue may be obtained upon request from the Finance Director/Treasurer Office at (860) 649-7780 or from Municipal Advisor at (203) 421-2087.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes.

This Official Statement has been duly authorized and approved by the Town and duly executed and delivered on its behalf by the Town.

TOWN OF BOLTON, CONNECTICUT

BY: / s / Rodney Fournier

RODNEY FOURNIER
First Selectman

BY: / s / Jill Collins

JILL COLLINS
Town Treasurer

Dated: August 19, 2025

APPENDIX A - FINANCIAL STATEMENTS

TOWN OF BOLTON, CONNECTICUT

TABLE OF CONTENTS

JUNE 30, 2024

	<u>Page</u>
<i>Independent Auditors' Report</i>	1
<i>Management Discussion and Analysis</i>	4
 <i>Basic Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position – and Statement of Changes in Net Position – Fiduciary Funds	16
Notes to Financial Statements	17
Required Supplementary Information	48

Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town for the Fiscal Year ending June 30, 2024 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Chief Financial Officer, Town of Bolton, Connecticut.

Stephen T. Hopkins, CPA, PC

Auditing , Accounting , and Consulting Services

214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050

Independent Auditors' Report

Finance Committee
Board of Selectmen
Town of Bolton, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Bolton, Connecticut, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Single Audit Act (C.G.S. Sections 4-230 to 236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bolton, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the State Single Audit Act 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the State Single Audit Act we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bolton, Connecticut's basic financial statements. The accompanying combining and individual fund financial statements and other supplemental schedules as listed in the table of contents 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 other supplemental schedules as listed in the table of contents 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 April 29, 2025, on our consideration of the Town of Bolton, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bolton, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bolton, Connecticut's internal control over financial reporting and compliance.

Stephen T. Hopkins, CPA, PC

Stephen T. Hopkins, CPA, PC

Scarborough, Maine
April 29, 2025

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

Our discussion and analysis of the Town of Bolton, Connecticut's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read this analysis in conjunction with the basic financial statements, notes to the basic financial statements and required supplementary information of the Town. This management discussion and analysis is being presented for the current fiscal year with a focus on the comparative analysis of the information on the governmental activities of the Town as found in the government-wide financial statements.

Financial Highlights - Government-Wide Financial Statements

- The Town's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$41,509,251 (net position) as of the end of the current fiscal year. This compares to the prior fiscal year balance of \$40,198,964. This represents a favorable increase of \$1,310,287 or approximately 3.26%.
- The Town's net investment in capital assets net position balance is used to account for the total capital assets of the Town reduced by the total accumulated depreciation on those assets, reduced by the total outstanding debt incurred to purchase those assets. The total net investment in capital assets net position balance of the Town was \$33,156,812 as of the end of the current fiscal year. This compares to the prior fiscal year balance of \$33,616,151. This represents a decrease of approximately 1.37% which is the result of new long-term debt (\$144,974) and short-term debt (\$630,000) issued during the current fiscal year, a decrease in the related debt of \$898,879, current year depreciation in the amount of (\$2,263,552) and current year capital asset additions in the amount of \$1,680,308. These current year additions included the capitalized costs of a leased modular finance office building in the amount of \$185,404, the remaining payment on a new 2023 Pierce velocity custom pumper fire truck in the amount of \$629,295 as well as additional equipment for the truck in the amount of \$18,433 as well as current year paving and related costs in the amount of \$324,163 which are classified as infrastructure and improvement assets.
- The Town's restricted net position is used to account for funds received with constraints imposed by grantors and contributors. This net position *cannot* be used to finance the day-to-day activities and operations of the Town. The total restricted net position balance of the Town was \$363,383 as of the end of the current fiscal year. This compares to the prior fiscal year balance of \$307,534. This represents an increase of approximately 18.16%. This decrease is made up of individual increases and decreases in the components of the restricted net position balance which can be seen on the net position comparison section on page 5.
- The Town's unrestricted net position balance is the component of net position which is used to finance the day-to-day activities and operations without constraints imposed by creditors, grantors, contributors, or other rules and regulations as imposed by other governments or enabling legislation. The total unrestricted net position balance of the Town was \$7,989,056 as of the end of the current fiscal year. This compares to the prior fiscal year balance of \$6,275,279. This represents a favorable increase of approximately 27.31%. This relates in large part to the current fiscal year surpluses and deficits within the town general and other funds which are more fully described in the fund financial statements.
- The Town's total revenues for its governmental activities were \$31,273,221 for the current fiscal. This revenue balance includes \$20,047,118 in property tax revenue, \$8,781,214 in operating and capital grants and \$955,694 in charges for services. The Town has received \$1,445,423 to date in relation to the American Rescue Plan Act with the first half being received during the 2022 fiscal year and the second half being received during the 2023 fiscal year. This revenue has been recorded as unearned revenue in the government-wide financial statements as none of the funds have been expended to date. The current fiscal year revenues compare to prior fiscal year revenues of \$29,459,019, an increase of approximately 6.16%.
- The cost of the Town's governmental activities was \$29,962,934 for the current fiscal year. The amount of these costs ultimately financed by general revenues of the Town, however, was only \$20,226,026 due to a portion of these costs being paid for by individuals receiving certain benefits through charges for services in the amount of \$955,694, and through operating and capital grants received in the amount of \$8,781,214. This amounts to approximately 67.50% of the cost of these governmental activities actually being financed by general revenues of the Town. The current fiscal year expenditures compare to prior fiscal year expenditures of \$29,325,405, an increase of approximately 2.17%. The individual breakdown of how these charges for services and operating and capital grants were received by department is shown in the statement of activities on page 11.
- The Board of Education and the related programs of the Town received approximately \$1,068,193 in grant dollars from a number of sources including state grant funds and federal pass-through grant funds to assist in a number of educational programs and projects from the school readiness programs to improving basic programs. This compares to \$1,182,809 being received during the prior fiscal year. General state education cost sharing funds and other similar education revenues have not been included. These revenue amounts represent the amounts recorded by the Town in the fund financial statements. The amounts shown in the government-wide financial statements may have been adjusted for unearned amounts which are recorded as unearned revenues on the statement of net position.

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

Using this Annual Report

This annual report consists of a series of financial statements. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities which are shown on pages 10 and 11 which provide information about the activities of the Town as a whole and present a longer-view of the Town's finances. The fund financial statements consist of the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances which are shown on pages 12 and 14 and tell how the services of the Town were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide financial statements by providing information about the Town's most significant funds. The fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position which are shown on page 16. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the programs of the Town. Fiduciary funds can be classified as pension or other employee benefit trust funds, investment trust funds, private purpose trust funds and custodial funds. The fiduciary activities and balances of the Town are classified as custodial funds as they relate to the student activity accounts located at the Board of Education.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 10 with the Statement of Net Position. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the current fiscal year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. The statement of net position includes all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Town using the accrual basis of accounting. This basis of accounting is similar to the accounting policies and procedure utilized by most private-sector (for profit) companies. All of the current fiscal year revenues and expenses are taken into account regardless of when cash is received or paid in the statement of activities. These two statements report the Town's net position and the changes in this net position. You can think of this net position as one way to measure the financial health and financial position of the Town. The net position balance is made up of the difference between the assets and liabilities of the Town. Over time, increases and decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. However, you also need to consider other non-financial factors which affect the overall financial health of the Town such as changes in the property tax base, the conditions of the infrastructure of the Town and the general economy present at the time. These two statements are divided into three different kinds of activities on the reporting level. These categories are governmental, business-type and discretely presented component units. The Town's activities are classified solely as governmental activities and are characterized as follows:

- Governmental activities - All of the Town's basic services are reported here, including general government, public works, public safety, building planning and zoning services, community services, sanitation and waste services, education, and other programs and activities. Property taxes, charges for services, state and federal operating and capital grants and other funding, and other miscellaneous revenues finance most of these activities in whole or in part.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 12 with the Balance Sheet. The fund financial statements provide detailed information about the most significant funds of the Town but not a combined picture of the Town as a whole. Some of these funds are required to be established by State law and by bond covenants. In addition, the Board of Selectmen of the Town has the authority to establish many other funds in accordance with the Town Charter which it uses to help control and manage money for particular purposes (such as the cafeteria fund or the recreation round fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money (such as the grant revenue received and expended for educational grants). The Town uses governmental funds which are characterized as follows:

- Governmental funds - All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting measures cash and all other financial assets that can readily be converted into cash. The governmental fund financial statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs and activities. The relationship between the governmental activities and the governmental funds is presented in a reconciliation after each of the applicable fund financials.

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

The Town as a Trustee

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the programs of the Town. Fiduciary funds can be classified as pension or other employee benefit trust funds, investment trust funds, private purpose trust funds and custodial funds. The fiduciary activities and balances of the Town are classified as custodial funds as they relate to the student activity accounts located at the Board of Education.

The Town as a Whole - Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

The information provided below represents government-wide information for the governmental activities of the Town for the current fiscal year as compared to the prior fiscal year. The current ratio compares the current assets of the Town to its current liabilities and gives an indication of the Town's ability to pay current obligations. As of the end of the current fiscal year the current ratio of the Town was 2.22 to 1 compared to the end of the prior fiscal year when the current ratio was 2.11 to 1. This current and prior fiscal year ratio is considered strong.

	Governmental Activities		Percentage of Total	
	2024	2023	2024	2023
Current assets	\$ 11,252,914	\$ 9,783,539	20.81%	18.43%
Other assets	2,703,570	2,588,248	5.00%	4.88%
Capital assets	40,121,381	40,704,625	74.19%	76.69%
Total assets	54,077,865	53,076,412	100.00%	100.00%
Deferred outflows of resources	519,757	580,768	100.00%	100.00%
Current and other liabilities	5,069,808	4,645,314	41.14%	35.84%
Long-term liabilities outstanding	7,253,457	8,315,933	58.86%	64.16%
	12,323,265	12,961,247	100.00%	100.00%
Deferred inflows of resources	765,106	496,969	100.00%	100.00%
Net position:				
Net Investment in capital assets	33,156,812	33,616,151	79.88%	83.62%
Restricted	363,383	307,534	0.88%	0.77%
Unrestricted	7,989,056	6,275,279	19.24%	15.61%
	<u>\$ 41,509,251</u>	<u>\$ 40,198,964</u>	<u>100.00%</u>	<u>100.00%</u>
Restricted net position:				
Expendable:				
Restricted educational grants and programs	\$ 27,571	\$ 30,275		
Enabling legislation funds and programs	93,530	53,433		
Non-principal portion of permanent funds	95,344	85,459		
	216,445	169,167		
Non-expendable:				
Inventory	10,431	10,956		
Prepaid expenses	18,602	9,506		
Principal portion of permanent funds	117,905	117,905		
	146,938	138,367		
	<u>\$ 363,383</u>	<u>\$ 307,534</u>		

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

The Town as a Whole - Revenues, Expenses and Changes in Net Position

The information provided below represents government-wide information for the governmental activities of the Town for the current fiscal year as compared to the prior fiscal year. The revenues and expenses shown below are recorded on the accrual basis of accounting. Program revenues received by the Town specifically relating to or generated by individual departments are applied to the departmental expenditures to determine the amount of total Town expenditures actually financed by the general revenues of the Town. This amount is shown at the bottom of this schedule and should be used to give the reader an indication of how the Town's activities were financed during the current fiscal year in comparison to the prior fiscal year.

	Governmental Activities		Percentage of Total	
	2024	2023	2024	2023
Program revenues				
Charges for services	\$ 955,694	\$ 946,463	3.06%	3.21%
Operating grants and contributions	8,704,922	9,223,311	27.84%	31.31%
Capital grants and contributions	76,292	225,399	0.24%	0.77%
General revenues				
Property taxes, interest and liens	20,047,118	18,323,169	64.10%	62.20%
State property tax relief revenues	507,230	371,407	1.62%	1.26%
Other unclassified state revenues	176,634	148,292	0.56%	0.50%
Interest income	621,727	38,116	1.99%	0.13%
Miscellaneous	183,604	182,862	0.59%	0.62%
Total revenues	<u>31,273,221</u>	<u>29,459,019</u>	<u>100.00%</u>	<u>100.00%</u>
Expenses				
General government	3,419,487	3,064,653	11.41%	10.45%
Public works	928,774	749,864	3.10%	2.56%
Public safety	761,293	715,792	2.54%	2.44%
Building planning and zoning	353,423	299,278	1.18%	1.02%
Community services	705,983	658,357	2.36%	2.25%
Sanitation and waste	651,234	600,925	2.17%	2.05%
Education	17,491,556	17,052,458	58.38%	58.15%
Education - on behalf and benefits	4,818,592	5,378,618	16.08%	18.34%
Capital outlay	-	-	-	-
Bolton Lakes debt assessment	190,000	185,000	0.63%	0.63%
Debt issuance costs	14,293	-	0.05%	-
Debt service:				
Interest	174,792	195,175	0.58%	0.66%
Depreciation	453,507	425,285	1.52%	1.45%
Total expenses	<u>29,962,934</u>	<u>29,325,405</u>	<u>100.00%</u>	<u>100.00%</u>
Change in net position	1,310,287	133,614		
Net position - July 1	<u>40,198,964</u>	<u>40,065,350</u>		
Net position - June 30	<u>\$ 41,509,251</u>	<u>\$ 40,198,964</u>		
Expenses financed by general revenues:				
Total expenses	\$ 29,962,934	\$ 29,325,405		
Less program revenues	-9,736,908	-10,395,173		
	<u>\$ 20,226,026</u>	<u>\$ 18,930,232</u>	<u>67.50%</u>	<u>64.55%</u>

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

Capital Assets

The capital assets of the Town may include land, land improvements, buildings, building improvements, equipment, vehicles, right to use assets, subscription assets, infrastructure and improvements, and all other tangible and intangible assets which may arise that are used in the operations of the Town and that have an initial useful life extending beyond a single fiscal year. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can normally be preserved for a significantly greater number of years than most capital assets. The types of infrastructure assets recorded by the Town include but are not limited to improved town roads, unimproved town roads and bridges. More detailed information on the capital assets of the Town can be found in note 1L starting on page 22 and note 5 on page 31.

	Governmental Activities		Percentage of total	
	2024	2023	2024	2023
Land and improvements	\$ 4,514,884	\$ 4,514,884	5.93%	6.07%
Construction in progress	-	11,355	-	0.02%
Buildings and improvements	45,096,509	44,949,984	59.27%	60.41%
Vehicles	5,543,433	4,860,108	7.29%	6.53%
Equipment	3,969,991	3,652,356	5.22%	4.91%
Right to use assets	312,621	115,862	0.41%	0.16%
Subscription assets	23,256	-	0.03%	-
Infrastructure	16,632,171	16,308,008	21.85%	21.90%
Total historical cost	76,092,865	74,412,557	100.00%	100.00%
Less accumulated depreciation	-35,971,484	-33,707,932		
Total capital assets (net)	<u>\$ 40,121,381</u>	<u>\$ 40,704,625</u>		

Debt Administration

The types of long-term debt normally incurred by the town may include but is not limited to bonds payable, notes payable, right to use leases payable and subscription liabilities payable and the types of other debt related liabilities of the town include accrued compensated balances (earned vacation and sick time balances) in accordance with the established personnel policies of the Town and Board of Education and other post employment benefit liabilities in accordance with generally accepted accounting principles. All long-term debt is incurred through the approval of the inhabitants of the Town in accordance with applicable state statutes. The applicable state debt limitations as set forth in the Connecticut General Statutes, Section 7-374 (b) and the towns outstanding balances in comparison to these limitations can be found in the Schedule of Debt Limitations, Sub-Schedule B on page 67. The comparison of the outstanding debt shown below indicates that the general make-up of the Town's different types of debt as a percentage of total debt was consistent for the current fiscal year in comparison to the prior fiscal year. The portion due within one year and due after one year changed based on variations in the applicable payment schedules. More detailed information on Town debt can be found in note 7 starting on page 32.

	Governmental Activities		Percentage of total	
	2024	2023	2024	2023
Outstanding payables:				
Portion due within one year	\$ 937,794	\$ 868,738	11.45%	9.46%
Portion due after one year	5,396,775	6,219,736	65.88%	67.72%
Other liabilities:				
Unamortized bond premiums	443,523	517,481	5.41%	5.63%
Accrued compensated balances - school	33,384	34,187	0.41%	0.37%
Accrued compensated balances - town	296,777	281,211	3.62%	3.06%
Total OPEB liability	1,082,998	1,263,318	13.23%	13.76%
Total debt	<u>\$ 8,191,251</u>	<u>\$ 9,184,671</u>	<u>100.00%</u>	<u>100.00%</u>

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

The previous sections of this management discussion and analysis have been presented for the current fiscal year with a focus on the comparative analysis of the information on the governmental activities of the Town as found in the government-wide financial statements. Comparative financial information has not been included for the fund financial statements of the Town. The following financial highlights, however, do relate to the balances and results of the activities of the Town's individual funds as found in its fund financial statements. Detailed current year information on the Town's individual funds can be found on the Balance Sheet on page 12 and the Statement of Revenues, Expenditures and Changes in Fund Balances on page 14.

