

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 29, 2025**

**NEW MONEY ISSUE**

**MOODY'S RATING: Aa1**  
(see "Ratings" herein)

*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 Bonds and 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 Bonds and 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 Bonds and the Notes. (See "Tax Matters" herein.).*

**TOWN OF ELLINGTON, CONNECTICUT**

**\$12,450,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 (the "Bonds")**  
(BOOK-ENTRY-ONLY)

**Dated:** Date of Delivery

**Due:** September 15, as shown on the inside cover page

**Electronic proposals via PARITY® for the Bonds will be received until 12:00 Noon (Eastern Time) on Tuesday, September 9, 2025 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale for the Bonds (See Appendix F to this Official Statement).**

Interest on the Bonds will be payable on September 15, 2026 and semiannually thereafter on September 15 and March 15 in each year until maturity. **The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Redemption Provisions" herein.**

**MOODY'S RATING: MIG-1**  
(see "Ratings" herein)

**\$15,250,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Notes")**  
(BOOK-ENTRY-ONLY)

**Dated:** Date of Delivery

**Due:** September 22, 2026

**Electronic proposals via PARITY® for the Notes will be received until 11:30 A.M. (Eastern Time) on Tuesday, September 9, 2025 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale for the Notes (See Appendix G to this Official Statement).**

**The Notes will bear interest calculated on the basis of a 360-day year, consisting of twelve 30-day months, payable at maturity at the rate per annum as shown on the inside cover page. The Notes are not subject to redemption prior to maturity.**

The Bonds and the Notes will be general obligations of the Town of Ellington, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. See "Security and Remedies" herein.

The Bonds and the Notes will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds and the Notes. Principal of, redemption premium, if any, and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds and the Notes. Purchases of the Bonds and the Notes will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds and the Notes. So long as Cede & Co. is the Bond Owner or Note Owner, as nominee of DTC, reference herein to the Bond Owner or Note Owner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds and the Notes. See "Book-Entry-Only Transfer System" herein.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Bonds and the Notes.

The Bonds and 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 Bonds and the Notes in book-entry-only form will be made to The Depository Trust Company ("DTC") in New York, New York on or about September 23, 2025.

***This cover and inside front cover page contain certain information for quick reference only. It is NOT a summary of these issues. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.***

# TOWN OF ELLINGTON, CONNECTICUT

## \$12,450,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 (BOOK-ENTRY-ONLY)

**Dated:** Date of Delivery

**Due:** September 15, as shown below

### MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>
2026	\$625,000	%	%	288515---	2036	\$620,000	%	%	288515---
2027	625,000			288515---	2037	620,000			288515---
2028	625,000			288515---	2038	620,000			288515---
2029	625,000			288515---	2039	620,000			288515---
2030	625,000			288515---	2040	620,000			288515---
2031	625,000			288515---	2041	620,000			288515---
2032	625,000			288515---	2042	620,000			288515---
2033	625,000			288515---	2043	620,000			288515---
2034	625,000			288515---	2044	620,000			288515---
2035	625,000			288515---	2045	620,000			288515---

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## \$15,250,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (BOOK-ENTRY-ONLY)

**Dated:** Date of Delivery

**Due:** September 22, 2026

<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>
\$15,250,000	%	%	288515---

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds and 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 Bonds and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and 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 Bonds and the Notes.

No dealer, broker, salesperson or other person has been authorized by the Town of Ellington, Connecticut (the “Town”) or the Municipal Advisor 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 representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. 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 Bonds and 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.

The Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Basic Financial Statements” to this Official Statement, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendices B and C to this Official Statement, 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.

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 offering document.

The Town deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

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 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 hostilities or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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## BOND ISSUE SUMMARY

*The information in this Bond Issue Summary, the front cover page and the inside 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.*

<b>Date of Sale:</b>	<b><u>Tuesday, September 9, 2025, 12:00 Noon (Eastern Time).</u></b>
<b>Location of Sale:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
<b>Issuer:</b>	Town of Ellington, Connecticut (the “Town”).
<b>Issue:</b>	\$12,450,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	Semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2026.
<b>Principal Due:</b>	Serially, September 15, 2026 through September 15, 2045 as shown on the inside cover page to this Official Statement.
<b>Purpose and Authority:</b>	The proceeds of the Bonds will be used to permanently finance a portion of the \$21,745,000 Bond Anticipation Notes of the Town maturing September 23, 2025 which were used for various renovations, improvements and additions to the Windermere School as authorized by the voters of the Town. See “Authorization and Use of Proceeds” herein.
<b>Redemption:</b>	The Bonds <u>are</u> subject to optional redemption prior to maturity as more fully described herein. See “Redemption Provisions”, herein.
<b>Security:</b>	The Bonds 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 Bonds when due.
<b>Credit Rating:</b>	The Town received a credit rating upgrade to “Aa1” from “Aa2”, from Moody’s Ratings, (“Moody’s”) on the Bonds. See “Ratings” herein.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC) as of dated date.
<b>Tax Exemption:</b>	See “Tax Matters” herein.
<b>Bank Qualification:</b>	The Bonds <u>will not</u> be 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 allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events, not in excess of 10 business days of the occurrence of such events, and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix D to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See Appendix B to this Official Statement).
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 23, 2025 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Tiffany L. Pignataro, CPA, Finance Officer/Treasurer, Town of Ellington, Town Hall, 55 Main Street, Ellington, Connecticut 06029. Telephone: 860-870-3115.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [munistat.com](http://munistat.com). For additional information please contact the Municipal advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com).

## NOTE ISSUE SUMMARY

*The information in this Note Issue Summary, the cover page and the inside 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.*

<b>Date of Sale:</b>	<b><u>Tuesday, September 9, 2025, 11:30 AM (Eastern Time).</u></b>
<b>Location of Sale:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
<b>Issuer:</b>	Town of Ellington, Connecticut (the “Town”).
<b>Issue:</b>	\$15,250,000 General Obligation Bond Anticipation Notes (the “Notes”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	At maturity, September 22, 2026.
<b>Principal Due:</b>	At maturity, September 22, 2026.
<b>Purpose and Authority:</b>	The Notes are being issued to finance various renovations, improvements and additions to the Windermere School as authorized by the voters of the Town. See “Authorization and Use of Proceeds” herein.
<b>Redemption:</b>	The Notes <b><u>are not</u></b> subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town of Ellington, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	The Town received a credit rating of “MIG-1”, from Moody’s Ratings, (“Moody’s”) on the Notes. See “Ratings” herein.
<b>Basis of Award:</b>	Lowest Net Interest Cost (NIC) as of dated date.
<b>Tax Exemption:</b>	See “Tax Matters” herein.
<b>Bank Qualification:</b>	The Notes <b><u>will not</u></b> be 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 allocable to the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of the occurrence of certain events, not in excess of 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 E to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See Appendix C to this Official Statement).
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about September 23, 2025 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Tiffany L. Pignataro, CPA, Finance Officer/Treasurer, Town of Ellington, Town Hall, 55 Main Street, Ellington, Connecticut 06029. Telephone: 860-870-3115.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [munistat.com](http://munistat.com). For additional information please contact the Municipal advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com).

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Ellington, Connecticut (the “Town”) in connection with the issuance and sale of \$12,450,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) and \$15,250,000 General Obligation Bond Anticipation Notes (the “Notes”), of the Town.

The Bonds and the Notes are being offered for sale at public bidding. Notices of Sale for the Bonds and the Notes, each dated August 29, 2025 have been furnished to prospective bidders. Reference is made to the Notices of Sale, attached hereto as Appendices F and G for the terms and conditions of the bidding on the Bonds and the Notes, respectively.

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 Bonds and the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. 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 Bonds and the Notes, and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and 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.

Munistat Services, Inc. (“Munistat”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds and the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds and the Notes is contingent upon the issuance and delivery of the Bonds and the Notes. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds and the Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto 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 the 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 the 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 the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth in its opinions in Appendices B and C hereto) and makes no representation that it has independently verified the same.

The Town deems this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

### AUTHORIZATION AND USE OF PROCEEDS

#### Authorization:

The Bonds and the Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town and bond resolutions approved by the voters of the Town.

[The remainder of this page had been intentionally left blank.]

## **Use of Proceeds:**

Proceeds of the Bonds and the Notes will be used to finance the following project:

<b>Project</b>	<b>Amount of Total Authorization</b>	<b>Prior Debt Issued <sup>2</sup></b>	<b>Notes Due 9/23/25</b>	<b>Additions/ (Reductions)</b>	<b>Bonds This Issue</b>	<b>Notes This Issue</b>
Windermere Building Project <sup>1</sup> .....	\$ 74,600,000	\$4,911,038	\$ 21,745,000	\$ 5,955,000	\$ 12,450,000	\$ 15,250,000
<b>Total .....</b>	<b>\$ 74,600,000</b>	<b>\$4,911,038</b>	<b>\$ 21,745,000</b>	<b>\$ 5,955,000</b>	<b>\$ 12,450,000</b>	<b>\$ 15,250,000</b>

<sup>1</sup> It is anticipated that this project will qualify for State of Connecticut School Construction Grants of approximately \$52,220,000.

<sup>2</sup> Includes \$956,038 previously issued bond proceeds reallocated from the Crystal Lake/Windermere Project to the Windermere Building Project.

## **DESCRIPTION OF THE BONDS**

The Bonds will be dated the date of delivery and will mature in annual installments on September 15 in each of the years and in principal amounts set forth on the inside cover page of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until maturity, commencing on September 15, 2026 and will be payable to the registered owners of the Bonds as of the close of business on the last business day of February and August in each year. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. The Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

**The Bonds are subject to redemption prior to maturity as more fully described herein. See "Redemption Provisions" herein.**

## **REDEMPTION PROVISIONS**

The Bonds maturing on or before September 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after September 15, 2033, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to interest, to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 15, 2033 and thereafter	100.00%

## **NOTICE OF REDEMPTION**

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company ("DTC") is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or multiple thereof and that, in selecting



Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See “Book-Entry-Only Transfer System”, herein for discussion of DTC and definitions of “Direct Participants”, “Indirect Participants” and “Beneficial Owners”).

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

## **DESCRIPTION OF THE NOTES**

The Notes will be dated the date of delivery and will be due and payable as to both principal and interest at maturity, as set forth on the inside cover page to this Official Statement. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The certifying bank, registrar, transfer and paying agent for the Notes will be U.S. Bank Trust Company, National Association, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103. The legal opinion for the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix C to this Official Statement.

**The Notes are not subject to redemption prior to maturity.**

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

This section describes how ownership of the Bonds and the Notes is to be transferred and how the principal of, premium, if any, and interest on the Bonds and the Notes are to be paid to and accredited by DTC while the Bonds and the Notes are registered in its name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds and the Notes, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds and the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and interest rate, and will be deposited with 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 regulated 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](http://www.dtcc.com).

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds and 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 Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued. To facilitate subsequent transfers, all Bonds and 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 Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 the Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bonds and the Note documents. For example, Beneficial Owners of the Bonds and Notes may wish to ascertain that the nominee holding the Bonds and 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and 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 Bonds and 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 Bonds and 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/Registrar, on 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 Bonds and Notes 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, the Paying Agent/Registrar, 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/Registrar, 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 Bonds and the Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and 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 BONDS AND NOTES**

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

## **SECURITY AND REMEDIES**

The Bonds and 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 Bonds and the Notes when due.

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in 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 of qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax 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 Bonds and 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 Bonds and 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 to secure the Bonds and 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 and 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 the Bonds and the Notes 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 and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

## **TAX MATTERS**

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds and 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 Bonds and 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 Bonds and the Notes in order that interest on the Bonds and 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 Bonds and the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and 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 Bonds and 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 Bond and the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds and 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 Bonds and the Notes.

**Original Issue Discount.** The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of the Notes and certain maturities of the Bonds and the Notes may be more than their stated principal amounts payable at maturity (the "OIP Obligations"). In general, an owner who purchases an OIP Obligation must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Obligation for federal income tax purposes. Prospective purchasers of OIP Obligations 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 Bonds and the Notes should be aware that ownership of the Bonds and 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 Bonds and the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds and 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 Bonds and 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 Bonds and the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also 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. Owners of the Bonds and the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or 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 Bonds and the Notes.

**Changes in Federal and State Tax Law.** Legislation, administrative actions and rulings, or court decisions, at either the federal or state level, may adversely affect the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and 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 Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds and the Notes should be aware that such future legislative, administrative 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 Bonds and the Notes for federal and/or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be adversely affected and the ability of holders to sell their Bonds and Notes in the secondary market may be reduced. The Bonds and the Notes are not subject to special mandatory redemption, and the interest rates on the Bonds and the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and 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 Bonds and the Notes. Prospective owners of the Bonds and 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 Bonds and the Notes.

## **GLOBAL EMERGENCY HEALTH RISKS**

### **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 and Board of Education received \$5,815,431 from the Rescue Plan. The Town developed a plan for the use of such funds that focused on one-time capital projects that comply with the program eligibility criteria. The Board of Education will use funds to support student learning loss, curriculum and programs 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 Bonds, 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 the 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, including comprehensive procedures relating to the security of the Town’s government networks. Additionally, the Town purchases cybersecurity insurance with Cowbell, so that a claim can be made to the insurance provider in the event of a cyber-attack. 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. As of July 21, 2025 there have been no cyber breaches.