Financial Highlights - Fund Financial Statements

- The total assets of the Town's governmental funds exceeded the total liabilities by \$11,781,449 which represents the fund balance of these funds as of the end of the current fiscal year. This compares to the prior fiscal year balance of \$10,713,253, an increase of \$1,068,196 or approximately 9.97%. This increase is due to the positive results of the general fund of \$1,303,048, the negative results of the town capital funds of (\$418,723), the positive results of the cemetery activity fund of \$21,863 and the positive results of the non-major governmental funds of \$162,008. These increases and decreases can be seen by reviewing Statement D on page 14 and the corresponding combining schedules and sub-schedules as shown in the table of contents.
- The total revenues of the Town's governmental funds were \$29,059,102 for the current fiscal year. This compares to the prior fiscal year balance of \$27,405,131. This represents an increase of \$1,653,971 or approximately 6.04%. This is due to a number of increases and decreases in revenue categories such as property tax revenues which increased by \$1,728,447 which was due in part to an increase in the annual commitment of \$1,744,094, intergovernmental education revenue which decreased by (\$58,030), intergovernmental tax relief revenue which increased by \$135,823, intergovernmental other revenue which decreased by (\$834,580) which was due in part to the Town receiving \$722,712 in American Rescue Plan Act funds during the prior fiscal year but not during the current fiscal year, education tuition revenue which decreased by (\$83,690), charges for services revenue which increased by \$92,921 and interest income which increased by \$583,611.
- The total expenditures of the Town's governmental funds were \$28,135,880 for the current fiscal year. This compares to the prior fiscal year balance of \$26,384,870. This represents an increase of \$1,751,010 or approximately 6.64%. This is due to a number of increases and decreases in fund expenditures such as the town general fund which increased by \$1,200,881 with the largest portion of that increase relating to education expenditures which increased by \$471,724. Other general fund departmental changes included general government increasing by \$314,170, public works increasing by \$11,985, public safety increasing by \$15,624, building planning and zoning increasing by \$61,838, community services increasing by \$5,804 and sanitation and waste increasing by \$50,309.
- The net change in fund balance (excess of revenues over-under expenditures) for the Town's general fund was a positive \$1,303,048 for the current fiscal year in comparison to a negative (\$169,979) for the prior fiscal year. This represents a favorable current fiscal year increase relating in part to the following selected current and prior fiscal year budgetary highlights. See the budget to actual required supplementary information shown on pages 48 and 49 for more detailed information on actual revenues and expenditures in comparison to the budgeted amounts.
- The actual revenues received in the Town's general fund were \$1,120,079 higher than the budget revenues for the current fiscal year which is a favorable variance. This "over collection" of budgeted revenues relates to a number of budgeted revenue categories. Property tax revenue was \$302,377 over the budgeted amount, intergovernmental other was \$132,727 over the budgeted amount, charges for services and fees was \$69,047 over the budgeted amount and interest income was \$563,828 over the budgeted amount. This compares to an over collection of revenues during the prior fiscal year of \$431,053 which was also a favorable variance.
- Actual program expenditures of the general fund were \$1,566,605 lower than the budgeted expenditures for the current fiscal year which is a favorable variance. This under expenditure was due in part to the education accounts being under-expended by \$825,493, town employee benefits accounts being under-expended by \$94,757, the building operations accounts being under-expended by \$49,081 and debt service principal and interest repayments which were under-expended by \$250,030. This compares to lower expenditures during the prior fiscal year of \$1,352,979 which was also a favorable variance.
- In the current fiscal year the Town budgeted to utilize \$1,163,412 of its general unassigned fund balance to offset current year expenditures as part of the approved annual budget. This in effect is the same as budgeting for a loss due to the fact that prior year accumulated balances cannot be shown as current year revenues. In the prior fiscal year the Town budgeted to utilize \$1,514,073 of its general unassigned fund balance in a similar manner along with an additional \$100,000 approved at a special town meeting. In the current fiscal year, the Town also used \$8,004 of its general committed fund balance in relation to employment separation fund payments and \$2,245 in relation to Bolton founders day fund.

Town of Bolton, Connecticut
Management's Discussion and Analysis
June 30, 2024

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 may affect the amount of intergovernmental revenues the Town will receive in the upcoming 2025 fiscal year and thereafter.
- The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.50% above the previous year, or the rate of inflation, whichever is greater. The cap includes certain exemptions relating to increases in debt service, special education costs, claims and judgments and costs incurred related to major disaster or emergency declarations. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap may receive a reduced municipal revenue sharing grant.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits towns from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- The potential impact of unforeseen circumstances on the local economy, businesses and Town revenues is being continually monitored. For the current fiscal year, there were no specifically related and identifiable negative or positive impacts on income from investments, building permits, recording fees and conveyance taxes. The Town did not see any specifically related and identifiable impact on tax collections for the current fiscal year and there is no indication that there will be an impact on the upcoming 2025 fiscal year collections.

All of these factors were considered in preparing the Town's 2025 fiscal year budget. The total town appropriation for the 2025 fiscal year of \$25,873,099 was approved by town referendum on June 4, 2024. This represents a total increase of approximately 4.20% from the approved fiscal year 2024 budget of \$24,826,779. In taking into consideration the above mentioned exemptions to the cap on municipal spending limit, the approved fiscal year 2025 budget represents an increase of approximately 3.238% from the approved fiscal year 2024 budget. This budget increase is below the State provided rate of inflation amount of 6.27%.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations and demonstrate the Town's commitment to public accountability. If you have questions about this report or need additional financial information, contact the Town Finance Department at 222 Bolton Center Road, Bolton, Connecticut 06043.

Town of Bolton, Connecticut
Statement of Net Position
June 30, 2024

	Governmental activities
Assets	
Cash and cash equivalents	\$ 7,167,507
Investments	3,581,890
Restricted cash and cash equivalents	2,397,838
Restricted investments	213,249
Receivables, net:	
Property taxes receivable	232,707
Interest on property taxes	92,483
Intergovernmental	112,426
Accounts	129,351
Inventories	10,431
Prepaid items	18,602
Capital assets, non-depreciable	4,514,884
Capital assets, net	35,606,497
Total assets	<u>54,077,865</u>
Deferred Outflows of Resources	
Related to OPEB	317,574
Deferred charges on bond refundings	202,183
Total deferred outflows of resources	<u>519,757</u>
Liabilities	
Accounts payable	692,550
Accrued payroll	87,175
Other liabilities	235,048
Unearned revenues	2,400,717
Accrued debt service interest	86,524
Bond anticipation note	630,000
Long-term debt	
Portion due within one year	937,794
Portion due after one year	5,396,775
Unamortized bond premiums	443,523
Accrued compensated absences	330,161
Total OPEB liability	1,082,998
Total liabilities	<u>12,323,265</u>
Deferred Inflows of Resources	
Related to OPEB	544,376
Advance property tax collections	220,730
Total deferred inflows of resources	<u>765,106</u>
Net Position	
Net Investment in capital assets	33,156,812
Restricted	
Expendable	216,445
Non-expendable	146,938
Unrestricted	7,989,056
Total net position	<u><u>\$ 41,509,251</u></u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Statement of Activities
For the year ended June 30, 2024

Primary Government:	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental Activities:					
General government	\$ -3,419,487	\$ 178,603	\$ 11,372	\$ -	\$ -3,229,512
Public works	-928,774	-	126,061	-	-802,713
Public safety	-761,293	1,808	1,660	-	-757,825
Building, planning and zoning	-353,423	222,984	-	-	-130,439
Community services	-705,983	164,278	16,868	-	-524,837
Sanitation and waste	-651,234	-	-	-	-651,234
Education	-17,491,556	191,479	3,730,369	63,218	-13,506,490
Education - on behalf and benefits	-4,818,592	-	4,818,592	-	-
Capital outlay	-	-	-	13,074	13,074
Bolton lakes debt assessment	-190,000	-	-	-	-190,000
Debt issuance costs	-14,293	-	-	-	-14,293
Debt service					
Principal	-	196,542	-	-	196,542
Interest	-174,792	-	-	-	-174,792
Depreciation					
General infrastructure	-453,507	-	-	-	-453,507
	<u>\$ -29,962,934</u>	<u>\$ 955,694</u>	<u>\$ 8,704,922</u>	<u>\$ 76,292</u>	<u>-20,226,026</u>
General Revenues:					
					20,047,118
					507,230
					176,634
					621,727
					183,604
					<u>21,536,313</u>
					Change in net position 1,310,287
					<u>Net Position - July 1 40,198,964</u>
					<u>Net Position - June 30 \$ 41,509,251</u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Balance Sheet - Governmental Funds
June 30, 2024

	General fund	Town capital funds	ARPA grant funds	Cemetery activity funds	Non-major governmental funds	Total governmental funds
Assets						
Cash	\$ 8,864,735	\$ 410,607	\$ -	\$ 104,506	\$ 185,497	\$ 9,565,345
Investments	2,789,264	-	-	730,104	275,771	3,795,139
Receivables (net of allowance)						
Property taxes	232,707	-	-	-	-	232,707
Intergovernmental	41,922	-	-	-	70,504	112,426
Other	129,348	-	-	-	3	129,351
Inventories	-	-	-	-	10,431	10,431
Prepaid items	7,447	-	-	-	11,155	18,602
Due from other funds	272,276	2,038,047	1,445,423	-	1,382,623	5,138,369
Total assets	<u>\$ 12,337,699</u>	<u>\$ 2,448,654</u>	<u>\$ 1,445,423</u>	<u>\$ 834,610</u>	<u>\$ 1,935,984</u>	<u>\$ 19,002,370</u>
Liabilities						
Accounts payable	\$ 663,159	\$ 6,908	\$ -	\$ -	\$ 22,483	\$ 692,550
Accrued payroll	72,969	-	-	-	14,206	87,175
Other liabilities	235,048	-	-	-	-	235,048
Unearned revenues	2,870	-	-	-	9	2,879
Bond anticipation note	-	630,000	-	-	-	630,000
Due to other funds	4,866,093	208,645	-	17,361	46,270	5,138,369
Total liabilities	<u>5,840,139</u>	<u>845,553</u>	<u>-</u>	<u>17,361</u>	<u>82,968</u>	<u>6,786,021</u>
Deferred Inflows of Resources						
Unavailable revenue -						
Property taxes	214,170	-	-	-	-	214,170
Advance property tax collections	220,730	-	-	-	-	220,730
Total deferred inflows of resources	<u>434,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>434,900</u>
Fund Balances						
Nonspendable	7,447	-	-	-	139,491	146,938
Restricted	-	-	1,445,423	-	1,168,860	2,614,283
Committed	450,848	2,237,748	-	817,249	462,272	3,968,117
Assigned	4,433,504	-	-	-	84,393	4,517,897
Unassigned	1,170,861	-634,647	-	-	-2,000	534,214
Total fund balances	<u>6,062,660</u>	<u>1,603,101</u>	<u>1,445,423</u>	<u>817,249</u>	<u>1,853,016</u>	<u>11,781,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,337,699</u>	<u>\$ 2,448,654</u>	<u>\$ 1,445,423</u>	<u>\$ 834,610</u>	<u>\$ 1,935,984</u>	<u>\$ 19,002,370</u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Reconciliation of Statement C to Statement A
for all Governmental Funds and Activities
June 30, 2024

Fund balances of governmental funds as shown on Statement C		\$ 11,781,449
Amounts reported for governmental activities in the government-wide financial statements (Statement A) differ from the amounts reported in the fund financial statements (Statement C):		
1 Capital assets used in governmental activities are not financial resources and are not reported on Statement C however they are reported on Statement A and must be added in:		
Cost	76,092,865	
Less accumulated depreciation	<u>-35,971,484</u>	40,121,381
2 The majority of the property tax receivable long-term asset is not available to pay for current period expenditures and therefore it is reported as deferred inflows of resources on Statement C however this amount is considered earned when billed and in turn recorded as revenue on Statement A and therefore must be added back in:		214,170
3 Certain grant revenues received by the Town are recorded as revenue when the amounts are available and measurable in the fund financial statements on the modified accrual basis of accounting. However, the government-wide financial statements record revenues when they have been earned on the accrual basis of accounting and therefore these revenue amounts are deferred on Statement A and therefore must be subtracted out:		-2,397,838
4 Interfund receivable and payable balances between governmental funds are reported on Statement C but eliminated on the Statement A:		
Interfund receivables	5,138,369	
Interfund payables	<u>-5,138,369</u>	-
5 Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to a future period, and therefore will not be recognized as an expenditure or revenue until then, and therefore, they are not reported in the fund financial statements:		
Deferred outflows of resources related to OPEB	317,574	
Deferred outflows of resources related to bond refundings	202,183	
Deferred inflows of resources related to OPEB	<u>-544,376</u>	-24,619
6 Long-term liabilities and related current liabilities, are not due and payable in the current period and therefore are not reported on Statement C however they are reported on Statement A and therefore they must be subtracted out:		
Accrued debt service interest	-86,524	
Bonds payable	-6,175,000	
Right to use leases payable	-144,024	
Subscription liability payable	-15,545	
Unamortized bond premiums	-443,523	
Accrued compensated balances	-330,161	
Total OPEB liability	<u>-1,082,998</u>	-8,277,775
7 Delinquent interest and lien fees are recorded as revenue when received and when they become available and measurable in the fund financial statements however these amounts are recorded on Statement A due to the fact that the amounts are viewed to have been earned and therefore they must be added back in:		<u>92,483</u>
Net position of governmental activities as shown on Statement A		<u><u>\$ 41,509,251</u></u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the year ended June 30, 2024

	General fund	Town capital funds	ARPA grant funds	Cemetery activity fund	Non-major governmental funds	Total governmental funds
Revenues						
Property tax revenues	\$ 20,029,174	\$ -	\$ -	\$ -	\$ -	\$ 20,029,174
Intergovernmental - education	2,681,129	-	-	-	1,068,193	3,749,322
Intergovernmental - on behalf	2,535,202	-	-	-	-	2,535,202
Intergovernmental - tax relief	507,230	-	-	-	-	507,230
Intergovernmental - other	190,708	-	-	-	274,591	465,299
Education tuition	90,986	196,542	-	-	-	287,528
Charges for services and fees	396,806	-	-	5,750	265,610	668,166
Interest income	578,828	1	-	30,308	12,590	621,727
Miscellaneous	58,585	598	-	-	136,271	195,454
Total revenues	27,068,648	197,141	-	36,058	1,757,255	29,059,102
Expenditures						
Current:						
General government	3,239,612	30,553	-	14,195	15,023	3,299,383
Public works	1,014,080	-	-	-	132,829	1,146,909
Public safety	562,789	3,228	-	-	77	566,094
Building, planning and zoning	360,225	-	-	-	-	360,225
Community services	483,716	-	-	-	180,312	664,028
Sanitation and waste	648,931	-	-	-	-	648,931
Education	15,268,215	311	-	-	1,217,300	16,485,826
Education - on behalf	2,535,202	-	-	-	-	2,535,202
Capital outlay	18,433	893,104	-	-	76,292	987,829
Non-cash capital outlay	23,256	121,718	-	-	-	144,974
Bolton lakes debt assessment	190,000	-	-	-	-	190,000
Debt issuance costs	14,293	-	-	-	-	14,293
Debt service:						
Principal	689,655	177,777	-	-	-	867,432
Interest	221,483	3,271	-	-	-	224,754
Total expenditures	25,269,890	1,229,962	-	14,195	1,621,833	28,135,880
Excess (deficiency) of revenues over (under) expenditures	1,798,758	-1,032,821	-	21,863	135,422	923,222
Other financing sources (uses)						
Non-cash capital proceeds	23,256	121,718	-	-	-	144,974
Transfers in	-	492,380	-	-	26,586	518,966
Transfers out	-518,966	-	-	-	-	-518,966
Total other financing sources (uses)	-495,710	614,098	-	-	26,586	144,974
Net change in fund balance	1,303,048	-418,723	-	21,863	162,008	1,068,196
Fund Balance - July 1	4,759,612	2,021,824	1,445,423	795,386	1,691,008	10,713,253
Fund Balance - June 30	<u>\$ 6,062,660</u>	<u>\$ 1,603,101</u>	<u>\$ 1,445,423</u>	<u>\$ 817,249</u>	<u>\$ 1,853,016</u>	<u>\$ 11,781,449</u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Reconciliation of Statement D to Statement B
for all Governmental Funds and Activities
For the year ended June 30, 2024