## **ENVIRONMENTAL FACTORS**

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. The Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals. While the Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances, the Town believes it holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses resulting from the increasing frequency of severe weather. Additionally, the Town works closely with the local power company to address trees that have been identified as a hazard to the utility infrastructure. The Town is prepared to quickly respond and recover from any such events that would

exceed its annual operating budget. In an effort to address climate change, the Town has enrolled in the Sustainable CT, a voluntary certification program providing a wide range of best practices for communities to adopt that recognize the natural environment as the foundation for the health and well-being of all people and the strength of the local economy. Ellington was awarded the “Bronze” level certification in April of 2024 for twenty-four sustainable actions in twelve different categories. Ellington is also part of the Capitol Region Council of Governments (“CRCOG”) team that developed a multijurisdictional Natural Hazard Mitigation Plan to review local natural hazard vulnerabilities and mitigation capabilities. The Plan was initially adopted in 2008, and in 2024 Ellington worked with the Connecticut Institute for Resilience and Climate Adaptation and CRCOG on the plan’s fourth update that included climate adaption considerations. Plan updates have been accepted by the Board of Selectmen and approved by the Federal Emergency Management Agency (“FEMA”).

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

The Bonds and the Notes **will not** be designated by the Town 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 Bonds and the Notes.

## **AVAILABILITY OF CONTINUING DISCLOSURE**

The Town of Ellington prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into continuing disclosure agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices D and E to this Official Statement (collectively, the “Continuing Disclosure Agreements”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, with respect to the Bonds, (ii) timely notice of the occurrence of certain events, not in excess of ten (10) business days of the occurrence of such events with respect to the Bonds and the Notes; and (iii) timely notice of the failure by the Town to provide the required annual financial information and operating data with respect to the Bonds as specified in the Continuing Disclosure Agreement.

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 event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements.

## **RATINGS**

The Town received a credit rating upgrade to “Aa1” from “Aa2” from Moody’s Ratings (“Moody’s”) on the Bonds and “MIG-1” rating on the Notes. Certain outstanding bonds of the Town are rated “AA” by S&P Global Ratings (“S&P”). Generally, a rating agency bases ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of the rating agency and an explanation of the significance of the rating may be obtained from Moody’s Ratings, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town’s bonds and notes, including the Bonds and the Notes.





housing mix is similar to the statewide mix of housing and well above most rural-suburban communities (*Source: Plan of Conservation and Development, November 2019*).

## ECONOMIC DEVELOPMENT

Economic development is important to the Town, not only in terms of providing a diversified tax base, jobs, and shopping opportunities, but from a community character standpoint as well. Through the combined efforts of the Board of Selectmen, Board of Finance, Economic Development Commission (EDC), Conservation Commission, and the Planning and Zoning Commission considerable progress has been made in developing an economic program for the Town.

The mission of the EDC is to foster a pro-business environment to encourage a growing, sustainable, and diverse tax base. To help Ellington attract new businesses and promote expansion of existing ones, the EDC established a Tax Abatement Program in 2002. Since adoption, the Program has been amended to align with statutory changes, promote agriculture-related businesses, and other refinements commonly included in abatement agreements. Since 2002, nine (9) abatement agreements have been executed resulting in over 115,000 square feet of new commercial/industrial/manufacturing space and 368,000 square feet of new agricultural business-related space.

Earthlight Technologies, LLC, opened in 2008, as an energy saving light bulb retail store operating from a small mixed-use building at 92 West Road in Ellington. In 2021, after experiencing significant growth and an increased demand for solar and battery storage equipment, Earthlight was granted a seven-year abatement for a 4-million-dollar project and constructed a new net zero energy corporate headquarters on a 12.51 parcel at 128 West Road, Ellington. The building incorporates all the services that Earthlight offers including solar, EV charging, network LED lighting and controls, geothermal HVAC, and battery storage. Earthlight started with just 1 employee, 1 fleet vehicle, and less than 3,000 sf of space, but today employs 117 people, has 51 fleet vehicles, and occupies a 22,000 square foot office building with an educational design center and a large warehouse facility for their installation teams. In 2022, the Tolland County Chamber of Commerce recognized Earthlight for their contributions to the local economy and awarded them the Economic Development Business Award for the new facility in Ellington.

The Tax Abatement Program has also enabled growth in the agriculture sector in Ellington. In 2017, abatement was granted to Oakridge Dairy enabling the startup of The Modern Milkman -a weekly home delivery service of farm-fresh milk (delivered less than 24 hours after milking), local fresh eggs, butter, yogurt, and cheese dairy products. Shortly after receiving abatement, Oakridge invested more than \$15 million in land acquisition, building construction, and site improvements and constructed a state-of-the-art 354,000 square foot open-stall barn and automated milking carousel. The new facility is efficient and designed like an open field where cows move around freely in a climate-controlled facility. In June 2024, abatement was granted to Oakridge Dairy to enable the construction of a 14,000 square foot milk processing plant; Oakridge Creamery. Oakridge Dairy was founded in late 1890 and today is the largest dairy farm in New England. The Modern Milkman started with just over 100 homes in Ellington but today delivers to 12,000 homes in Connecticut, Massachusetts, New York, and Rhode Island towns. In 2019, the Tolland County Chamber of Commerce awarded Oakridge Dairy's The Modern Milkman the Best New Business Award.

Annually, the EDC sponsors two buy-local campaigns to increase sales and services for local businesses. In the fall, the commission hosts Ellington Farm Day focusing on Ellington's agricultural sector. To align with Small Business Saturday, commencing the day after Thanksgiving for a two-week period, the commission promotes Shop Ellington. Both events are voluntary and at no cost to participating farms and businesses. The commission uses a modest budget to advertise the events and provide event supplies. Staff and volunteer resources help increase participation through business visits and advertisements via circulation of flyers, newspaper print, and a variety of social media platforms.

To help foster a pro-business environment, the EDC maintains a resource webpage and Business Welcome Packet. Both introduce commission and staff members, list contact information and a schedule of public meetings, provide links to local zoning codes and Ellington's robust Geographic Information System, town profile data, chamber membership information, utility company contacts, development application fees, and much more. The commission has been awarded Best Practices in Land Use and Economic Development by the Connecticut Economic Development Association for two three-year reporting periods in a row (2019 through 2020) and has submitted application for recertification in 2025. The award program measures a town's communication and marketing, organization capacity and strategy, and policies and programs, and awards communities that have achieved excellence in land use and economic development practices.

Several segments of commercial and industrial zoned land contribute to the local economy.

**Route 83 Corridor** stretches approximately 6 miles and is the most significant economic development area in the Town. The majority of the corridor is served by public water/sewer, and natural gas and mainly zoned commercial or industrial. It is estimated that approximately 375 acres of 550 available acres are developed.

To help achieve economic development goals and properly allocate sewer service capacity along the corridor, in the summer of 2015 the Town concluded a study that evaluated land uses, zoning, future build-out, and multi-family zoning. The study was funded through special appropriation and through the Capitol Region Council of Governments HUD Sustainable Communities Regional Planning Grant to expand the study to include a design consideration for multi-family developments with an affordable component. The findings of the study, including future goals and recommendations, have been adopted as an appendix to the 2019 Plan of Conservation and Development, Ellington's chief land use policy document. The Route 83 Corridor Study prioritizes sewer allocations for commercial and industrial developments and aligns priorities between the Planning and Zoning Commission and the Water Pollution Control Authority. The study prompted the creation of a Design Review Guide applicable to all commercial, industrial, multi-family, and non-residential developments in residential zones. While most of the built environment along Route 83 prior to the establishment of the Design Review Guide is consistent with New England architecture, enhanced design elements are noticeable for sites developed since adopting the Guide. In 2024, two new projects completed construction along Route 83. In the southern segment, a 30,000 square foot self-storage facility and within the core a 7,400 square foot commercial building was constructed in the Big-Y World Class Market Plaza. Starbucks is the anchor occupant and Hartford Go-Health Care occupies two-thirds of the new space. Go-Health opened last August and Starbucks opened in September of 2024. In January of 2025, a 21+/- acre vacant parcel on the west side of Route 83, approximately a quarter mile from Main Street, was approved for a 3-lot division and development of 3 acres for a 11,000 +/- square foot retail building.

According to the US Census Bureau, Ellington has experienced a growth rate of more than 20% since 2000. A significant portion of this growth has occurred within the corridor converting 360 acres of vacant land to 84 new single-family homes, 332 new multi-family units, and 260,000 square feet of commercial space including a 77,000 square foot three story assisted living facility with 79 units, 84 beds and a dedicated memory care unit. Route 83 carries significant amounts of traffic with average daily traffic volumes ranging between 12,100 to 15,000 vehicles per day. Route 83 supports many pedestrian generators such as Ellington Middle School, Big Y World Class Market, Meadowview Plaza, three multi-family developments ranging from 85 units to 235 units and Country Pure Foods, Inc., one of Ellington's major employers. Given the size, location, designated zoning, mix of existing residential and commercial developments and suitability for future development, efforts are underway to increase non-motorized access along the corridor. Set to commence in the spring of 2026 is a two-mile sidewalk and other pedestrian improvements along Route 83 from Ellington's southern edge to Main Street (Route 286) and Ellington Town center. The construction will be funded through the Local Transportation Capital Improvement Program ("LOTICIP") state grant program.

**The Town Center Triangle** is perceived as the town center. This area is served by public water/sewer and natural gas and has a wide variety of community facilities including Town Hall, Public Works, Ellington High School and Center School, Snipsic Village (elderly housing), Hall Memorial Library, Ellington Senior Center, Ellington Historical Society/Nellie McKnight Museum, Ellington Farmers' Market, and a mix of retail, office, single-family and multi-family residential developments. In early 2024, the Ellington Farmers' Market relocated from Arbor Park roughly 400 feet north within the town complex along Maple Street (Route 140). Town and volunteers' resources prepared the grounds of the site and installed a permanent detached signage, plantings and benches. The grass at Arbor Park has been restored and outdoor gym equipment installed. In 2020, funded by a Community Connectivity Grant, the Main Street West Sidewalk Expansion project concluded installing 2,500 linear feet of stenciled walkways and linking the town center to more fringe residential developments. And in 2021, 530 linear feet of new stenciled sidewalks were installed connecting Hall Memorial Library to a 1,050 square foot veterans' memorial that was enhanced with a bronze saluting soldier, memorial stones, benches and plantings. The project was funded through a Small Town Economic Assistance Program grant.

Ellington Hall Memorial Library provides an array of services and an expansive variety of programming for all ages. The library originated in 1903 as a 5,000 square foot building and expanded in 1992 to exceed 26,000 square feet. The number of parking spaces at Hall Memorial has been insufficient for years. In March of 2019, Ellington purchased a .76-acre parcel adjacent to the library's parking lot to enable parking expansion from 42 parking spaces to 74. The enhanced and expanded parking construction project was completed in 2024.

**Five Corners Area** is a relatively small area. It is nonetheless important because of its location and road configuration. The previous 5-legged intersection at Five Corners was converted into a roundabout to improve traffic flow and construction concluded in the Fall of 2012. Improvements included a 100-foot-wide landscaped center island, brick-laden splitter islands, sidewalks, and formal crosswalks at each approach. During the summer of 2015, the northeast side of the roundabout was rezoned from residential to commercial and an existing residential structure was converted to a financial services office. In the fall of 2017, two parcels on the southeast side of the roundabout were merged and comprehensively redeveloped for a 3,100 square foot convenience store with gas service and a Dunkin Donuts with drive-through service, parking, landscaping, and installation of sidewalks. Concluding these projects, the land bordering the roundabout supports neighborhood business zoning with infrastructure for safe pedestrian access connecting area neighborhoods and local businesses.

**Crystal Lake Area** - Approximately 55 of the 103 acres zoned commercial land is under/undeveloped. Public sewers are available for most of the area zoned commercial. In early 2020, approximately 45 acres northwest of the intersection of Routes 30 and 140 were rezoned from planned commercial to commercial in support of neighborhood business zoning practices.

To improve traffic circulation between residential and commercial areas within the Crystal Lake segment of town, two State projects were approved. Project No. 0047-0121 for Route 140 and Burbank Road intersection to improve poor sightlines and Project No 0047-0122 for geometry improvements along Route 140 in the vicinity of Pinnacle and Hopkins Roads. Project 0047-0121 was completed in the fall of 2024 and the other project is under construction.

**Route 140 West** - Approximately 232 acres are zoned industrial over 8 distinct properties. Fifty acres was formerly an earth mining operation and recently purchased by an area former. Long term plans include contracting 44 tobacco barns, generally 8,000 square foot each, and currently twelve are under construction. One hundred acres support an organic composting and recycling facility, eighteen acres support a 22,800 square foot horse riding arena, and the remaining land is generally in agricultural use. There are minimal public sewers in this area. Thirty acres is being developed for a 6 mega-watt photovoltaic ("PV") facility. The Board of Selectmen approved a taxation stabilization agreement for the solar PV facility in November of 2022 resulting in a predictable source of revenue.