Net changes in governmental fund balances as shown on Statement D		\$ 1,068,196
Amounts reported for governmental activities in the government-wide financial statements (Statement B) differ from the amounts reported in the fund financial statements (Statement D):		
1 Capital asset purchases are recorded as expenditures in Statement D and are capitalized and shown as depreciation expense over their estimated useful lives in Statement B:		
Current year capital asset purchases to be capitalized	1,680,308	
Current year depreciation expense on current and previous capital assets	<u>-2,263,552</u>	-583,244
2 Property tax revenues are recognized on Statement D as described in note 1H to the financial statements however they are recorded in the amount of the annual levy in Statement B and therefore the current year adjustment described in note 1H must be eliminated:		-278
3 The basis of presentation and revenue recognition is different from the government-wide financial statements and the fund financial statements:		
Prior year unearned revenue amounts to be recognized	2,310,623	
Current year revenue amounts to be recorded as unearned	<u>-2,397,838</u>	-87,215
4 Interfund transfers between governmental funds are reported on Statement D but must be eliminated on Statement B:		
Transfers in	518,966	
Transfers out	<u>-518,966</u>	-
5 Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to future periods, therefore it will not be recognized as an expenditure or revenue until then, and therefore, they are not reported in the fund financial statements but they are recorded in the government-wide financial statements:		
Amortization of and changes in deferred outflows for OPEB	-32,513	
Amortization of and changes in deferred outflows for bond refunding	-28,498	
Amortization of and changes in deferred inflows for OPEB	<u>-47,407</u>	-108,418
6 Payments on and changes in long-term liabilities and related current liabilities are recorded as current year activities on Statement D however they are shown as increases or decreases in liability accounts in the government-wide financial statements and therefore must be adjusted accordingly:		
Accrued debt service interest decrease	9,604	
Bonds payable principal repayment	845,000	
Right to use lease and subscription liability proceeds	-144,974	
Right to use leases payable principal repayment	46,168	
Subscription liability payable principal repayment	7,711	
Amortization of bond premiums	73,958	
Accrued compensated absences increase	-14,763	
Total OPEB liability decrease	<u>180,320</u>	1,003,024
7 Estimated accounts receivable for delinquent interest and lien fees are recorded as revenue when received on Statement D and as a reduction in a recorded receivable on Statement B:		
Prior year recorded delinquent interest and lien receivable balance	-74,261	
Current year recorded delinquent interest and lien receivable balance	<u>92,483</u>	18,222
Change in net position of governmental activities as shown on Statement B		<u><u>\$ 1,310,287</u></u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Statement of Fiduciary Net Position and Statement of Changes
in Fiduciary Net Position - Fiduciary Funds
As of and for the year ended June 30, 2024

	Custodial funds
Assets	
Cash	\$ 31,503
Investments	-
Accounts receivable	-
Due from other funds	-
Total assets	<u>31,503</u>
Liabilities	
Accounts payable	-
Accrued payroll	-
Other liabilities	-
Due to other funds	-
Total liabilities	<u>-</u>
Net Position	
Restricted	
Expendable	31,503
Non-expendable	-
Unrestricted	-
Total net position	<u>31,503</u>
Total liabilities and net position	<u>\$ 31,503</u>
Additions	
Collections for BHS student groups/activities	\$ 27,779
Collections for BCS student groups/activities	31,576
Interest income	-
Miscellaneous	-
Total additions	<u>59,355</u>
Deductions	
Payments for BHS student groups/activities	28,894
Payments for BCS student groups/activities	33,892
Capital expenditures	-
Miscellaneous	-
Total deductions	<u>62,786</u>
Change in net position	-3,431
Net Position - July 1	<u>34,934</u>
Net Position - June 30	<u>\$ 31,503</u>

See the accompanying notes to the financial statements.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The Town of Bolton, Connecticut was incorporated in 1720 under the General Statutes of the State of Connecticut and is located in Tolland County. The Town is a municipal corporation which is governed by an elected Board of Selectmen and Finance Committee.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting. The basic financial statements of the Town consist of government-wide financial statements and fund financial statements. The basis of presentation, measurement focus, and basis of accounting differ for these two types of financial statements and are described separately in Section B and C below. The other following sections represent a summary of the significant accounting policies as applied by the Town.

A. Reporting Entity

The financial reporting entity consists of the primary government and its component units, organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The Town has specifically evaluated its relationship with the Bolton Volunteer Fire Department, Inc. (the Department), a legally separate entity, to determine if the entity should be considered a component unit of the Town. The Town does not appoint a voting majority of the governing board of the Department and therefore it is not financially accountable for the Department in relation to meeting that criteria for inclusion as a component unit. The Town would still be considered financially accountable for the Department if it were determined that the Department is fiscally dependent on the Town and there is a potential for the Department to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Department would be considered fiscally independent if it has the authority to (1) determine its budget without another government having the authority to approve and modify that budget and (2) levy taxes or set rates or charges without approval by another government and (3) issue bonded debt without approval by another government. The Town does not provide a separate annual operating appropriation directly to the Department. As such, the Department does have the authority to determine its operating budget without the Town having the authority to approve or modify that budget. As a result, the Department does not meet this fiscal dependency criteria for inclusion as a component unit. The final determination as to whether the Department should be considered a component unit of the Town relates to management's professional judgement as to whether the exclusion of the financial information relating to the Department would result in the financial statements of the Town being misleading. The financial statements of the Town currently include the annual proficiency fund payment made to the Department in the amount of \$19,974, the activity of the fire commission which includes the annual contribution made on-behalf of the Department towards the service awards program in the amount of \$19,977, and the costs, capitalized assets and debt related to the purchase of major fire fighting equipment when present. In evaluating these items, the management of the Town has determined that the exclusion of the financial information of the Department would not result in the financial statements of the Town being misleading and as a result the Department would not meet this criteria for being included as a component unit and as such is not considered to be a component unit of the Town.

B. Government-Wide Financial Statements

1. Basis of Presentation

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information about the Town as a whole without displaying individual funds or fund types. These statements distinguish between the primary government as well as the governmental and business-type activities of the Town. These statements do not include information about the fiduciary activities and funds of the Town or component units which are fiduciary in nature. Fiduciary activities and funds report assets which are held by the Town in a trustee or custodial capacity and which cannot be used to support the activities and programs of the Town.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The statement of net position presents the financial position of the governmental and business-type activities (when present) of the primary government of the Town and any discretely presented component units at the end of the fiscal year. This statement reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the Town. The assets and liabilities are presented in the order of their relative liquidity. The liquidity of assets is determined by how readily they are expected to be converted into cash and whether there are restrictions in place limiting their use by the Town. The liquidity of liabilities is determined by their maturity or by when cash will be used to liquidate them. The net position balance of the Town consists of the net investment in capital assets (total capital assets net of accumulated depreciation and reduced by the total outstanding debt incurred to purchase the assets), restricted and unrestricted amounts. Restricted net position is present when constraints are imposed externally by creditors, grantors, contributors, other governments, or by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position balances not meeting the definition of net investment in capital assets or restricted. Internal balances between individual funds within the governmental activities are eliminated in this statement to minimize the "grossing-up" of assets and liabilities. These internal balances are also known as inter-fund receivables and payables and are shown in the fund financial statements as due to and due from other funds. Any residual amounts due between the governmental and business-type activities (when present) of the Town would be shown as an internal balance.

The statement of activities presents the operations of the governmental and business-type activities (when present) of the primary government of the Town and any discretely presented component units for the fiscal year. The operations of the Town are shown in a format which reports the net (expense) revenue of the individual functions of the Town. The purpose of this net (expense) revenue format is to report the relative financial burden of each of the Town's functions on the taxpayers. Program revenue is applied to each function based on which function generated the specific charges for services and for which functions the operating and capital grants have been received. All taxes are shown as general revenues regardless of whether they were levied for a specific purpose or function. The categories of individual functions correspond to the different departments and operations of the Town. Indirect expenses which benefit the Town as a whole are not required to be allocated among the other functions of the Town and therefore they are not allocated. Depreciation expense is allocated to the specific functions (sometimes referred to as departments) of the Town based on which function purchased or benefits from the assets. Depreciation on assets shared between two or more functions is allocated based on the percentage purchased by each function. If the benefit received from these assets shifts from the function making the purchase to another function in a material amount, the depreciation amount being charged will be shifted accordingly. Depreciation on capital assets which benefit all of the functions of the Town, such as infrastructure assets, is shown as a separate line item. Internal activity between individual funds within the governmental and business-type activities are eliminated in this statement. This internal activity is also known as transfers in and out and is shown in the fund financial statements as such. The above information relating to the government-wide financial statements basis of presentation reference both governmental and business-type activities. The Town currently does not have any business-type activities.

2. Measurement Focus and Basis of Accounting

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting would be used for both governmental and business-type activities of the primary government of the Town. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In other words, revenues and the related assets are recognized when they are earned and expenses and the related liabilities are recognized when they are incurred. The Town does not have an established policy relating to the use of restricted and unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Absent of an established policy which addresses this situation, accounting guidance states that it should consider that restricted amounts would be reduced first and then unrestricted amounts.

C. Fund Financial Statements

1. Basis of Presentation

The fund financial statements of the Town consist of a balance sheet with a reconciliation to the government-wide statement of net position, a statement of revenues, expenditures, and changes in fund balances with a reconciliation to the government-wide statement of activities and a statement of fiduciary net position and a statement of changes in fiduciary net position. These fund financial statements are designed to report additional and more detailed information about the primary government. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts which records cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with any special regulations, restrictions, or limitations which may exist. The types of funds shown for the Town are governmental funds, proprietary funds (when present) and fiduciary funds. The focus of these fund financial statements are on major funds as defined by GASB Statement No. 34. All major funds are reported in a separate column with all non-major funds being aggregated and reported in a single column.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Governmental fund reporting focuses primarily on the sources, uses, and balances of the current financial resources of the Town. The governmental funds used by the Town include the general fund, and other major and non-major governmental fund types such as special revenue funds, capital project funds, and permanent funds. The general use and purpose of these individual governmental fund types are as follows. The individual names of each fund within each non-major governmental fund type can be found in the accompanying combining schedules and the purpose of the fund is generally self explanatory within each title.

- a. General fund - The general fund is the general operating fund of the Town and accounts for all revenues and expenditures of the Town with the exception of those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law, contractual agreement, governing body motion or town meeting to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the general fund.
- b. Special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund, however, those amounts should not be recognized as revenue in the fund initially receiving them but rather be shown as revenue in the special revenue fund in which they will be expended for the specified purpose. The restricted or committed proceeds of the specific revenue sources should be expected to continue to make up a substantial portion of the resources flowing into the fund. Other financial resources may also be reported within a special revenue fund as long as those resources are restricted, committed or assigned to the specified purpose of the fund.
- c. Capital project funds - Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, such as the acquisition or construction of capital facilities and other capital assets or for the accumulation of funds for these purposes.
- d. Permanent funds - Permanent funds are used to account for and report resources that are restricted as only earnings, and not principal, may be used for purposes that support the Town's programs and in effect the benefit of the Town or its citizens.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and cannot be used to support the programs of the Town. Fiduciary funds can be classified as pension or other employee benefit trust funds, investment trust funds, private purpose trust funds and custodial funds. The fiduciary activities of the Town are custodial funds as they relate to the student activity accounts located at the Board of Education.

- e. Custodial funds - Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The balance sheet is used to report information about the current financial resources (assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances) of each major governmental fund and for all non-major governmental funds in the aggregate. The fund balance amounts within the governmental funds are segregated between nonspendable, restricted, committed, assigned and unassigned amounts. These balances are shown on the face of the balance sheet in the aggregate but are broken out into the required detail in note 15 on pages 26 and 27. An accompanying schedule is also required to be completed to reconcile the total governmental fund balance to the total net position balance of the governmental activities of the Town as shown on the government-wide statement of net position.

The statement of revenues, expenditures, and changes in fund balances is used to report information about the inflows, outflows, and balances of current financial resources of each major governmental fund and all non-major funds in the aggregate. Revenues are classified by major revenue sources while expenditures are classified by categories of individual functions corresponding to the different departments and operations of the Town. The proceeds from the issuance of long-term debt and operating transfers between individual funds are shown as other financing sources and uses. An accompanying schedule is also required to be completed to reconcile the total change in governmental fund balances to the total change in net position of the governmental activities of the Town as shown on the government-wide statement of activities.

The statement of fiduciary net position shows information in regard to the assets and liabilities of the fiduciary funds of the Town which consist of custodial funds. The statement of changes in fiduciary net position shows information in regard to the additions to, subtractions from, and net increase or decrease for the year in fiduciary fund net position.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Budgetary comparison information is required supplementary information which is presented for the general fund and each major special revenue or capital project fund that has a legally adopted annual budget. The Town includes this required supplementary information for the general fund as shown in the table of contents. This budgetary comparison information shows the original budget as voted on and appropriated, changes made to individual departmental line items within the budget and the final budget which is compared to the actual revenue and expenditure balances to come up with the favorable or unfavorable variance numbers.

2. Measurement Focus and Basis of Accounting

In regard to the governmental activities of the Town, the balance sheet and the statement of revenues, expenditures, and changes in fund balances are prepared using the current financial resources measurement focus and the modified accrual basis of accounting for all governmental and fiduciary funds. Capital assets and long-term debt are not recorded as assets or liabilities on the balance sheet of the Town. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available as net current assets. Property tax revenues are recognized when they become available. Available includes those property taxes receivable which are expected to be collected within the first sixty days after the end of the current fiscal year, when applicable. Miscellaneous revenues are recorded when received because they are generally not measurable until actually received. Intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. The Town generally considers intergovernmental revenues which are received within the first sixty days after the end of the current fiscal year to be both measurable and available. Expenditures are generally recognized under this basis of accounting when the related fund liability is incurred. Exceptions to this general rule include general long-term debt principal and interest which is recognized when due.

D. Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting (except in relation to teacher on-behalf payments made by the State which are not budgeted for and encumbrances) which is consistent with generally accepted accounting principles. In addition, the budget may call for certain amounts to be transferred or allocated to specific funds which have been set up by the Town for specific purposes. A portion of the budgeted revenues to be raised by the annual tax commitment is considered by the Town to be a specific revenue source which is committed to expenditure for these specified purposes. The budget calls for the revenue to be shown within the general fund and a transfer out to be shown to each of these specific funds. In accordance with the true accounting definition of a special revenue fund, specific revenue sources which in this case would be a portion of the annual tax commitment would be required to be shown as revenue of the specific fund and would therefore cause these revenues and transfers to be shown differently on the budget to actual statement in comparison to the statement of revenues, expenditures and changes in fund balances. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each general function of the Town. The Board of Education may transfer unexpended balances from one account to another within its total appropriation in accordance with the General Statutes. Any Town commission, board, agency or office (Town department) may transfer unexpended balances from one account to another within their total appropriation upon approval of the Board of Selectman. The Board of Selectmen may also transfer unexpended balances from one department to another. Supplemental appropriation requests for the Board of Education are submitted to the Finance Committee for action. Supplemental appropriations for any Town department shall be made to the Board of Selectmen who will then submit the request on to the Finance Committee with any comments or recommendations for action. Supplemental appropriation requests may be acted upon by the Finance committee in that they may approve, lower or reject them. Any supplemental appropriation requests that are individually or cumulatively in excess of .2% of the Total Expenditure Amount must be passed on to a special Town meeting for action.

Annually, the Board of Selectmen may require every Town department supported wholly or in part by Town revenues or appropriations, excluding the Board of Education, to present the Board of Selectmen with an itemized estimate of all revenues expected to be received, excluding Town appropriations, and all expenditures to be made in the upcoming fiscal year. Each year, on or before March 15th the Board of Selectmen shall present to the Finance Committee the operating budget outlining the estimated revenues and expenditures which will include all Town departments in addition to the debt, capital budget and the capital reserve portion. In addition, the Board of Education shall also submit its operating budget outlining the estimated revenues and expenditures to the Finance Committee on or before March 15th. The Finance Committee may then revise the total appropriation amount of the Board of Selectman and Board of Education operating budgets as well as the contingency, debt service and capital improvement estimates. The Finance Committee shall hold one or more public hearings on the proposed budget no later than May 1st. After the final public hearing the Finance Committee shall, by resolution adopted by an affirmative vote of at least four members, approve the budget. The proposed budget shall be presented to the Annual Budget Referendum to be held no later than May 25th. The current fiscal year budget was approved by referendum on May 23, 2023.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The following is a reconciliation of the GAAP basis - Statement D and Budgetary basis - RSI-1 reported revenues, expenditures and changes in fund balances for the general as of June 30, 2024.