**Nutmeg Industrial Park and Windermere Industrial Area** are accessible by state and collector roads and served by public water/sewer and natural gas. These areas collectively contain approximately 400 acres of industrial land and approximately 50 acres is under/undeveloped.

Nutmeg Industrial Park was approved in the early 2000s. The park contains 9 separate industrial parcels and most are fully developed. There's only one phase of development for one lot that remains under construction. Collectively, Nutmeg Industrial Park provides about 100,000 square feet of light industrial space for manufacturing facilities, construction businesses, and tradesman lease space. In 2016, Ellington purchased a developed 3.22-acre parcel within the Park and adapted the structure for Ellington Fire Department 243, consistent with recommendations from the 2008 Plan of Conservation and Development. In March 2025, approval was granted for 20,000 square foot of additional commercial space; 8,000 square foot will support a construction company and 12,000 square foot is for a manufacturing facility.

Within the Windermere Industrial Area is Merrill Industries, a custom packing solutions manufacturer. Merrill Industries occupies an 80,000 square foot facility and has been in business since 1973. In 2019, Barn Yard/Great Country Garages redeveloped a 3-acre parcel with over 26,000 square feet of space for manufacturing, office, warehousing and storage space for a CNC-machined timber framed building operation. Beginning July of 2025, Barn Yard will construct another 12,000 square foot manufacturing facility on 10 acres adjacent to its main location. In 2020, a wholesale trucking business purchased a 5-acre parcel in this area and constructed an 8,900 square foot facility, parking, and storage. In November of 2022, a 24,000 square foot underutilized warehouse on Windermere Avenue was converted for a pool construction company and the construction of a 44,880 square foot pickleball and tennis facility for Ellington Raquet Club completed in the fall of 2024. The project exceeded \$3 million in construction costs and employs two full-time employees, three part-time positions, and three to five teaching professional positions.

**The Ellington Airport** has 100 acres of industrial zoned land. There's public water and natural gas, and in 2007 public sewers were extended at a cost of \$2.25 million. The project was funded with the issuance of \$1.75 million in general obligation bonds and a State of Connecticut Small Town Economic Assistance ("STEAP") grant. The airport is privately owned and open to the public for general aviation, flight training and recreation. The airport has an 1,800-foot-long runway, an office, storage facilities, and in/outdoor hangars. Ellington Airport is accessible from Connecticut State Road Route 83 and Meadow Brook Road, a town collector road. The airport is centrally located and can provide air carrier services to both New York and Boston.

The airport accommodates both fixed-wing aircraft and helicopters and is home to one of the oldest parachuting organizations in the country, Connecticut Parachutists Incorporated (“CPI”). CPI was established in 1962 and located at the Ellington Airport in 1970. CPI offers skydiving for first-time jumpers and promotes the sport of skydiving for those interested in competing and becoming licensed.

On the outer fringe of the airport is a group of industrial buildings and home of Rice Packing Associates, a packaging manufacturer occupying 60,500 square feet and established in 1980, and its sister company Action Packaging Systems. Old School Harley Davidson also abuts the airport and occupies more than 24,000 square feet offering sales and service. In 2021, LuAnn’s Bakery converted a 4,200 square foot manufacturing building south of the airport for a new production space to meet demand for fresh baked goods offered as part of weekly home delivery by the Modern Milkman and LuAnn’s Café Drive-Thru and restaurant.

**Farming** - Ellington is committed to agricultural preservation and agriculture business operations. In November of 2007, voters overwhelmingly approved a \$2 million bond authorization for the purchase of development rights of farmland. Bond authorization enabled the establishment of a formal farmland preservation program and relationships with state and federal agencies to co-fund preservation efforts. The first preservation easement closed in 2010 purchasing the development rights to 118 acres of active farmland known as “Silverherz Farm.” In 2013, the Myers Farm (approximately 70 acres) was preserved and in 2014 an additional 167 acres were preserved between the Charter Farm and the McKnight Farm. Between 2015 and 2024, an additional 418 acres were preserved including Bahler Farms, Oakridge Dairy and the Wraight Farm. Generally, Ellington’s portion of funding ranges between 10% to 25%. To date, with state and federal partners, over 773 acres of farmland has been preserved since the 2007 bond authorization.

In 2018, the Ellington Conservation Commission, with consultant assistance, completed a Cost of Community Services Study. The study was funded through an Agriculture Viability Grant from the Connecticut Department of Agriculture. The study is a tool used to demonstrate the cost of providing town services on a land-use basis. The study uses a consistent methodology developed by the American Farmland Trust over 30 years ago and has been used across the country to evaluate the differences between revenue generated and service required by specific land use. The study deduced that in Ellington for every dollar collected in taxes, agricultural land only costs \$0.27 in services but cost \$1.13 in services for residential development.

The 2019 Plan of Conservation and Development (the “Plan”) includes a section titled “Agriculture as an Economic Sector.” The Plan is a publicly vetted document and serves as a framework for guiding development patterns, preservation strategies, and capital investments for certain infrastructure and community facilities for the next decade. As recommended by the Plan, an amendment was adopted to the Ellington Zoning Regulations creating a path to approval for farm breweries, cideries, distilleries and wineries. And, in October 2023, the Ellington Planning and Zoning Commission approved a separate zoning regulation amendment presented by the Ellington Economic Development Commission to promote more agriculture related businesses like banquet spaces or functions, farm-to-table dinners, tasting rooms, restaurants, tours, outdoor activities, and bakeries.

**New Businesses of Note** – A Big Y World Class Market store is located in the core of the Route 83 commercial corridor. In 2018, Big Y Foods purchased a 13.05-acre parcel on the west side of Route 83 immediately across the street from its grocery store. In 2021, construction concluded for a 15,000 square foot commercial building and a 4,100 square foot gasoline service area with canopy to provide Big Y Rewards customer’s discounts on fuel. The commercial structure provides retail, restaurant, and personal services. In 2022, a 5,200 square foot, three bay carwash was constructed on the undeveloped portion of the property and opened for business. Design elements include New England styled buildings with a mix of stone and clapboard siding, copper awnings, decorative lighting, cupolas, and extensive landscaping.

The Barn Yard Enterprises, Inc, builders of quality barns, garages, and sheds using CNC (computer numerical control) technology at their facility at 9 Village Street, Ellington, CT, purchased a 12.75 acre vacant parcel adjacent to their sales headquarters on Route 83. They improved eight acres of the property for display of accessory buildings and installed a 70-foot-long wooden covered bridge connecting the sales facility and outdoor display area. In 2022, the Tolland County Chamber of Commerce awarded Barn Yard the annual Beautification Award for these improvements.