Town general fund	Revenues	Expenditures	Other financing sources (uses)	Net change in fund balance
GAAP basis - Statement D	\$ 27,068,648	\$ -25,269,890	\$ -495,710	\$ 1,303,048
Current fiscal year encumbrances	-	-	-	-
Prior fiscal year encumbrances	-	9,976	-	9,976
Non-cash capital activity	-	23,256	-23,256	-
State on-behalf benefits related to pensions	-2,501,166	2,501,166	-	-
State on-behalf benefits related to OPEB	-34,036	34,036	-	-
Budgetary basis - RSI-1	<u>\$ 24,533,446</u>	<u>\$ -22,701,456</u>	<u>\$ -518,966</u>	<u>\$ 1,313,024</u>

E. Deposits and Investments

Cash and cash equivalents include cash on hand as well as amounts in demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The Town values investments at their fair value based on quoted market prices. Some types of investments authorized by the State of Connecticut include obligations of the United States Government, obligations fully insured or guaranteed by the government or governmental agency, shares in the Connecticut Short-Term Investment Fund and repurchase agreements. The Town may vote to accept investments other than those authorized by the State when they have been donated to the Town.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

F. Receivables & Allowance for Doubtful Accounts

All active property tax, intergovernmental and other receivable balances of the Town are reported net of any allowance for doubtful accounts. Suspense property tax amounts are not reported. The current year fund financial statement accounts receivable balances for the governmental funds of the Town include property tax principal amounts of \$232,707, intergovernmental amounts due on state, federal and other grant and award contracts and agreements of \$112,426 and other receivable amounts of \$129,351. The intergovernmental receivable amount is made up of general fund grants in the amount of \$818 and amounts due from towns for municipal building services fees of \$41,104 and non-major special revenue fund school lunch program grants of \$26,234 and school education grants of \$44,270. The other receivable amount is made up of general fund tax collection service amounts received but not yet deposited to the town of \$126,084 and other miscellaneous receivables of \$3,264 and a non-major special revenue fund miscellaneous amount of \$3. The current year government-wide financial statements include all of the above mentioned receivable types in addition to accumulated delinquent interest and fees on the active property tax principal amounts. Delinquent interest and fees on suspense tax receivable principal balances are not included. The current year delinquent interest receivable balance is \$92,483. The Town will book an unbilled receivable in situations when a grant or contract has incurred expenditures which will be reimbursed by a funding source but which have not yet been fully received. The current allowance for doubtful accounts in relation to the above mentioned accounts receivable balances was estimated to be \$0. The Town considers past experience with receivable balance collections and current aging report details when determining its calculation for an allowance for doubtful accounts. Receivables are only written off once it has been determined that all other methods of collection have been utilized without success.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

G. Estimates

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

H. Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied June 27, 2023 on the grand list as of October 1, 2022, for the real and personal property located in the Town at a rate of 43.82 mills and the motor vehicles located in the Town at a rate of 32.46 mills. Real estate, personal property and motor vehicle taxes were due on July 1, 2023. Supplemental motor vehicle taxes were due on January 1, 2024. Interest on unpaid taxes commenced 30 days after the aforementioned due dates, at 18% per annum or 1.50% per month. In the fund financial statements, property tax revenues are recorded in the amount of the annual property tax assessment with an adjustment for the amount of principal expected to be collected within the first sixty days after the end of the current fiscal year. In the government-wide financial statements, only the current year principal assessment is recorded as revenue.

I. Tax Acquired Property

Property which has been foreclosed on by the Town due to non-payment of taxes or other similar situations is classified as tax acquired property at the value of the original outstanding tax receivable amount. Interest and fees on the property are recorded at such time when the property is sold. The Town does not currently have any property being classified as tax acquired.

J. Inventories

In the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used which is in accordance with the consumption method. On the fund financial statements, inventories are presented at cost on a first-in, first-out basis and are recorded as an expenditure when used. The Town currently has recorded an inventory amount of \$10,431 as it relates to the school lunch program.

K. Prepaid Items

Payments made to vendors for goods and services that will benefit periods beyond the end of the fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expense-expenditure in the subsequent year (s) in which the goods or services are consumed. Expenditures relatively minor in nature for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods, but may be accounted for as expenditures of the period of acquisition. The Town generally considers relatively minor in nature to include aggregated similar items not exceeding \$2,500. Payments made to vendors for goods and services that will only benefit periods beyond the end of the fiscal year are recorded as prepaid items regardless of the dollar amount.

L. Capital Assets

Capital assets of the Town may include land and improvements, buildings and improvements, vehicles, equipment, right to use and subscription assets, infrastructure, and all other tangible and intangible assets which may arise that are used in operations and that have an initial useful life extending beyond a single fiscal year. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can normally be preserved for a significantly greater number of years than most capital assets. Infrastructure assets recorded by the Town may include improved and unimproved town roads, and bridges. All improvements to capital assets are capitalized which add to the value or materially extend the life of the asset. All capital assets of the Town are recorded at historical cost or estimated historical cost when the actual amount is not available. The historical cost of these assets includes not only the cost of the asset but may also include capitalized interest charges and other direct costs associated with placing the asset into its intended location and its intended use. The Town generally maintains a capitalization threshold of \$5,000 for all equipment, \$10,000 for vehicles, \$25,000 for buildings and improvements. Land purchases are recorded regardless of amount. Donated capital assets are reported at their estimated fair value at the time of acquisition plus other direct costs associated with placing the asset into its intended location and use. Capital assets are only shown on the government-wide statement of net position.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Land is not depreciated. All other individual capital assets of the Town are depreciated over their estimated useful lives using the straight line method. Under this method, the recorded cost of each capital asset less any estimated residual value is divided by the estimated useful life resulting in an even amount of depreciation to be taken on an annual basis. The estimated residual value is the amount that the capital asset is expected to be worth at the end of its estimated useful life. The general estimated useful lives for specific types of capital assets used by the Town are 3 - 10 years for equipment, 5 - 10 years for vehicles and 30 - 50 years for buildings and building improvements and infrastructure and improvements thereto. Capital assets which are under construction but not yet completed are recorded as construction in progress. These capital assets will not begin to be depreciated until they are completed. Depreciation expense is allocated to the specific functions (sometimes referred to as departments) of the Town based on which function purchased or benefits from the assets. Depreciation on assets shared between two or more functions is allocated based on the percentage purchased by each function. If the benefit received from these assets shifts from the function making the purchase to another function in a material amount, the depreciation amount being charged will be shifted accordingly. Depreciation on capital assets which benefit all of the functions of the Town, such as infrastructure assets, is shown as a separate line item. Depreciation expense on capital assets is only shown on the government-wide statement of activities.

M. Leases and Right to Use Lease Assets

The Town may at times lease land, buildings and equipment as part of lease agreements under which the Town is the lessee. Under these lease agreements, the Town recognizes a lease liability and an intangible right to use lease asset (lease asset) in the applicable governmental activities and business-type activities in the government wide financial statements and in the proprietary fund financial statements. The Town generally recognizes lease liabilities with an initial, individual value of \$5,000 or more though lease liabilities are considered individually and in the aggregate.

At the beginning of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. The future lease payments should be discounted using the interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease. If the interest rate cannot be readily determined by the Town, the Town's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term) should be used. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Lease liabilities are reported with long-term debt on the statement of net position. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight line basis over the shorter of the lease term or the estimated useful life of the underlying asset. If a lease contains a purchase option that the lessee has determined is reasonably certain of being exercised, the lease asset should be amortized over the useful life of the underlying asset. Lease assets are reported with other capital assets on the statement of net position.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that individually or in the aggregate are expected to significantly affect the amount of the lease liability. Examples of changes that may occur to a lease that may result in the need for a remeasurement of the lease liability would include a change in the lease term, a change in the interest rate the lessor charges the Town or an assessment that indicates that the likelihood of a purchase option being exercised has changed from reasonably certain to not reasonably certain, or vice versa.

N. Subscription Liabilities and Right to Use Subscription Assets

The Town may at times enter into Subscription Based Information Technology Arrangements (SBITA's). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under these SBITA agreements, the Town recognizes a subscription liability and an intangible right to use subscription asset (subscription asset) in the applicable governmental activities and business-type activities in the government wide financial statements and in the proprietary fund financial statements (when present). The Town generally recognizes subscription liabilities with an initial, individual value of \$5,000 or more though subscription liabilities are considered individually and in the aggregate.

At the beginning of a SBITA, the Town initially measures the subscription liability at the present value of payments expected to be made during the term of the agreement. These future payments should be discounted using the interest rate the vendor charges the Town, which may be the interest rate implicit in the agreement. If the interest rate cannot be readily determined by the Town, the Town's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the payment amounts during the term of the agreement) should be used. Subsequently, the subscription liability is reduced by the principal portion of the payments made. Subscription liabilities are reported with long-term debt on the statement of net position.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the agreement commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight line basis over the shorter of the agreement term or the estimated useful life of the underlying asset.

The Town monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and liability if certain changes occur that individually or in the aggregate are expected to significantly affect the amount of the subscription liability. Examples of changes that may occur to a SBITA that may result in the need for a remeasurement of the subscription liability would include a change in the agreement term and a change in the interest rate the vendor charges the Town.

O. Unearned Revenue and Deferred Inflows and Outflows of Resources

In the government-wide financial statements, revenue amounts which have been received in cash but not yet earned are recorded as unearned revenue. The current fiscal year unearned revenue balance of the governmental activities of the Town as shown on the statement of net position totaled \$2,400,717. This balance is made up of \$2,397,838 which represents unspent state, federal and other grant program balances which will be used in upcoming fiscal years, \$2,870 of preschool tuition revenue received for the upcoming fiscal year and \$9 representing miscellaneous program receipts for the upcoming fiscal year. In the fund financial statements, revenues are recognized when they are both measurable and available to pay current liabilities. For government-mandated non-exchange transactions as well as voluntary non-exchange transactions which would include certain governmental grants received by the Town, revenues are recognized in the period when all applicable eligibility requirements have been met and when the resources are available. For grant agreements, once the Town has received the funds and is within the allowable spending period all applicable eligibility requirements are deemed to have been met at which time the purpose restrictions related to how the grant funds need to be spent become applicable. Any grant revenues which have been recognized because the Town has met all the applicable eligibility requirements but for which they have not yet met all of the purpose restrictions associated with the grant agreements are recorded as restricted fund balance amounts at the end of the fiscal year. In the fund financial statements, the current fiscal year unearned revenue balance of the governmental funds as shown on the balance sheet totaled \$2,879. This amount represents the above mentioned program receipts for the upcoming fiscal year.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense) until that time. The first item of deferred outflows relates to the total OPEB liability, which may include differences between expected and actual experience, changes in assumptions, changes in the proportionate share of contributions and the net difference between projected and actual earnings on plan investments. These amounts are deferred and amortized over an actuarial determined number of years. The second item of deferred outflows relates to the deferred charges on bond refundings. A deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The current fiscal year deferred outflows of resources balance of the governmental activities of the Town as shown on the statement of net position totaled \$519,757. The portion of this amount which is related to OPEB totaled \$317,574 and is made up of the actuarial determined differences between expected and actual experience of \$140,067 and changes of assumptions of \$177,507. The portion of this amount which is related to the deferred charges on bond refundings totaled \$202,183 and is made up of the unamortized deferred charges on the 2017 bond refunding of \$180,662 and the unamortized deferred charges on the 2021 bond refunding of \$21,521.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental activities have deferred inflows that relate to the total OPEB liability, which may include differences between expected and actual experience, changes in assumptions, changes in the proportionate share of contributions and the net difference between projected and actual earnings on plan investments. These amounts are deferred and amortized over actuarial determined number of years. The current fiscal year deferred inflows of resources balance of the governmental activities of the Town as shown on the statement of net position totaled \$765,106. The portion of this amount which is related to OPEB totaled \$544,376 and is made up of the actuarial determined differences between expected and actual experience of \$329,918 and changes in assumptions of \$214,458. The portion of this amount which is related to advance property tax collections totaled \$220,730. The governmental funds of the Town currently report deferred inflows of resources on the balance sheet relating to unavailable revenue from property taxes of \$214,170 which is calculated when considering the amount of property taxes receivable not expected to be received within the first 60 days after the fiscal year end as well as the aforementioned advance property tax collections in the amount of \$220,730.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

P. Interfund Receivables and Payables

Inter fund receivables and payables represent the balance of activity between the different funds of the Town. These activities include but are not limited to transfers which were not physically made but need to be recorded to keep track of the individual fund balances and cash receipts which may have been deposited in the cash account of one fund but which are for the use of another fund. Expenditures for one fund paid for out of another fund are also included in these balances. The inter fund balances and related activities of the governmental funds have been eliminated in the government-wide statement of net position and the statement of activities, however, the inter fund balances and related activity between the governmental, business-type and fiduciary fund activities of the Town are not eliminated on these statements when present.

Q. Accounts Payable, Accrued Payroll and Other Liabilities

The accounts payable balance of the Town is used to account for the expenses or expenditures related to invoices for the current fiscal year which have been received but which have not yet been paid. Under both the accrual and modified accrual basis of accounting expenses and expenditures are recorded when they are incurred. The accrued payroll balances of the Town represent amounts earned for hours worked prior to the end of the fiscal year which were not physically paid until after the end of the fiscal year. The other liabilities balance as shown on both the government-wide and fund financial statements of \$235,048 is made up of maintenance bonds of \$173,280 and driveway bonds of \$24,000 which have been received but not yet fulfilled and thus not yet returned, security and rental deposits of \$4,449 which will be returned as outlined in each application and agreement, school and town insurance clearing accounts of \$22,367 and reimbursable building fees of \$7,285 which are expected to be applied to expenditures during the upcoming fiscal year and other miscellaneous items of \$3,667.

R. Major Funds

Within the fund financial statements, the focus of the governmental funds of the Town is on the major funds. The general fund of the Town must always be shown as a major fund. In addition, other governmental funds are shown as major based on an evaluation of the following criteria.

- a. The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses (excluding extraordinary items) of an individual governmental or enterprise fund are at least 10% of the corresponding totals for all governmental or enterprise funds and
- b. The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses (excluding extraordinary items) of an individual governmental or enterprise fund are at least 5% of the corresponding totals for all governmental and enterprise funds combined.
- c. Any other individual governmental or enterprise (if present) fund that the Town believes is particularly important to the financial statement users whether because of public interest, consistency, or other reasons.

For the purposes of the current fiscal year fund financial statements, the following individual governmental funds have been classified as major. A brief description of the fund and the activities reported within the fund is as follows. Additional financial information on the Town capital funds can be found in Sub-Schedule A starting on page 66 of the financial statements.

- d. Town capital funds - This fund is used to account for financial resources to be used by the Town to purchase or construct capital assets or projects. The activities within this fund are financed through annual appropriations approved as part of the annual budget, long-term and short term financing and through other miscellaneous grants and revenues. In addition, this fund includes the school capital fund. This capital fund is used to account for a portion of education tuition revenue which is designed to be used to pay a portion of the annual debt service requirements for the school construction related debt.
- d. ARPA grant funds - This fund is used to account for the financial resources received by the Town under the American Rescue Plan Act of 2021 (ARPA). The acceptable use of these funds as outlined in the Final Rule of the U.S. Department of the Treasury include replacing lost public sector revenue, addressing public health and economic impacts, premium pay and water, sewer & broadband infrastructure. These grant funds must be obligated by December 31, 2024 and expended by December 31, 2026. The Town has not yet used any of the ARPA funds that it has received.
- e. Cemetery activity fund - This fund is used to account for a portion of the assets which were transferred from the Bolton Cemetery Association, Inc. which was a legally separate organization within the town which maintained the cemeteries within the town. Cemetery lot sales and other related revenues as well as upkeep and maintenance costs are accounted for within this fund.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

S. Fund Balance Classification Policies and Procedures

Within the fund financial statements, the fund balance amounts of the governmental funds of the Town as shown on the balance sheet are broken down between nonspendable, restricted, committed, assigned and unassigned. These fund balance classifications are described as follows:

- a. **Nonspendable fund balance** - Nonspendable fund balance include amounts that cannot be spent because they are either (a) not in a spendable form such as inventories or prepaid expenditures or (b) they are legally or contractually required to be maintained intact such as the principal portion of a permanent fund. The nonspendable funds balance of the Town consists of the principal portion of its permanent funds and a corresponding amount for the recorded amount of inventory and prepaid expenditures.
- b. **Restricted fund balances** - Restricted fund balance include amounts that are restricted to a specific purpose when the restraints are placed on the use of the resources either by (a) externally imposed creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources from external sources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted fund balance amounts of the Town consist of the residual fund balance amounts at the end of the fiscal year as they relate to grants received from either state, federal or local funding sources or donations received to be spent for specific purposes. These amounts are restricted to be expended on the items outlined within the funding agreement with the Town and cannot be used for any other specified purposes. In addition, the Town has created a special revenue fund to account for and report the proceeds of funds collected by the town clerks office as mandated by the State of Connecticut in relation to historic document preservation fees and mortgage filing related fees. These mandated fees are considered a form of enabling legislation imposed by the State and therefore the funds collected by the Town are restricted to be expended based on the parameters of the enabling legislation. Other funds restricted by the Town include the non-principal portion of permanent funds well as education and town grants and programs.
- c. **Committed fund balance** - Committed fund balance include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority. These committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Finance Committee is considered to be the highest level of decision making authority within the Town for determining committed fund balance amounts. The Finance Committee has the final approval for the budget amounts which are presented to the citizens of the Town for approval and in turn the establishment of the related special revenue or capital project funds. The approval of the annual town budget may include amounts characterized as specific revenue sources as a portion of either the annual tax commitment or other specific revenue sources contained and voted on within the annual budget. An example of a committed fund balance amount would relate to an approved transfer to an established special revenue or capital project fund. The residual fund balance amount within these funds at the end of the fiscal year would be classified as committed fund balance. Any subsequent change in the specific purpose or use of these committed funds would need to be approved either at the annual town meeting or a special town meeting. The Board of Selectmen created an employment separation fund as well as other funds through Town ordinances which are also being shown as committed general fund balance amounts.
- d. **Assigned fund balance** - Assigned fund balance include amounts that are constrained by the Town with the intent to be used for specific purposes, but which are neither restricted or committed. The intent to use funds for specific purposes is to be assigned by either town meeting appropriations, the Board of Selectmen, the Finance Committee or the Town Administrator individually as authorized by the Finance Committee. The Town Administrator has the authority to accept funds on behalf of the Town which are specific revenue to be used for specific purposes and to establish special revenue or capital project funds to account and report these amounts. Assigned special revenue and capital project funds are usually made up of small streams of specific revenue sources for specific purposes for which there is a perceived benefit to segregating and reporting the funds rather than including them within the general fund. In addition, annual budgetary encumbrances outstanding at the end of the fiscal year are classified by the Town as assigned amounts within the general or specific special revenue or capital project funds. Subsequent fiscal year budgeted appropriations of the unassigned general fund balance are also reported as assigned fund balance amounts of the general fund at the end of the current fiscal year as long as the subsequent budget has been approved. The Town also internally assigns an amount to be set aside for future unforeseen financial emergencies within the Town.
- e. **Unassigned fund balance** - Unassigned fund balance is the residual classification for the general fund of the Town. This classification represents fund balance amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the general fund. In addition, individual governmental funds whose ending fund balance is negative are also classified as unassigned within the specific fund.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The Town does not have an established policy relating to the use of unrestricted fund balance amounts as it relates to when it considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of these three unrestricted classifications could be used. Absent of an established policy which addresses this situation, accounting guidance states that it should consider that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts. In addition, restricted fund balance amounts are considered to have been spent prior to unrestricted amounts under the same circumstances. The following table is designed to provide more detailed information regarding the aggregated fund balance classifications which are included on the balance sheet.

	General fund	Town capital funds	ARPA grant funds	Cemetery activity funds	Non-major governmental funds	Total governmental funds
Fund balances:						
Nonspendable:						
Inventories and prepaid items	\$ 7,447	\$ -	\$ -	\$ -	\$ 21,586	\$ 29,033
Permanent funds principal	-	-	-	-	117,905	117,905
	<u>7,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,491</u>	<u>146,938</u>
Restricted:						
Town ARPA grant	-	-	1,445,423	-	-	1,445,423
Town aid roads grant	-	-	-	-	608,319	608,319
Educational grants	-	-	-	-	177,782	177,782
Education programs	-	-	-	-	54,479	54,479
Other town grants and programs	-	-	-	-	232,936	232,936
Permanent funds non-principal	-	-	-	-	95,344	95,344
	<u>-</u>	<u>-</u>	<u>1,445,423</u>	<u>-</u>	<u>1,168,860</u>	<u>2,614,283</u>
Committed:						
Employment separation funds	188,659	-	-	-	-	188,659
Health insurance funds	184,041	-	-	-	-	184,041
Founders day funds	72,703	-	-	-	-	72,703
Economic development funds	5,445	-	-	-	-	5,445
Town capital reserve fund	-	1,813,598	-	-	-	1,813,598
School capital reserve fund	-	206,127	-	-	-	206,127
BCS facility and paving	-	172,912	-	-	-	172,912
Debt issuance costs	-	3,565	-	-	-	3,565
Heritage farm improvements	-	37,650	-	-	-	37,650
Prior town fire truck purchase	-	3,896	-	-	-	3,896
Cemetery activity fund	-	-	-	817,249	-	817,249
Recreation round fund	-	-	-	-	199,818	199,818
Buildings and grounds fund	-	-	-	-	68,958	68,958
Open space reserve funds	-	-	-	-	63,833	63,833
Bentley memorial library fund	-	-	-	-	43,203	43,203
Other town grants and programs	-	-	-	-	86,460	86,460
	<u>450,848</u>	<u>2,237,748</u>	<u>-</u>	<u>817,249</u>	<u>462,272</u>	<u>3,968,117</u>
Assigned:						
Internal assignment of funds for unforeseen financial emergencies	2,109,635	-	-	-	-	2,109,635
Fund balance budgeted for use during the upcoming fiscal year	2,323,869	-	-	-	-	2,323,869
Animal control fund	-	-	-	-	27,095	27,095
School activity funds	-	-	-	-	57,298	57,298
	<u>4,433,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,393</u>	<u>4,517,897</u>
Unassigned						
Residual general fund balance	1,170,861	-	-	-	-	1,170,861
Current town fire truck purchase	-	-628,697	-	-	-	-628,697
Other programs and grants	-	-5,950	-	-	-2,000	-5,950
	<u>1,170,861</u>	<u>-634,647</u>	<u>-</u>	<u>-</u>	<u>-2,000</u>	<u>534,214</u>
Total fund balances	<u>\$ 6,062,660</u>	<u>\$ 1,603,101</u>	<u>\$ 1,445,423</u>	<u>\$ 817,249</u>	<u>\$ 1,853,016</u>	<u>\$ 11,781,449</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

T. Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of the materials or services. For budgetary purposes, appropriations lapse at fiscal year-end. The Town of Bolton does utilize encumbrance accounting. Outstanding encumbrances represent assigned fund balance as the related expenditures have not yet flowed down to and reduced fund balance. As of June 30, 2023, the assigned general fund balance as shown on the balance sheet relating to outstanding town encumbrances totaled \$0 and outstanding school encumbrances totaled \$0.

Note 2 - Restricted Cash and Investments

The Town breaks down cash and investments between a regular current asset and an other asset restricted on the government-wide statement of net position. The other assets restricted cash and investments amounts are made up of cash and investment balances which are restricted for a specific purpose in subsequent fiscal years. The current year amounts on the government-wide statement of net position can be broken down as follows.

Restricted cash	
Unearned state, federal, and other grant program balances	\$ 2,397,838
Restricted investments	
Nonspendable balance of non-major permanent funds	\$ 117,905
Restricted balance of non-major permanent funds	95,344
	<u>\$ 213,249</u>

Note 3 - Deposits and Investments

The deposit of public funds is controlled by the Connecticut General Statutes Section 7-402. Deposits may be made in a qualified public depository as defined by the statute or, in amounts not exceeding FDIC insurance limits, in an out of state bank as defined by the statute, which is not a qualified public depository. Section 7-400 of the statutes permit municipalities to invest public funds in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the statutes cover specific municipal funds with investment authority.

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

Deposits

Custodial credit risk for deposits 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 formal deposit policy for custodial credit risk beyond the requirements of State statutes. The bank accounts of the Town are covered by FDIC insurance up to \$250,000 in demand deposit accounts and up to \$250,000 in time deposit accounts per financial institution. At year end, the carrying amount of the Town's deposits was \$9,621,882 which is shown in the financial statements as cash balances of \$9,596,848 (\$9,565,345 on Statement C and \$31,503 on Statement E) and investment balances of \$25,034 which represents a certificate of deposit. The corresponding bank balances of these accounts at various financial institutions totaled \$9,730,305 with the difference between the two amounts being represented by timing differences with outstanding checks, deposits in transit and cash on hand. Of these bank balances, \$706,532 was covered by FDIC with the remaining \$9,023,773 representing balances that were not insured but rather collateralized in part by securities held by the pledging financial institutions' trust department or agent but not in the Town's name in accordance with and in the amounts and coverage percentages required by State statutes.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The Town does not have a formal deposit policy for custodial credit risk beyond the requirements of State statutes. All of the Town's deposits are in qualified public institutions as defined by state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

The following schedule shows the different types of investments held by the Town, the maturities of those investments and the associated credit ratings as of June 30, 2024.

Type	Fair value	Maturities in years			Credit ratings	
		Less than 1 year	1 - 5 years	6 - 10 years	Moody's	S & P
Governmental activities and funds:						
State Short-Term Investment Fund	\$ 3,770,105	\$ 3,770,105	\$ -	\$ -	not rated	AAAm
Certificates of deposit	25,034	25,034	-	-	not rated	not rated
	<u>\$ 3,795,139</u>	<u>\$ 3,795,139</u>	<u>\$ -</u>	<u>\$ -</u>		

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Credit Risk - The Town does not have a formal investment policy that would further limit its investment choices beyond those limited by Connecticut State statutes. Concentration of Credit Risk - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments. 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 does not have a formal policy for custodial credit risk.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB statements require or permit in the Statement of Net Position or Balance Sheet at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date; Level 2 inputs are other than quoted prices in Level 1 that are observable for the asset or liability, or similar assets or liabilities either directly or indirectly through corroboration with observable market data; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

		Fair value measurement		
Investments	Fair value	Level 1	Level 2	Level 3
Governmental activities and funds:				
State Short-Term Investment Fund	\$ 3,770,105	\$ 3,770,105	\$ -	\$ -
Certificates of deposit	25,034	25,034	-	-
	<u>\$ 3,795,139</u>	<u>\$ 3,795,139</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 4 - Interfund Receivables, Payables and Transfers

Interfund receivables and payables - The Town maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "due to or from other funds" under each fund's caption. The purpose for interfund balances is to keep track of each fund's position in this cash pool. These balances are not expected to be repaid due to the fact that they simply represent funds collected or spent by one fund on behalf of another fund. The following information represents interfund receivables and payables by individual major fund and non-major funds in the aggregate. Only the balances for major funds are being shown below. The following fund financial statement inter fund balances are eliminated in the government-wide financial statements

	Receivable due from	Payable due to
General fund:		
Town capital funds		
Town capital reserve fund 2960	\$ -	\$ 1,818,721
School capital reserve fund 3452	204,480	-
School capital projects fund 3482	4,165	176,477
Town capital projects fund 3521	-	42,849
ARPA grants fund	-	1,445,423
Cemetery activity funds	17,361	-
Non-major special revenue funds	46,270	1,382,623
	<u>\$ 272,276</u>	<u>\$ 4,866,093</u>
Town capital funds:		
General fund		
Town capital reserve fund 2960	\$ 1,818,721	\$ -
School capital reserve fund 3452	-	204,480
School capital projects fund 3482	176,477	4,165
Town capital projects fund 3521	42,849	-
	<u>\$ 2,038,047</u>	<u>\$ 208,645</u>
ARPA grant funds:		
General fund	<u>\$ 1,445,423</u>	<u>\$ -</u>
Cemetery activity funds:		
General fund	<u>\$ -</u>	<u>\$ 17,361</u>

Interfund transfers - Transfers in and out represent budgeted transfers which are not always physically made but need to be recorded to keep track of the individual fund balances and the transfers of income earned from one individual fund to another in accordance with the requirements of the individual funds. There were no transfers made by the Town during the current fiscal year which were significant which have been deemed not to have occurred on a routine basis and which are inconsistent with the activities of the fund (s) making the transfer (s). The following information represents interfund transfers by individual major fund and non-major funds in the aggregate. The general fund transfer to the town capital funds relates to an amount included in the annual budget. The general fund transfer to the non-major special revenue funds relates to a transfer from the school general fund to the school lunch program for unpaid school lunch balances of \$942, an amount allocated by the school general fund to the Bolton High School non-fiduciary officials account of \$14,500 as well as a town general fund amount included in the annual budget as a contribution to the recreation round fund. The town capital funds transfer relates to an amount included in the annual budget.

	Transfers in	Transfers out
General fund:		
Town capital funds:		
Town capital reserve fund 2960	\$ -	\$ -492,380
Non-major special revenue funds	-	-26,586
	<u>\$ -</u>	<u>\$ -518,966</u>
Town capital funds:		
General fund		
Town capital reserve fund 2960	<u>\$ 492,380</u>	<u>\$ -</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 5 - Capital Assets

The following schedule shows the capital asset activity for the fiscal year ended June 30, 2024. Information about the specific accounting policies of the Town in relation to capital assets can be found in note 1L starting on page 22 of the notes to the financial statements.

	Balance 07/01/23	Additions	Retirements	Balance 06/30/24
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 4,514,884	\$ -	\$ -	\$ 4,514,884
Construction in progress	11,355	185,404	-196,759	-
	<u>4,526,239</u>	<u>185,404</u>	<u>-196,759</u>	<u>4,514,884</u>
Capital assets being depreciated:				
Buildings and improvements	44,949,984	146,525	-	45,096,509
Vehicles	4,860,108	683,325	-	5,543,433
Equipment	3,652,356	317,635	-	3,969,991
Right to use assets	115,862	196,759	-	312,621
Subscription assets	-	23,256	-	23,256
Infrastructure	16,308,008	324,163	-	16,632,171
Total at historical value	<u>69,886,318</u>	<u>1,691,663</u>	<u>-</u>	<u>71,577,981</u>
Less accumulated depreciation for:				
Building and improvements	-20,279,957	-1,121,785	-	-21,401,742
Vehicles	-3,179,539	-271,263	-	-3,450,802
Equipment	-2,443,700	-347,816	-	-2,791,516
Right to use assets	-52,637	-61,429	-	-114,066
Subscription assets	-	-7,752	-	-7,752
Infrastructure	-7,752,099	-453,507	-	-8,205,606
Total accumulated depreciation	<u>-33,707,932</u>	<u>-2,263,552</u>	<u>-</u>	<u>-35,971,484</u>
Total capital assets being depreciated (net)	<u>36,178,386</u>	<u>-571,889</u>	<u>-</u>	<u>35,606,497</u>
Governmental activities capital assets (net)	<u><u>\$ 40,704,625</u></u>	<u><u>\$ -386,485</u></u>	<u><u>\$ -196,759</u></u>	<u><u>\$ 40,121,381</u></u>

Depreciation expense taken on the governmental activities capital assets of the town are charged by function or department in the government-wide financial statements. During the current fiscal year depreciation was charged to general government - \$182,796, public works - \$109,935, public safety - \$228,334, community services - \$38,443, sanitation and waste - \$2,303, education - \$1,248,234 and general infrastructure - \$453,507 for a total current fiscal year depreciation expense amount of \$2,263,552.

Note 6 - Net Position Balances - Net Investment in Capital Assets

The net investment in capital assets net position amount on the government-wide statement of net position consisted of the following items as of June 30, 2024.

	Governmental activities
Recorded value of capital assets	\$ 76,092,865
Less accumulated depreciation	-35,971,484
Book value of capital assets	<u>40,121,381</u>
Less capital assets related debt	-6,964,569
Total net investment in capital assets	<u><u>\$ 33,156,812</u></u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 7 - Short-Term Debt

The Town currently has an outstanding bond anticipation note which was issued on August 29, 2023 in the amount of \$630,000. This note is due on August 28, 2024 including interest at a rate of 4.25%. This note was used to finance a portion of the costs of a 2023 Pierce Velocity Custom Pumper truck. This note is recorded as a current liability in both the government-wide financial and fund financial statements.

Note 8 - Long-Term Debt and Other Liabilities

The long-term debt and other liabilities of the Town are made up of the following individual debt agreements and amounts. Long-term debt and other liabilities are shown on the government-wide financial statements as governmental activities items on the statement of net position.