The Town’s latest Plan of Conservation and Development (the “latest Plan”) was prepared by Goman/York Planning and Design, with guidance from a nine-member committee and input from town departments and residents. The latest Plan updates started with two public information meetings and a community survey, and after public hearings before the Board of Selectmen and Planning and Zoning Commission and adopted in October 2019. The latest Plan:

- Establishes land use policies to guide residential and commercial development in the Town of Ellington.
- Encourages economic development.
- Protects natural, scenic, cultural resources, and promotes quality of life for residents.
- Enhances and preserves the rural character and small town aesthetics.
- Establishes zoning to promote development towards appropriate areas and away from sensitive areas.
- Creates more comprehensive and flexible land use regulations to effectively manage growth in a responsible manner.
- Be a statement of policies, goals, and standards for physical and economic development.
- Provide for a system of principal thoroughfares, sidewalks and multi-purpose trails.
- Promote coordinated development to have compact transit-accessible pedestrian-oriented mixed-use development patterns and land reuse.
- Recommend the most desirable use of land for residential, recreational, commercial, industrial, conservation and other purposes and include a map showing proposed land uses.
- Note inconsistencies with the following growth management principles: redevelopment and revitalization of commercial centers; expansion of housing opportunities and design choices; concentration of development around transportation nodes; conservation and restoration of the natural environment, cultural and historical resources and existing farmlands; protection of environmental assets critical to public health and safety; integration of planning across all levels of government.
- Make provision for the development of housing opportunities.
- Promote housing choice and economic diversity in housing.
- The Plan shall consider:
  - The need for affordable housing.
  - The need for protection of existing and potential drinking water supplies.
  - The use of cluster development and other development.
  - The State Plan of Conservation and Development (most recent Plan adopted in 2018).
  - The Regional Plan of Development (Capitol Region Council of Governments most recent Plan adopted in 2014).
  - Physical, social, economic, and governmental conditions and trends.
  - The needs of the municipality, including the objectives of energy-efficient patterns of development.
  - Protection and preservation of agriculture.

A comprehensive residential rezoning initiative affecting up to approximately 80% of the Town was approved by the Planning and Zoning Commission in February of 2012. This approval provides design flexibility while protecting sensitive resources and reducing the overall build-out population.

## **FORM OF GOVERNMENT**

Pursuant to its home-rule charter, the Town of Ellington has a Town Meeting form of government with a seven- member Board of Selectmen and a six-member Board of Finance. Members of the Board of Selectmen serve two-year terms while Board of Finance members serve four-year terms. Elections are held biennially in November every odd-numbered year. The Town and its residents retain all the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the Chief Elected Official and Chief Executive Officer of the Town. The First Selectman provides general guidance and supervision to the Town Administrator. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. Additionally, the First Selectman, with the approval of the Board of Selectmen, appoints members to various commissions and boards.

The Board of Finance is responsible for proposing annual budgets and special appropriations at Town Meetings and works closely with the Finance Officer to establish and enforce fiscal policy and implement the recommendations of the Town auditors. The Board directs fiscal policy such as the establishment of Reserve Funds and the allocation of funds among sectors such as departmental budgets, capital expenditures and debt service.

The Town's full-time professional staff includes a Town Administrator and Finance Officer. The Town Administrator serves as the Chief Administrative Officer and manages the day-to-day affairs of the Town. The Finance Officer is responsible for the coordination of the activities of the accounting staff and treasury management functions of the Town. In addition, the Finance Officer is responsible for assisting the Board of Finance in the preparation of the annual budget; the day-to-day administration of the adopted budget; the maintenance of the general ledgers of the various funds and account groups of the Town; financial planning and cost accounting; data processing; financial report preparation; and supervision of the annual independent audit. The Finance Officer is also responsible for the investment of all Town Funds and serves as the Town's Purchasing Agent. Additional duties include the authority over and the responsibility for the tax collector and tax assessor and their operations.

### PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Term	Years of Service
First Selectman.....	Lori L. Spielman.....	Elected	12/23-12/25	9 Years
Deputy First Selectman.....	David Stavens.....	Elected	12/23-12/25	9 Years
Town Administrator.....	Matthew Reed.....	Appointed	Indefinite	2 Years
Finance Officer.....	Tiffany Pignataro, CPA, MBA..	Appointed	Indefinite	5 Years
Assistant Finance Director.....	Felicia LaPlante.....	Appointed	Indefinite	20 Years
Chariman, Board of Finance.....	Doug Harding.....	Elected	12/21-12/25	10 Years
Chairman, Board of Education.....	Jennifer Dzen.....	Elected	12/22-12/25	7 Years
Assessor.....	John Rainaldi.....	Appointed	Indefinite	2 Years
Revenue and Tax Collector.....	Carolina Feliz, CCMC.....	Appointed	Indefinite	1 Year
Town Clerk.....	Donna Hosey, CCTC.....	Appointed	Indefinite	10 Years
Town Planner.....	Lisa M. Houlihan, AICP.....	Appointed	Indefinite	19 Years
Superintendent of Schools.....	Scott Nicol, Ed.D.....	Appointed	Indefinite	10 Years

Source: Town Officials.

### SUMMARY OF MUNICIPAL SERVICES

**Police:** The Ellington Resident Trooper's Program protects, maintains, and enhances the quality of life within the Ellington Community by providing Resident State Troopers and supervision/direction of Ellington Police Officers. The program is comprised of a Resident State Trooper Supervisor (State Police Sergeant), four Resident State Troopers, 14 Ellington Police Officers and three Marine Vessel Operators. Additionally, the program provides one School Resource Officer, three D.A.R.E (Drug Abuse Resistance Education) Officers (State Troopers) and one Trooper who manages the Tri-Town Juvenile Review Board (Stafford-Somers-Ellington). The Ellington Animal Control Office also falls under the supervision of the Resident State Troopers Supervisor.

The Law Enforcement Team is backed by the entire State Police which includes Major Crime Squad, Fire Marshall's Unit, Gang Unit, Statewide Narcotics Task Force, Emergency Services Unit (K-9 Unit, Tactical Unit, Bomb Unit, Drone Unit, Aviation Unit, Dive Unit, Marine Unit and Mass Transit Unit), Forensic Laboratory, Collision Analysis and Reconstruction Squad, Traffic Services Unit, Bureau of Police Support and Troop Management Staff.

The Ellington Resident Trooper's Office falls under the direct command of "Troop C" (Tolland Barracks), Eastern District. The State Police and Troop C manage all clerical requests and manage our Teams investigative reporting, computers, and radio communications. The Ellington Resident State Trooper's Supervisor works closely with the Town CEO and Troop C Commander to establish goals and objectives to ensure the efficiency and effectiveness of the program.