	Balance 07/1/23	Additions	Reductions	Balance 06/30/24	Amount due within one year
Governmental activities:					
Outstanding payables:					
Bonds payable	\$ 7,020,000	\$ -	\$ -845,000	\$ 6,175,000	\$ 865,000
Right to use leases payable	68,474	121,718	-46,168	144,024	65,215
Subscription liability payable	-	23,256	-7,711	15,545	7,579
Total outstanding payables	<u>7,088,474</u>	<u>144,974</u>	<u>-898,879</u>	<u>6,334,569</u>	<u>937,794</u>
Other liabilities:					
Unamortized bond premiums	517,481	-	-73,958	443,523	
Accrued compensated absences	315,398	15,566	-803	330,161	
Total OPEB liability	<u>1,263,318</u>	<u>-</u>	<u>-180,320</u>	<u>1,082,998</u>	
Total other liabilities	<u>2,096,197</u>	<u>15,566</u>	<u>-255,081</u>	<u>1,856,682</u>	
Total long-term liabilities	<u>\$ 9,184,671</u>	<u>\$ 160,540</u>	<u>\$ -1,153,960</u>	<u>\$ 8,191,251</u>	<u>\$ 937,794</u>

Outstanding bonds payable:

\$1,675,000 general obligation bond issued in June of 2017 to finance improvements at the Bolton Center School, Heritage Farm and a new fire truck purchase with interest ranging from 3.00% to 5.00% through August of 2026.	\$ 510,000
\$4,995,000 advance refunding bond issued in June of 2017 to advance refund \$5,170,000 of the outstanding bonds issued in August of 2010 with interest ranging from 3.00% to 5.00% through May of 2032.	3,650,000
\$2,690,000 advance refunding bond issued in February of 2021 to advance refund \$2,730,000 of the outstanding bonds issued in May of 2012 with interest ranging from 2.00% to 1.05% through May of 2032.	2,015,000
	<u>\$ 6,175,000</u>

The following is a summary of the total outstanding principal and interest cash flow requirements for the bonds payable of the Town for the fiscal years ending June 30:

	Principal	Interest	Total
2025	\$ 865,000	\$ 195,057	\$ 1,060,057
2026	885,000	166,470	1,051,470
2027	915,000	133,632	1,048,632
2028	770,000	101,583	871,583
2029	800,000	75,282	875,282
2030 - 2034	<u>1,940,000</u>	<u>70,548</u>	<u>2,010,548</u>
	<u>\$ 6,175,000</u>	<u>\$ 742,572</u>	<u>\$ 6,917,572</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Outstanding right to use leases payable:

The Town entered into a right to use lease agreement in the amount of \$121,718 in August of 2023 in relation to the rental of a portable office building. The agreement is for a minimum of 36 months with monthly payments of \$3,642. The lease liability is measured at a discount rate of 5.00% based on the Town's estimated incremental borrowing rate.

\$ 99,286

The Town entered into two postage machine lease agreements in the amounts of \$15,660 in July of 2021 and \$3,320 in February of 2022. These lease agreements are for 60 months with quarterly lease payments of \$846 and \$179, respectively. The lease liabilities are measured at a discount rate of 3.00% based on a stated rate.

9,225

The Board of Education entered into three postage machine lease agreements in the amount of \$4,237 each in August of 2021 and December of 2021. These agreements are for 60 months with quarterly lease payments of \$229. The lease liabilities are measured at a discount rate of 3.00% based on a stated interest rate.

6,166

The Board of Education entered into a copier lease agreement in the amount of \$84,171 in January of 2021. The lease agreement is for 60 months with quarterly lease payments of \$1,749. The lease liability is measured at a discount rate of 9.07% based on a stated interest rate.

29,347
\$ 144,024

The following is a summary of the total outstanding principal and interest cash flow requirements for the right to use leases payable of the Town for the fiscal years ending June 30:

	Principal	Interest	Total
2025	\$ 65,215	\$ 6,333	\$ 71,548
2026	58,549	2,501	61,050
2027	20,260	249	20,509
2028	-	-	-
2029	-	-	-
	<u>\$ 144,024</u>	<u>\$ 9,083</u>	<u>\$ 153,107</u>

Outstanding subscription liability payable:

The Town Clerk entered into a Subscription Based Information Technology Arrangement in relation to the access and use of a land records management system in July of 2023. The arrangement is for 36 months with monthly payments ranging from \$740 to \$682. The liability is measured at a discount rate of 5.00% based on the Town's estimated incremental borrowing rate.

\$ 15,545

The following is a summary of the total outstanding principal and interest cash flow requirements for the right to use leases payable of the Town for the fiscal years ending June 30:

	Principal	Interest	Total
2025	\$ 7,579	\$ 605	\$ 8,184
2026	7,966	218	8,184
2027	-	-	-
2028	-	-	-
2029	-	-	-
	<u>\$ 15,545</u>	<u>\$ 823</u>	<u>\$ 16,368</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Amortization of bond premiums and deferred charge on bond refunding

The \$1,675,000 general obligation bond was issued in June of 2017 at a premium. The Town received \$1,809,020 in proceeds from this bond with \$134,020 representing the premium amount. The total proceeds amount of \$1,809,020 was deposited by the Town into the capital projects fund. The bond premium amount is being amortized over the life of the bond on a straight line basis at a rate of \$7,054 for each interest payment made. The balance of this unamortized premium is \$35,271 as of June 30, 2024.

The \$4,995,000 advance refunding bond was issued in June of 2017 at a premium. The Town received \$5,665,568 in proceeds from this bond with \$634,957 representing the premium amount. The total proceeds amount of \$5,665,568 was reduced by an amount of \$5,584,850 which was deposited into the refunding escrow account and \$35,611 which represented the underwriters discount leaving an amount of \$45,107 which was deposited by the Town into the capital projects fund. The bond premium amount is being amortized over the life of the bond on a straight line basis at a rate of \$23,517 for each interest payment made. The balance of this unamortized premium is \$305,719 as of June 30, 2024.

The \$2,690,000 advance refunding bond was issued in February of 2021 at a premium. The Town received \$2,861,602 in proceeds from this bond with \$171,602 representing the premium amount. The total proceeds amount of \$2,861,602 was reduced by an amount of \$2,764,965 which was deposited into the refunding escrow account and \$24,210 which represented the underwriters discount leaving an amount of \$73,427 which was deposited by the Town into the capital projects fund. The bond premium amount is being amortized over the life of the bond on a straight line basis at a rate of \$6,408 for each interest payment made. The balance of this unamortized premium is \$102,533 as of June 30, 2024.

A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The current fiscal year deferred charge on bond refunding in relation to the \$4,995,000 advanced refunding in June of 2017 is \$180,662. The current fiscal year deferred charge on bond refunding in relation to the \$2,690,000 advanced refunding in February of 2021 is \$21,521. The total deferred charge on bond refunding is \$202,183 as of June 30, 2024. The annual amortization of these deferred charge amounts is recognized as an addition to interest expense.

The following is a summary of the actual bond interest expense which will be recognized by the Town in the government-wide financial statements when adding the actual cash payments made for the interest due on its annual bonds, subtracting out the aforementioned annual amortization of the bond premium amounts and adding in the aforementioned annual amortization of the deferred changes on bond refunding for the fiscal years ending June 30:

	Interest payments	Premium on bond issuances	Deferred charge on bond refunding	Interest expense total
2025	\$ 201,995	\$ -73,958	\$ 28,498	\$ 156,535
2026	169,189	-73,958	28,498	123,729
2027	133,881	-66,908	28,498	95,471
2028	101,583	-59,851	28,498	70,230
2029	75,282	-59,851	28,498	43,929
2030 - 2034	70,548	-108,997	59,693	21,244
	<u>\$ 752,478</u>	<u>\$ -443,523</u>	<u>\$ 202,183</u>	<u>\$ 511,138</u>

Interest expense

The total interest expense incurred by the Town during the current fiscal year totaled \$229,856. In the fund financial statements, this amount is shown in the general fund as interest expense in the amount of \$221,483, in the town capital reserve fund in the amount of \$3,271, within general government expenditures in the amount of \$1,337 and within education expenditures in the amount of \$3,765. In the government-wide financial statements, the total interest expense incurred by the Town of \$229,856 was decreased by (\$73,958) relating to the current fiscal year portion of the amortization of the premium on prior bonding agreements entered into by the Town, increased by \$28,498 relating to the current fiscal year portion of the amortization of the deferred charge on a prior bond refunding agreements entered into by the Town, decreased by the reversal of the prior fiscal year accrued interest amount of (\$96,128) and increased by the current fiscal year accrued interest amount of \$86,524 for a total recorded interest expense amount of \$174,792. In the government-wide financial statements, this entire amount is shown as interest expense.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Advance refunding - 2017

On June 21, 2017, the Town issued \$4,995,000 in advance refunding bonds which were used to refund \$5,170,000 of outstanding general obligation bonds which were originally issued on August 1, 2010. The net proceeds of this advance refunding in the amount of \$5,584,850 were deposited with an escrow agent and placed in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds were considered defeased and the liability for those bonds as well as the related premium liability were removed from the statement of net assets. The \$5,170,000 of refunded bonds were paid through the escrow agent with the assets of the irrevocable trust fund during a prior fiscal year thus closing the irrevocable trust fund.

Advanced refunding - 2021

On February 26, 2021, the Town issued \$2,690,000 in advance refunding bonds which were used to refund \$2,730,000 of outstanding general obligation bonds which were originally issued on May 1, 2012. The net proceeds of this advance refunding in the amount of \$2,764,965 were deposited with an escrow agent and placed in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. The refunded bonds were considered defeased and the liability for those bonds as well as the related premium liability were removed from the statement of net assets. The \$2,730,000 of refunded bonds were paid through the escrow agent with the assets of the irrevocable trust fund during a prior fiscal year thus closing the irrevocable trust fund.

Accrued compensated absences

Employees of the Town and the Board of Education are allowed to earn paid absences for vacations and/or sick time. The employee's right to be paid for these future vacation and sick time absences are attributable to services already performed and earned vacation and sick time balances do accumulate. Town accumulated balances are paid when an employee leaves. Therefore, the probability of these benefits being paid can be determined and a liability has been recorded in the accompanying government-wide financial statements on the statement of net position. School accumulated vacation balances are also paid when employees leave. However, school accumulated sick balances are only paid when an employee retires once certain age and or years of service requirements have been met rather than simply when the employee leaves. Therefore, the probability of these school accumulated vacation benefits being paid can be determined and a liability has been recorded in the accompanying government-wide financial statements on the statement of net position. The probability of school accumulated sick benefits being paid cannot be determined and therefore no liability for these benefits has been recorded. As of June 30, 2024, school accumulated sick balances for those who would receive the benefits if they retired as of June 30, 2024 based on reaching the required age and or years of service requirements totaled approximately \$244,723. A current portion of these recorded liabilities has not been estimated as these benefits may be used by the employees during the course of the fiscal year or they may be paid out upon retirement or termination.

Note 9 - Town Employee Benefit Plan

The employees of the Town are covered under a Deferred Compensation Plan. The plan allows employees to defer a portion of their salaries through payroll deductions into the Plan and invest it, on a tax-deferred basis. The Plan is administered by Mission Square and is authorized under Section 401 of the Internal Revenue Code. Plans of deferred compensation described in IRC section 401 are available for certain state and local governments and non-governmental entities tax exempt under IRC 501. Plans eligible under 401(a) allow employees of sponsoring organizations to defer income taxation on retirement savings into future years.

Funds in the Deferred Compensation Plan are not subject to taxes until they are withdrawn from the Plan. At the time of withdrawal normal income taxes are due, but there is no IRS penalty, regardless of age. Because of the tax-deferred status of the funds in the Deferred Compensation Plan, Federal law strictly limits access to these funds and under normal circumstances prohibits participants from withdrawing these funds while employed with the Town. Employers or employees through salary reductions are allowed to contribute up to the standard IRC 402 (g) limit of \$24,000 in 2024 and \$22,500 in 2023 on behalf of participants under the plan. Elective deferrals may be made by eligible employees as outlined in the plan document. At varying points during the fiscal year, town contributions ranged from 5% to 8.5% of the wages for covered employees as outlined in the plan document and applicable union contracts. During the fiscal year ended June 30, 2024, approximately 26 employees participated in the plan at some point during the year. Total payroll for Town employees (excluding the Board of Education) was approximately \$2,518,990 of which approximately \$1,840,911 represented wages attributable to plan participant contributions. For the fiscal year ended June 30, 2024, the Town contributed \$110,369 to the plan on-behalf of the plan participants.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 10 - Board of Education Non-Certified Employee Benefit Plans

The employees of the Board of Education are covered under a Simplified Employee Pension Plan and a Tax sheltered annuity plan. These plans cover non-certified personnel such as secretaries, custodians, instructional aides, and certain administrative staff. Tax-Sheltered Annuity (TSA) arrangements are a form of defined contribution retirement plan available under Section 403(b) of the Internal Revenue Code. They are available to employees of Code Section 501(C)(3) tax-exempt organizations such as public colleges, universities and school systems. Subject to various limitations and restrictions, IRC §403(b) allows tax-deferred contributions to be made for the employees through salary reduction contributions of the employees. IRC §403(b) contributions must be invested in annuity contracts issued by life insurance companies or in shares of regulated investment companies (mutual funds) held in custodial accounts for the employee. Under the arrangement, a portion of the employee's compensation (determined by the employee within the limitations imposed by the Internal Revenue Code) is applied on a before-tax basis to an annuity contract or mutual fund shares owned by the employee. These amounts, together with any investment earnings, are not subject to federal income tax until they are paid to the employee (or beneficiary) in the form of benefits, normally during retirement. The Board of Education contributes 6.00% of the covered employees wages. For the fiscal year ended June 30, 2024, approximately 2 employees participated in the plan at some point during the year. Total payroll for all employees including those eligible for the plan and those covered by other plans was approximately \$10,278,206 (excluding non-Board of Education employees), of which approximately \$118,341, represented the wages attributable to plan participants. For the fiscal year ended June 30, 2024, the Board of Education contributed \$7,100 to the plan on-behalf of the plan participants.

A simplified employee pension plan is an employer sponsored, tax-favored retirement plan. Unlike a traditional qualified plan, a SEP plan doesn't need an extensive written plan document and has minimal reporting and disclosure requirements for compliance. Any type of business entity (sole proprietorship, partnership or corporation), as well as certain tax-exempt organizations, can establish a SEP plan for its employees. Each eligible employee opens a SEP IRA account with an approved custodian and the employer makes contributions to those accounts on behalf of the employees. To be valid for any given tax year, the SEP plan document must be executed and the SEP IRA accounts established and funded by the due date of the employer's tax return, including extensions. A SEP plan is funded by the employer and is 100% vested at all times. The SEP contribution limit is the lesser of 25% of an individual employee's compensation or \$69,000 in 2024 and \$66,000 in 2023 and is generally allocated on a straight salary ratio basis. Any employee who is at least 21 years old and has worked for the employer in any three of the preceding five years must have contributions made on his or her behalf, provided that in the year they become eligible, they earn in excess of the minimum indexed compensation amount (\$500 in 2024 and 2023). This includes part-time employees. The employer may set less restrictive age or service requirements, but the eligibility rules must be applied on a consistent basis to all employees. The Board of Education contributes between 6% and 11% of the covered employees wages. For the fiscal year ended June 30, 2024, approximately 37 employees participated in the plan at some point during the year. Total payroll for all employees including those eligible for the plan and those covered by other plans was approximately \$10,278,206 (excluding non-Board of Education employees), of which approximately \$1,826,263, represented the wages attributable to plan participants. For the fiscal year ended June 30, 2024, the Board of Education contributed \$120,660 to the plan on-behalf of the plan participants.

Note 11 - Pension and OPEB On-Behalf Contributions and Revenue and Expense Benefits

In both the fund and government-wide financial statements, the Town has recorded a revenue and expenditure for Connecticut State Teachers' Retirement System pension and OPEB contributions made by the State of Connecticut on-behalf of the Bolton School Department in accordance with 10-183z of the Connecticut General Statutes which reflects public act 79-436 as amended. For the year ended June 30, 2024, the Town recognized \$2,501,166 of on-behalf pension contributions and \$34,036 of on-behalf OPEB contributions made by the State. These amounts were included as the expected employer contribution effort for allocation purposes in the GASB 68 and GASB 75 reports for the Connecticut Teachers Retirement System prepared as of June 30, 2023. These contributions are recognized as intergovernmental education on-behalf revenues and education expenditures/expenses within the statement of revenues, expenditures and changes in fund balances - governmental funds and the statement of activities. These amounts were not budgeted for in the general fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under GAAP. There is no effect on fund balance or net position at the end of the fiscal year.

In the government-wide financial statements, the Town has recorded employer pension and OPEB revenue and expense for on-behalf amounts for the benefits provided by the State in relation to the Connecticut Teachers Retirement System. For the year ended June 30, 2024, the Town recognized \$2,580,902 of pension revenue and expense and (\$297,512) of OPEB revenue and expense. These amounts were included as revenue and expense in the GASB 68 and GASB 75 reports for the Connecticut Teachers Retirement System prepared as of June 30, 2023. These amounts are recognized as intergovernmental education on-behalf and benefit revenues and education expenses within the statement of activities. There is no effect on net position at the end of the fiscal year.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 12 - Employees' Retirement Plans

Connecticut Teachers' Retirement System

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

Benefits provided - 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. For normal retirement, retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of 6% contributions made prior to July 1, 1989 and voluntary contributions are payable. For early retirement, employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4%, per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year as retirement precedes normal retirement date. For disability retirement, employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for non-service related disability eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary. In relation to minimum benefits, effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the normal benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement. In relation to prorated benefits, a plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60 and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age 60. In relation to pre-retirement death benefits, the plan also offers a lump sum return of contribution with interest or surviving spouse benefit depending on the length of service.

Contribution requirements - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. School District employers are not required to make contributions to the plan. Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of the pensionable salary.

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions - The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100%, of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. For the year ended June 30, 2024, the Town recognized \$2,501,166 of on-behalf contributions made by the state in both the fund and government-wide financial statements as on-behalf revenues and expenditures/expenses. For the year ended June 30, 2024, the Town recognized \$2,580,902 for its share of pension revenue and expense for on-behalf benefits provided by the state in the government-wide financial statements as on-behalf and benefits revenues and expenses.

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	26,956,222
Total	<u><u>\$ 26,956,222</u></u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

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

Changes in benefit terms	None
Changes in assumptions	None
Inflation	2.50%
Salary increases	3.00% to 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	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% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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.

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

Asset class	Target allocation	Long-term expected real rate of return
Global equity	37.0%	6.8%
Public credit	2.0%	2.9%
Core fixed income	13.0%	0.4%
Liquidity fund	1.0%	-0.4%
Risk mitigation	5.0%	0.1%
Private equity	15.0%	11.2%
Private credit	10.0%	6.1%
Real estate	10.0%	6.2%
Infrastructure and natural resources	7.0%	7.7%

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

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

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

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

Note 13 - Other Post Employment Benefits - OPEB

Connecticut Teachers' Retirement System

Plan description - The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund.

Benefits provided - 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 TRS. 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 TRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions - Per CGS 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 annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan. The cost of providing plan benefits is financed on a pay as you go basis as 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 costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

OPEB liabilities, OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB - The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100%, of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. For the year ended June 30, 2024, the Town recognized \$34,036 of on-behalf contributions made by the state in both the fund and government-wide financial statements as on-behalf revenues and expenditures/expenses. For the year ended June 30, 2024, the Town recognized (\$297,512) for its share of OPEB revenue and expense for on-behalf benefits provided by the state in the government-wide financial statements as on-behalf and benefits revenues and expenses.

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	2,525,428
Total	<u>\$ 2,525,428</u>

Actuarial assumptions and other inputs - 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
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Municipal bond index rate:	
Measurement date	3.65%
Prior measurement date	3.54%
Single equivalent interest rate:	
Measurement date	3.64%, net of OPEB plan investment expense, including price inflation
Prior measurement date	3.53%, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates:	
Medicare	Known increases until 2024, 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.

Long-term rate of return - The long-term expected rate of return on Plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in the evaluation of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Expected 10-Year geometric real rate of return	Standard deviation
U.S. Treasuries (cash equivalents)	100.0%	0.77%	1.09%
Price inflation		2.50%	
Expected rate of return (rounded nearest 0.25%)		3.25%	

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

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 GASB 75. 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, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate and changes in the healthcare cost trend rates - The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate and the healthcare cost trend rates would only impact the amount recorded by the State of Connecticut.

Pension Plan Fiduciary Net Position and other information - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

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

Note 14 - Other Post Employment Benefits - OPEB

Post-Retirement Healthcare Plan

Plan description - The Board of Education and the Town provide a single employer defined benefit healthcare plan (the "Plan") to its employees upon retirement in the form of the ability to be part of the health insurance plan while paying the full amount of the premium charged for active employees and receiving no physical subsidy from the Town. As a result, the Town does not have an explicit liability for these post-employment benefits because retirees pay the full health insurance premium. However, the Town does have an implicit rate subsidy that recognizes the expected higher health costs attributed to retirees. The provisions of the Plan were established by the Board of Education and the Town along with the respective bargaining units of each group in conjunction with all applicable state statutes. The Plan therefore would be amended through the action of these same groups. These benefits will continue for the life of the retiree and the retiree's spouse once they are a part of the Plan. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits provided - Town supervisors are eligible for medical and dental coverage upon retirement on or after age 60 with 15 years of service. Board of Education certified employees are eligible for medical and dental coverage upon retirement under the State of Connecticut Teachers Retirement Board system. The normal retirement under this system is the earlier of age 60 with 20 years of service or 35 years of service. Early retirement is the earliest of 60 with 10 years of service, 55 with 20 years of service or 25 years of service. Board of Education non-certified employees are eligible for medical and dental coverage upon retirement. Both the retiree and the retiree's spouse are eligible to participate in the Plan and they must pay 100% of the cost for medical coverage. A number of different plan coverages are available. Surviving spouses are permitted to continue coverage after the death of the retiree, but are responsible for continuing to pay the same monthly premium amount or percentage that was being paid while the retiree was alive. The funding and payment for these post employment benefits are accounted for within the Board of Education and Town budget within the general fund of the Town on a pay-as-you-go basis.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Employees covered by benefit terms - The following employees were covered by the benefit terms of the Plan as of July 1, 2023, the date of the last actuarial valuation.

	Participant count
Active plan members	136
Inactive plan members or beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	0
	<u>145</u>

Total OPEB liability - The Town's total OPEB liability was \$1,082,998 as of June 30, 2024. The July 1, 2023 actuarial valuation directly calculated the July 1, 2023 liability. The July 1, 2023 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 liability as of June 30, 2024 was also adjusted to reflect any material plan changes after the valuation, if applicable.

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.

Actuarial valuation date	July 1, 2023 as adjusted for June 30, 2024 reporting
Asset valuation method	Not applicable as this is an unfunded plan
Actuarial cost method	Entry age normal (level percentage of salary)
Actuarial assumptions:	
Rate of compensation increase	2.40%
Inflation	2.40%
Discount rate	3.93% as of June 30, 2024 which is equal to the published Bond Buyer Go 20-Bond Municipal Index effective as of June 30, 2024.
Healthcare cost trend rates	6.50% in 2023, reducing by .20% each year to a final 4.40% per year rate for 2034 and later
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

Changes in the total OPEB liability - The changes in the total OPEB liability of the Plan are made up of the following items as of June 30, 2024:

	Total OPEB liability
Balance as of June 30, 2023	\$ 1,263,318
Changes for the year:	
Service cost	11,579
Interest	43,976
Changes of benefit terms	-
Differences between expected and actual experience	-94,065
Changes of assumptions	-389
Benefit payments	-141,421
Net changes	<u>-180,320</u>
Balance as of June 30, 2024	<u>\$ 1,082,998</u>

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

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 (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current discount rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 1,203,096	\$ 1,082,998	\$ 980,942

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 (5.50% decreasing to 3.40%)	Current trend rates (6.50% decreasing to 4.40%)	1% Increase (7.50% decreasing to 5.40%)
Total OPEB liability	\$ 969,455	\$ 1,082,998	\$ 1,216,842

OPEB expense and Deferred outflows and inflows of resources related to OPEB - For the year ended June 30, 2024, the Town's actuarial determined OPEB expense was \$101. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 140,067	\$ -329,918
Changes of assumptions	177,507	-214,458
Total	\$ 317,574	\$ -544,376

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the actuarial determined OPEB expense as follows for the fiscal year ended June 30:

2025	\$ -14,534
2026	-14,534
2027	-14,534
2028	-14,534
2029	-14,534
Thereafter	-154,132
	\$ -226,802

Note 15 - Deficit Fund Balances

In accordance with generally accepted accounting principles, all deficit fund balances and their nature must be disclosed. Within the major town capital funds, the town capital projects fund includes a deficit fund balance in relation to the purchase of a new fire truck. During the current fiscal year the town paid \$625,295 towards the purchase of the new fire truck which was funded through the issuance of a short-term bond anticipation note. The note is recorded as a current liability and thus the current expenditure resulted in a deficit of (\$628,697) which is expected to be funded as part of a future long-term bond issuance. Within the major town capital funds, the school capital projects fund includes a deficit fund balance in relation to an emergency management system project at the Bolton Center School in the amount of (\$5,950). This project qualifies as a school construction project and thus will be funded in part from State grant funds and in part with other remaining past project fund balances. A non-major special revenue fund relating to a town neglected cemeteries grant has a deficit fund balance of (\$2,000) which will be funded by future grant payments.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 16 - Committed General Fund Balance

The management of the Town of Bolton, at the direction of the Board of Selectmen, have created a number of ordinances relating to the accumulation of funds for certain purposes. These funds do not meet the accounting definition of special revenue or capital project funds and therefore they are being accounted for as a portion of the committed general fund balance. Revenues are occasionally received for these funds as well as annual appropriations from general government line item budget amounts at the discretion of the Board of Selectmen and the Town Administrator. The following is a summary of the current fiscal year activity for these committed general fund balance amounts.

	Committed fund balance 07/01/23	Annual appropriations	Revenues	Expenditures	Committed fund balance 06/30/24
General government:					
Employment separation funds	\$ 146,663	\$ 50,000	\$ -	\$ -8,004	\$ 188,659
Health insurance funds	176,425	-	7,616	-	184,041
Bolton founders day funds	74,948	-	-	-2,245	72,703
Economic development funds	5,445	-	-	-	5,445
	<u>\$ 403,481</u>	<u>\$ 50,000</u>	<u>\$ 7,616</u>	<u>\$ -10,249</u>	<u>\$ 450,848</u>

Note 17 - Assigned General Fund Balance

The management of the Town of Bolton, at the direction of the Finance Committee, sets aside a portion of the Town's unassigned general fund balance to provide required resources to meet operating needs during unforeseen future financial emergencies and to allow for other unforeseen needs of an emergency nature. During the current fiscal year the Town took this ending assigned fund balance amount as of June 30, 2023 which was \$1,969,635, added the general fund interest earned during the fiscal year through the money market account in the amount of \$797 and the stiff account in the amount of \$64,203 set aside for the deposit of these funds, the maximum remaining budgeted contingency amount of \$25,000 and the annual principle addition of \$50,000 as set forth in the annual operating budget approved at town referendum. This current year activity brings this assigned general fund balance amount to \$2,109,635 as of June 30, 2024.

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of the materials or services. Outstanding encumbrances represent assigned funds as the related expenditures have not yet flowed down to and reduced fund balance. As of June 30, 2024, the assigned general fund balance relating to outstanding town encumbrances totaled \$0 and outstanding school encumbrances totaled \$0.

The Town voted to use a portion of the accumulated unassigned general fund balance as of June 30, 2024 as funding for the budget for the fiscal year ended June 30, 2025 as approved by referendum on June 4, 2024. The approved amount of \$2,323,869 when added to the above described two amounts brings the total assigned general fund balance amount as of June 30, 2024 to \$4,433,504.

Note 18 - Commitments and Contingencies - Contingent Debt

During April of 2003, an enacting ordinance was adopted by the Towns of Bolton and Vernon creating the Bolton Lakes Regional Water Pollution Control Authority (the Authority). This entity was established for the purpose of constructing and operating a regional sewage system that would benefit the two municipalities. In connection with this enacting ordinance, the two Towns entered into a financing agreement during 2005 whereby each would guarantee its proportionate shares of debt service costs on bonding secured for the systems construction. As of June 30, 2017, long-term financing through the State of Connecticut Clean Water Fund was established. The outstanding debt of the Authority as supplied by the Authority totaled \$5,123,111 as of June 30, 2024. The Towns percentage of this debt as supplied by the Authority is approximately 71% for a total contingent debt amount of \$3,637,409 as of June 30, 2024.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

Note 19 - Commitments and Contingencies - Risk Management and Other

The Town is at risk of loss due to items such as lawsuits, automobile claims, and theft. The Town has purchased commercial insurance coverage for any of these types of loss which may occur. The Town believes the amounts of coverage in force are adequate and in compliance with all applicable laws, rules, and regulations. The Town is a member in the Connecticut Inter-local Risk Management Agency (CIRMA), a public entity risk management program pursuant to the provisions of Section 7-479a of the Connecticut General Statutes for workers compensation pool coverage. The Town pays annual premiums for its coverage. CIRMA is designed to be self-sustaining through member premium's, however it does reinsure for each claim occurrence in excess of \$1,000,000. Members may be subject to supplemental assessments in the event of fund deficiencies, however, these potential supplemental assessments are limited pursuant to its by-laws. The Town has not had any significant reductions in insurance coverage from the prior fiscal year by major category of risk. The amount of settlements have not exceeded insurance coverage during any of the previous three fiscal years. Town management and legal counsel are unaware of any litigation, pending litigation, claims or disputes that would have a direct and material affect on the Town's financial position.

The Town participates in numerous federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any monies received as of and through June 30, 2024 may be impaired. In the opinion of the management of the Town, there are no unrecorded significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying basic financial statements for such possible contingencies. In addition, the Town occasionally books unbilled accounts receivable representing earned grant dollars which have not yet been billed or received. Any subsequent modification or amendments to these grants could result in a loss to the Town.

The Town has entered into a number of maintenance and service agreements prior to the end of the current fiscal year which extend beyond the end of the current fiscal year.

The Town entered into a community payment agreement with the Connecticut Natural Gas Corporation (CNG) in relation to the intent of CNG to install approximately six miles of natural gas pipeline within the Town to provide natural gas to numerous commercial and residential properties within and including the Town. The agreement is designed to partially offset the revenue requirement associated with the cost of construction of the pipeline. Once the pipeline construction was completed, CNG connected service to all eligible municipal buildings adjacent to the pipeline. In relation to this agreement, the Town agreed to make an aggregate community contribution to CNG in the amount of \$216,000 starting one year after completion of the project and payable over seven years at an annual amount of \$31,000 for the first six years and \$30,000 for the final year. As of June 30, 2024, the Town has made six annual payments totaling \$186,000.

The Town entered into a refuse and recycling service collection agreement dated June 3, 2002. This agreement was amended and extended as dated September 24, 2009, February 25, 2015, November 22, 2016 and October 24, 2022. The extended contract is for a period of 10 years and runs from July 1, 2022 through June 30, 2032. The agreement calls for a curbside collection rate of \$14.43 per unit per month and a Town building collections rate of \$1,847 per month for the first year of the agreement. Annual CPI increases will apply each year of the extended agreement term with the exception that no CPI increases will be applied to the fiscal year ending June 30, 2029. Current fiscal year payments under this agreement totaled approximately \$395,039.

The Town entered into a municipal solid waste processing agreement dated February 12, 2012. This agreement was extended for an additional two 5 year periods through June 30, 2022. This agreement has now been extended for an additional 5 year period through June 30, 2027. Under this agreement the Town will pay for the disposal of municipal solid waste at rates of \$103.00, \$108.15, \$111.39, \$114.73 and \$118.17 per ton respectively over the five year agreement. Under this agreement the Town will pay for the disposal of municipal bulky waste at rates of \$95.00, \$97.85, \$100.79, \$103.81 and \$106.92 per ton respectively over the five year agreement. Current fiscal year payments under this agreement totaled approximately \$228,893.

The Town entered into a one year agreement through June 30, 2025 for managed technology services. Monthly payments under this agreement are \$4,842 for a total contract cost of \$58,104. The Town entered into a one year agreement through December 31, 2024 to purchase gasoline at an agreed upon per gallon rate, excluding applicable taxes, for a specified minimum number of gallons. Gasoline will be purchased at a rate of \$2.4665 for a contract allocation of 10,000 gallons or \$24,665. The Town entered into a month to month planning services agreement which is expected to be utilized for the upcoming fiscal year with monthly payments of \$2,000 which would result in annual payments \$24,000. The Town entered into a month to month wetland agent services agreement which is expected to be utilized for the upcoming fiscal year with monthly payments of \$1,320 which would result in annual payments \$15,840. The Town entered into a contract for the statistical revaluation of taxable real and exempt property for a total amount of \$51,300. Costs to date incurred under this contract were \$44,428 as of June 30, 2024.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

The Town entered into a 10 year Director of Community Development Services consulting agreement through June 30, 2026. Services under this agreement are billed on a per hour basis with years one and two being billed at \$55/hour, years three and four being billed at \$60/hour, years five and six being billed at \$65/hour, years seven and eight being billed at \$70/hour and years nine and ten being billed at \$75/hour. Current fiscal year payments under this agreement totaled approximately \$103,542.