As a program deeply rooted in Community Policing, the team actively works with residents to form a cooperative measure with law enforcement to effectively solve and address crimes and public safety issues in the community. The team provides resources and training to the School District, business community, faith based/clergy, Community/Political Organizations,

Volunteer Groups, Community Groups and Town Government Departments. Additionally, the Resident Troopers Office participates in community and school events, hosts a cooperative effort with the Drug Enforcement Agency for a National Drug Takeback Day (April and October), provides a Prescription Drug Collection Box and hosts a CHILD ID workshop during the Farmers Market. The Resident Trooper Program employs proactive preventative policing strategies and efficient responses to criminal activities and threats to quality of life and provides a cost-effective form of Law Enforcement dedicated to the individual needs of the Ellington community.

**Fire:** The Town has two volunteer fire departments, the Ellington Volunteer Fire Department organized in 1928 and the Crystal Lake Fire Department organized in 1934.

The *Ellington Volunteer Fire Department's* mission is the protection and preservation of life and property during fire and other emergencies in the Town of Ellington; to honor all emergency calls and to support fire prevention education activities. Currently the Ellington Volunteer Fire Department is rated by the Insurance Service Organization (ISO) as a class 5/8B. Ellington firefighters, 30 active members, spent over 2,100 hours in departmental training in the fiscal year 2024. Several officer drills were conducted in the area of planning, management skills, interoperable communications, incident command and regional response plans. Attendance at regionally sponsored training programs included classes in the following areas: firefighting, hazardous materials, emergency medical training and incident command.

Ellington Volunteer Fire Department maintains 10 pieces of apparatus located in two facilities providing protection to the western majority of the Town, three of which were brand new builds between 2019 and 2022. This includes two rescue pumpers, capable of extinguishing fires and performing rescue work. The department also operates a 103-foot ladder truck, severe-service 4x4 pumper, rescue truck, tanker and several smaller ancillary vehicles. Operating out of two stations, they respond to approximately 1,000 calls for service a year. The services they deliver include fire suppression, technical rescue, hazardous material response, confined space and water/ice rescue and emergency medical response to supplement the local ambulance service. Members are also active with the regional hazardous materials response teams. The most up to date rescue tools and techniques are used to extricate those who have become injured as the result of a motor vehicle or industrial accident.

The Cadet Program is open to youths between the ages of fourteen and nineteen. Cadets have the opportunity to participate in the same programs and training as the regular membership in addition to their own dedicated training and activities.

The *Crystal Lake Fire Department* (“CLFD”) continues to serve the Crystal Lake Community with premier fire and emergency medical services while also aiding surrounding communities through a county mutual aid agreement. The department members have proudly volunteered to serve their community for the last 91 years. The primary mission of CLFD will always be the protection and preservation of life and property during each fire, medical, or rescue related emergency. The department is staffed by trained volunteers who are state and nationally certified Firefighters, Emergency Medical Technicians, and Emergency Medical Responders. All members operate out of “Station 42”, which is located at 316 Sandy Beach Road, and is home to all the department’s apparatus and equipment.

The Crystal Lake Fire Department responds to an average of 350 calls for service per year, totaling over 2,000 hours volunteered to fulfill the emergency needs of the community. CLFD remains prepared to respond to and mitigate numerous types of emergencies, including structure fires, vehicle fires, hazardous materials emergencies, motor vehicle accidents, emergency medical incidents, water emergencies, and technical rescues. To effectively operate at various emergency scenes each member has to maintain, often exceeding, the strict skills and certifications required by the State of Connecticut and the department. This is done through in-house training drills/classes and by attending courses offered by the Connecticut Fire Academy, Hartford County Regional Fire School, Eastern Connecticut Regional Fire School, Department of Environmental Protection, and the Office of Emergency Medical Services.

Crystal Lake Fire Department also performs public education for fire prevention at Crystal Lake Elementary School and does an annual fire safety presentation for the kids. This is a time where the members get to interact with the youth of the Town and shed some light on what the fire department does for the community and allows the youth to bring some fire safety tips home. The program is delivered to approximately 350 children from Pre-K- fourth grade.

Medical emergencies make up the largest portion of call volume in the district. Crystal Lake residents have become accustomed to receiving a quick response from a trained professional providing the best care possible whenever a 9-1-1 call must be made. This is what the team strives to provide at every call, every time. The highly trained medical personnel, consisting of Emergency Medical Technicians and Emergency Medical Responders, work seamlessly with multiple agencies, including Ellington

Volunteer Ambulance Corps, to ensure the best prehospital medical care possible. If a patient should require a more advanced level of care, members will work closely with an Advanced Life Support provider, known as a Paramedic, usually provided by American Medical Response (“AMR”) or Ambulance Service of Manchester (“ASM”). At times, CLFD will request a Life Star Helicopter should a patient sustain an injury or illness requiring rapid transport to a specialized facility that provides a higher level of care.

Station 42 continues to be dispatched by Tolland County Mutual Aid Fire Service, where they handle all its emergency communications. The department also continues to participate in the county wide emergency task force through our mutual aid agreements providing manpower, equipment, and water to our surrounding communities should the need arise.

The Crystal Lake Fire Department currently has 19 members who are extraordinarily dedicated to the community and average 6,500 hours of duty and administrative work to the department to achieve the department’s overall mission.

**Emergency Medical Assistance:** The Ellington Volunteer Ambulance Corps (EVAC) has been providing emergency medical services to the Town of Ellington and its surrounding communities for the past 63 years. All crews and equipment meet or exceed the State of Connecticut requirements and remain fully licensed through examination and inspection. An active first response system allows EVAC and both fire departments to render immediate lifesaving care when it is needed most. All EVAC members that live in Ellington are provided with first responder medical supplies and are encouraged to respond whenever possible.

EVAC continues its commitment to continuing medical education with online training assignments and monthly training drills. CPR and First Aid qualified instructors offer training to various organizations and individuals in our community. As a responsible municipal member of the Town of Ellington, EVAC is working in conjunction with other departments to streamline services and reduce costs to taxpayers whenever possible. EVAC is the central purchasing point for all EMS supplies for the town-wide fire and rescue services.

**Solid Waste:** In recent times, Ellington has made substantial strides in upgrading its Recycling Center while simultaneously combating contamination in residential recycling. The Town is dedicated to environmental sustainability and community well-being.

Murphy Road Recycling, LLC manages Ellington's residential trash, bulky waste, and recycling. The enduring service contract, which commenced in 2022 and continues through 2028, provides residents with hassle-free waste disposal options. The Town offers weekly trash collection, biweekly recycling pickups, and on-request bulky waste collection, providing flexibility and reducing the burden on residents.

Ellington's Recycling Center stands as a cornerstone of its sustainability efforts, both in terms of location and the array of materials it accepts for recycling. Residents can now conveniently drop off electronics, oil, batteries, propane tanks, mattresses, paint, appliances, scrap metal, and cardboard. This expansive approach underscores the Town's dedication to comprehensive recycling.