The Board of Education has entered into a number of maintenance and service agreements prior to the end of the current fiscal year which extend beyond the end of the current fiscal year.

The Board entered into a bus transportation agreement for the purpose of providing transportation services for the school children of the Town of Bolton in compliance with local policies and legal requirements. This agreement ran for an initial term of five years from July 1, 2016 through June 30, 2021. This bus transportation agreement was extended for a second term of an additional five years from July 1, 2021 through June 30, 2026. The annual base sums under this agreement for Type I buses are \$415,576, \$428,043, \$440,891, \$454,118 and \$467,738, respectively. The annual base sums under this agreement for Type II buses are \$59,368, \$61,149, \$62,984, \$64,874 and \$66,820, respectively. These base sum amounts are to be paid in 10 equal installments during the fiscal year. Additional hourly rates are included in the agreement for athletics, field trips and other trips.

The Board entered into a one year agreement through June 30, 2025 for managed technology services. Monthly payments under this agreement are \$22,254 for a total contract cost of \$267,048. The Board entered into a five year agreement through June 30, 2027 for generator planned maintenance services. The agreement calls for different scheduled service items which are billed as they occur for a total contract cost of \$10,964. The Board entered into a one year agreement through July 31, 2025 for HVAC inspection and maintenance services at the Bolton High School. The annual cost under this agreement is \$8,595 billed quarterly. Following the expiration of this agreement it shall renew automatically for successive one year periods until terminated as outlined in the agreement. The cost of any successive renewal periods will be adjusted based on changes to the cost of service. The Board entered into a one year food services consulting agreement contract through June 30, 2025 based on hourly fees for services provided with an expected monthly fee of between \$1,200 and \$1,500.

Note 20 - Recently Issued Accounting Standards - Adopted

During the current fiscal year the Town adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023 which is the Town's fiscal year beginning July 1, 2023. The adoption of GASB Statement No. 100 did not have any material impact on the Town's financial statements.

Note 21 - Recently Issued Accounting Standards - Not yet Effective

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 which is the Town's fiscal year beginning July 1, 2024. The Town has not yet determined the impact that this statement might have on its financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 which is the Town's fiscal year beginning July 1, 2024. The Town has not yet determined the impact that this statement might have on its financial statements.

Town of Bolton, Connecticut
Notes to the Financial Statements
June 30, 2024

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 which is the Town's fiscal year beginning July 1, 2025. The Town has not yet determined the impact that this statement might have on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 which is the Town's fiscal year beginning July 1, 2025. The Town has not yet determined the impact that this statement might have on its financial statements.

Note 22 - Subsequent Events

The Town has evaluated subsequent events through April 29, 2025, the date to which the financial statements were available to be issued. There were no recognized subsequent events that would require adjustments to the financial statements.

The Town entered into a bond anticipation note agreement on August 28, 2024 in the amount of \$630,000 in relation to the purchase of a 2023 Pierce Velocity Custom Pumper truck. The note is due August 27, 2025 with interest at a rate of 4.00%. The proceeds of this bond anticipation note were used to payoff the previously issued bond anticipation note in the same amount upon maturity.

Town of Bolton, Connecticut
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2024

	Original budget	Budget revisions	Final budget	Actual	Variance
Revenues					
Property tax revenues	\$ 19,726,797	\$ -	\$ 19,726,797	\$ 20,029,174	\$ 302,377
Intergovernmental - education	2,632,179	-	2,632,179	2,681,129	48,950
Intergovernmental - tax relief	504,488	-	504,488	507,230	2,742
Intergovernmental - other	57,981	-	57,981	190,708	132,727
Education tuition	94,839	-	94,839	90,986	-3,853
Charges for services and fees	327,759	-	327,759	396,806	69,047
Interest income	15,000	-	15,000	578,828	563,828
Miscellaneous	54,324	-	54,324	58,585	4,261
Total revenues	23,413,367	-	23,413,367	24,533,446	1,120,079
Expenditures					
General government					
Administration	700,500	2,245	702,745	674,229	28,516
Finance committee	2,450	-	2,450	1,621	829
Finance office	240,308	-	240,308	233,824	6,484
Auditing services	45,000	-	45,000	30,500	14,500
Town clerk	141,440	-	141,440	141,177	263
Tax collector	94,912	-	94,912	88,050	6,862
Assessor	160,971	-	160,971	152,493	8,478
Elections	67,830	-	67,830	57,177	10,653
Probate court	7,258	-	7,258	6,059	1,199
Town building operations	826,719	-	826,719	777,638	49,081
Employee benefits	1,071,100	-21,864	1,049,236	954,479	94,757
Insurances	155,000	-	155,000	112,389	42,611
	3,513,488	-19,619	3,493,869	3,229,636	264,233
Public works					
Highway department	1,067,767	-34,239	1,033,528	1,014,080	19,448
Public building commission	4,100	-	4,100	-	4,100
	1,071,867	-34,239	1,037,628	1,014,080	23,548
Public safety					
Police protection	311,300	-	311,300	275,378	35,922
Fire commission	257,981	-5,000	252,981	249,743	3,238
Fire marshal	32,000	-	32,000	25,314	6,686
Emergency management	11,000	-	11,000	5,854	5,146
Animal control	6,500	-	6,500	6,500	-
	618,781	-5,000	613,781	562,789	50,992
Building, planning and zoning					
Building and land use	386,837	-10,788	376,049	351,497	24,552
Planning and zoning commission	4,205	-	4,205	2,322	1,883
Zoning board of appeals	1,650	-	1,650	782	868
Inland wetlands commission	2,235	-	2,235	1,089	1,146
Economic development commission	2,500	-	2,500	2,500	-
Conservation commission	2,105	-	2,105	2,035	70
	399,532	-10,788	388,744	360,225	28,519

Town of Bolton, Connecticut
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2024

	Original budget	Budget revisions	Final budget	Actual	Variance
Community services					
Library	\$ 307,561	\$ 1,723	\$ 309,284	\$ 292,472	\$ 16,812
Veteran services	600	-	600	-	600
Senior services	175,469	-125	175,344	162,711	12,633
Public health services	28,409	125	28,534	28,533	1
	512,039	1,723	513,762	483,716	30,046
Sanitation and waste					
Refuse services	597,230	59,739	656,969	648,931	8,038
Education	16,109,150	-15,442	16,093,708	15,268,215	825,493
Capital outlay	-	18,433	18,433	18,433	-
Contingency	25,000	-	25,000	-	25,000
Debt issuance costs	75,000	-	75,000	14,293	60,707
Bolton Lakes debt assessment	190,000	-	190,000	190,000	-
Debt service:					
Principal	939,655	-	939,655	689,655	250,000
Interest	221,513	-	221,513	221,483	30
	1,161,168	-	1,161,168	911,138	250,030
Total expenditures	24,273,255	-5,193	24,268,062	22,701,456	1,566,606
Excess (deficiency) of revenues over (under) expenditures	-859,888	5,193	-854,695	1,831,990	2,686,685
Other financing sources (uses)					
Proceeds from short term debt issuance	250,000	-	250,000	-	-250,000
Utilization of unassigned fund balance	1,163,412	-	1,163,412	-	-1,163,412
Utilization of committed fund balance	-	10,249	10,249	-	-10,249
Transfers in	-	-	-	-	-
Transfers out	-553,524	-15,442	-568,966	-518,966	50,000
Total other financing sources (uses)	859,888	-5,193	854,695	-518,966	-1,373,661
Change in fund balance	-	-	-	1,313,024	1,313,024
Current year encumbrances				-	
Prior year encumbrances				-9,976	
Non-cash capital proceeds				23,256	
Non-cash capital outlay				-23,256	
Non-budgeted State on behalf revenue				2,535,202	
Non-budgeted State on behalf expenditure				-2,535,202	
Net change in fund balance				1,303,048	
Fund Balance - July 1				4,759,612	
Fund Balance - June 30				<u>\$ 6,062,660</u>	

Town of Bolton, Connecticut
Schedule of Town's proportionate share of the net pension liability
Connecticut Teachers' Retirement System
Last ten fiscal years

	2024	2023	2022	2021	2020
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>26,956,222</u>	<u>29,571,003</u>	<u>25,192,397</u>	<u>31,808,242</u>	<u>28,062,991</u>
Total	<u>\$ 26,956,222</u>	<u>\$ 29,571,003</u>	<u>\$ 25,192,397</u>	<u>\$ 31,808,242</u>	<u>\$ 28,062,991</u>
Town's covered-employee payroll	<u>\$ 7,920,095</u>	<u>\$ 7,382,736</u>	<u>\$ 7,596,158</u>	<u>\$ 7,346,874</u>	<u>\$ 7,215,418</u>
Town's proportion share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>58.39%</u>	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>

Notes to schedule:

Changes in benefit terms	None
Changes in assumption	None
Inflation	2.50%
Salary increases	3.00% to 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expense are paid for by the General Assembly
Mortality rates	Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement
Miscellaneous	The pension information within this schedule is being included in the financial statements of the Town for the fiscal years noted above. The measurement date for each fiscal year noted above is the previous fiscal year

Town of Bolton, Connecticut
Schedule of Town's proportionate share of the net pension liability
Connecticut Teachers' Retirement System
Last ten fiscal years

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>21,638,197</u>	<u>22,814,406</u>	<u>24,069,374</u>	<u>18,187,832</u>	<u>16,811,006</u>
Total	<u>\$ 21,638,197</u>	<u>\$ 22,814,406</u>	<u>\$ 24,069,374</u>	<u>\$ 18,187,832</u>	<u>\$ 16,811,006</u>
Town's covered-employee payroll	<u>\$ 7,103,546</u>	<u>\$ 7,231,353</u>	<u>\$ 6,969,983</u>	<u>\$ 6,760,514</u>	<u>\$ 6,516,162</u>
Town's proportion share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Town of Bolton, Connecticut
Schedule of Town's Proportionate Share of the Net OPEB Liability
Connecticut Teachers' Retirement System
Last ten fiscal years (for all years available)

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,525,428</u>	<u>2,589,742</u>	<u>2,744,666</u>	<u>4,744,200</u>	<u>4,376,582</u>	<u>4,325,603</u>	<u>5,872,184</u>
Total	<u>\$ 2,525,428</u>	<u>\$ 2,589,742</u>	<u>\$ 2,744,666</u>	<u>\$ 4,744,200</u>	<u>\$ 4,376,582</u>	<u>\$ 4,325,603</u>	<u>\$ 5,872,184</u>
Town's covered-employee payroll	<u>\$ 7,920,095</u>	<u>\$ 7,382,736</u>	<u>\$ 7,596,158</u>	<u>\$ 7,346,874</u>	<u>\$ 7,215,418</u>	<u>\$ 7,103,546</u>	<u>\$ 7,231,353</u>
Town's proportion share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>11.92%</u>	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Notes to schedule:

Changes in benefit terms	None
Changes in assumptions	The municipal bond index rate used increased from 3.54% to 3.65% and the single equivalent interest rate used increased from 3.53% to 3.64%
Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Administrative expenses	\$0 assumption as expense are paid for by the General Assembly
Mortality rates:	Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement
Miscellaneous:	The OPEB information within this schedule is being included in the financial statements of the Town for the fiscal years noted above. The measurement date for each fiscal year noted above is the previous fiscal year

Town of Bolton, Connecticut
Schedule of Changes in Total OPEB Liability
Post-Retirement Healthcare Plan
Last ten fiscal years (for all years available)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 11,579	\$ 11,367	\$ 75,514	\$ 71,721	\$ 60,682	\$ 53,870	\$ 54,668
Interest	43,976	44,364	40,116	39,619	56,614	57,988	53,197
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-94,065	61,171	-280,279	80,903	-29,333	22,953	29,666
Changes of assumptions	-389	-14,335	-221,225	10,480	203,005	63,284	-49,874
Benefit payments	-141,421	-160,843	-147,663	-136,421	-107,834	-73,146	-75,699
Net change in total OPEB liability	-180,320	-58,276	-533,537	66,302	183,134	124,949	11,958
Total OPEB liability - beginning	1,263,318	1,321,594	1,855,131	1,788,829	1,605,695	1,480,746	1,468,788
Total OPEB liability - ending	<u>\$ 1,082,988</u>	<u>\$ 1,263,318</u>	<u>\$ 1,321,594</u>	<u>\$ 1,855,131</u>	<u>\$ 1,788,829</u>	<u>\$ 1,605,695</u>	<u>\$ 1,480,746</u>
Covered payroll	<u>\$ 9,739,769</u>	<u>\$ 9,786,254</u>	<u>\$ 9,556,889</u>	<u>\$ 9,766,982</u>	<u>\$ 9,519,475</u>	<u>\$10,022,318</u>	<u>\$ 9,768,341</u>
Total OPEB liability as a percentage of covered payroll	<u>11.12%</u>	<u>12.91%</u>	<u>13.83%</u>	<u>18.99%</u>	<u>18.79%</u>	<u>16.02%</u>	<u>15.16%</u>

Notes to schedule:

Actuarial valuation date	July 1, 2023 as adjusted for June 30, 2024 reporting
Asset valuation method	Not applicable as this is an unfunded plan
Actuarial cost method	Entry age normal (level percentage of salary)
Actuarial assumptions:	
Rate of compensation increase	2.40%
Inflation	2.40%
Discount rate	3.93% as of June 30, 2024 which is equal to the published 20-year AA municipal bond index for unfunded OPEB plans effective June 30, 2024
Healthcare cost trend rates	6.50% in 2023, reducing by .20% each year to a final 4.40% per year rate for 2034 and later.
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

APPENDIX B – FORM OPINION OF BOND COUNSEL

August __, 2025

Town of Bolton
222 Bolton Center Road
Bolton, CT 06043

We have acted as Bond Counsel to the Town of Bolton, Connecticut (the “Town”) in connection with the issuance by the Town of its \$ _____ General Obligation Bond Anticipation Notes (the “Notes”) dated August __, 2025. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

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

The Town has designated the Notes as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Based on the foregoing, we are of the opinion that interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

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

The rights of the owners of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Notes.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of August __, 2025 by the Town of Bolton, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ _____ General Obligation Bond Anticipation Notes, dated as of August __, 2025 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated August __, 2025 prepared in connection with the Notes.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement. "SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers.
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 4. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Enforcement.

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Treasurer, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Treasurer is Municipal Center, 104 Notch Road, Bolton, Connecticut 06043.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF BOLTON, CONNECTICUT

By: _____
RODNEY FOURNIER
First Selectman

By: _____
JILL COLLINS
Treasurer

APPENDIX D - NOTICE OF SALE

NOTICE OF SALE

TOWN OF BOLTON, CONNECTICUT \$630,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (BANK QUALIFIED) OPTION FOR NO BOOK-ENTRY

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY®** (as described herein) will be received by the TOWN OF BOLTON, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

AUGUST 19, 2025

(the “Sale Date”) for the purchase of the Issuer’s \$630,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY®** (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated August 27, 2025 and will mature and be payable to the registered owner on August 26, 2026 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

Option For No Book-Entry.

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Each bid for the purchase of the Notes must be, (i) if submitted by telephone, provide the information in the form of the Proposal for Notes attached hereto or, (ii) if submitted electronically, in accordance with the requirements prescribed herein. Except as required under “Option For No Book-Entry” above, a proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$130,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to the BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 or (212) 849-5023 - email notice: munis@spglobal.com or parity@i-deal.com.

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms” above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor **PARITY**[®] shall be responsible for a bidder’s failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Issuer is using **PARITY**[®] as a communication mechanism, and not as the Issuer’s agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021 or (212) 849-5023.

Telephone Bidding Procedures

Telephone bids will be received until 11:00 A.M. (E.T.) on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor. All telephone bids must be made to (203) 421-2087 and be completed by 11:00 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the “Proposal for Notes” attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer’s sole discretion, will not be reviewed or honored by the Issuer.

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about August 27, 2025 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated August 11, 2025 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF BOLTON, CONNECTICUT

RODNEY FOURNIER
First Selectman

JILL COLLINS
Treasurer

August 11, 2025

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

Rodney Fournier, First Selectman
Jill Collins, Treasurer
Town of Bolton
c/o Munistat Services Inc.
Telephone Number (203) 421-2087

Bolton Town Officials:

Subject to the provisions of the Notice of Sale dated August 11, 2025, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$630,000 General Obligation Bond Anticipation Notes of the Town of Bolton, Connecticut (the "Issuer"), dated August 27, 2025 and maturing on August 26, 2026 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$630,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$_____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____ % (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____ % (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____ % per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____ % (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: August 19, 2025

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)

☐ We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

☐ ***Only if submitting request that Notes not be issued in book-entry form:*** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.

Municipal Advisory Services

Provided by