Ellington recognizes that recycling is not just about facilities; it's about fostering a sense of community responsibility. To this end, the Recycling Center recently opened a "Swop Shop" where residents can exchange reusable items, promoting the ethos of recycling and reuse. An Information Desk assists residents with recycling queries, ensuring that valuable information is readily accessible.

To further educate and engage residents, Ellington uses a range of initiatives:

- Presentations and educational sessions offer insights into the importance of recycling and sustainable waste management.
- An annual Earth Day Celebration brings the community together to celebrate the environment and learn about eco-friendly practices.
- A Farmers Market booth promotes sustainability and encourages conversations about recycling.
- New resident welcome bags contain essential information about recycling and waste disposal.
- Regular website updates keep residents informed about recycling guidelines and center services.
- Monthly donation drives not only support charitable causes but also raise awareness about the benefits of recycling.
- A recycling inspection program ensures that recyclables are correctly sorted, and contamination is minimized.



Ellington's recent enhancements to its Recycling Center, coupled with its dedication to educating residents on responsible recycling practices, are only a few examples of its commitment to sustainability and environmental well-being. The Town's proactive approach to waste management, expanded services, and engaging community events have led to an almost doubling of the annual tonnage received at the Recycling Center.

**Water:** The Town is serviced by one water company which has the capacity of accommodating approximately sixty percent of the populated area of the Town. Seventy percent of the commercial and industrial zoned land is serviced by the water company. Shenipsit Lake is the largest local water source which spans the borders of two adjoining towns. Crystal Lake is located in Ellington and stretches over an area of 175 acres. The Hockanum River runs north-south and is located in the southern part of Town. Some individuals have private wells.

**Sewers:** Approximately 35% of the Town's population is serviced by public sewers. Approximately 90% of the commercially zoned land has direct access and 50% of the industrial land has direct or reasonable access to the sewer system. Private on-site septic systems are used by the remainder of residents.

The Town's Water Pollution Control Authority ("WPCA") is comprised of five volunteer members who are responsible for the administration and maintenance of the Hockanum Sewer System, the Crystal Lake Sewer System and the guidance of the future of the sewer service area. The Hockanum Sewer System is connected with the Town of Vernon's wastewater treatment facility and the Crystal Lake Sewer System is connected with the Town of Stafford's wastewater treatment facility. The Town's Public Works Department oversees the operation and maintenance of the Town's sewage collection system.

The Town of Vernon's wastewater treatment facility upgrade was completed in 2023. The treatment facility accepts sanitary wastes from Vernon, as well as portions of the surrounding towns of Ellington, Tolland, Manchester and South Windsor in accordance with the provisions of inter-municipal sewer agreements between each of those towns and Vernon.

The project cost of approximately \$69,500,000 was funded through various sources: State of Connecticut Clean Water Fund (the "CWF") Grant, Vernon WPCF and other Towns with Intermunicipal Agreements. State funding in the amount of \$21,335,800 reduces the impact on Vernon and other user Towns. Interest is estimated to be \$11,437,680. The Town of Ellington's share of the cost is 20% or \$11,920,376.

In settlement of a dispute between Vernon and the Town regarding various payments due under the original 1979 inter-municipal agreement, the two towns have entered into a new inter-municipal agreement effective July 1, 2003, and amended July 1, 2013 and September 15, 2017. Under the amended September 15, 2017 agreement, Ellington received an additional 20,000 gallons of sewage capacity bringing the maximum flow rate to 1,420,000 gallons per day. Ellington must seek Vernon's permission before exceeding the maximum flow rate and pay any additional cost for the flow increase. Vernon may, on a retroactive basis for the period such flow rates were exceeded, reallocate capital costs in accordance with actual flow rates. Pursuant to the 2017 agreement, Ellington has paid its pro rata share of the 1997 capital cost of the sewer treatment plant upgrade based upon its reserved flow capacity since the inception of the CWF loan to Vernon, and is obligated to pay the sum of \$683,354 in FY2021, \$774,970 in FY2022, and then \$584,771 thereafter annually for the balance of the 2017 CWF loan term, which ends in July 2040. The calculation of user charges by Vernon to Ellington is also set forth in the 2017 agreement. All Vernon user charges to Ellington are included in semi-annual user fees charged by Ellington to sewer system users. All payments due from Ellington to Vernon in accordance with the 2017 agreement are current.

The Town is current with respect to all charges from Stafford for waste processing at its wastewater treatment plant for the Crystal Lake Sewer System.

Since March 1992, the Town's sewer user policy has provided that actual water usage will be used in calculating the sewer user rate. The Connecticut Water Company has provided the Town with the actual water consumption which is utilized to calculate the sewer user bills for property owners connected to the water company in the Hockanum Sewer System. This provides financial fairness to households that produce lower than average wastewater. As properties connected to the Crystal Lake Sewer System have water supplied by private wells, the WPCA has determined to calculate the sewer use charge for that system based on an average use method. Hockanum Sewer System property owners currently pay an average of \$335 and Crystal Lake Sewer System property owners currently pay an average of \$432 in sewer user charges every six months.

Commercial user assessments are devised based on four different criteria: Unit Charge, Lateral Charge, Frontage Charge and Capacity Charge. In addition to the initial assessment, commercial users are charged based on local water meter readings and/or a flat rate like residential users. Residential users are assessed based on frontage, number of bedrooms and cost of utility installation.

**Winter Operations:** The Town strives to be efficient and effective during winter operations. With salt reduction techniques, the Town has been able to maintain a winter operations budget since 2018 of \$255,000 despite significant increases in material prices. Reduction efforts also have a significant positive effect on the environment. The Town's salt applicators are calibrated annually, staff are trained annually, and Ellington has been a spotlight Town for UCONN's Green Snow Pro training program.

**Stormwater:** The Town has in place a Stormwater Pollution Prevention Plan (SPPP) to identify possible unacceptable discharges into the waterways from the DPW facility. Visual inspections and sampling are part of the requirements within the plan. Town-wide, the Town is regulated by an MS4 permit which also requires monitoring and sampling. The Town works with a consultant to maintain the reporting and provide staff training. Annual street sweeping and catch basin cleaning are completed per the requirements within the MS4 permit. The Town follows a Spill Prevention Control and Countermeasure plan which involves staff training and facility monitoring to reduce the likelihood of hazardous material spills.

**Parks & Recreation:** The Town offers a diverse array of recreational amenities and facilities for its residents.

Tedford Park Pavilion, completed in 1991, offers amenities including restrooms and a concession stand, available to local groups through permits issued by the Parks and Recreation Office. In 1996, new playscapes were constructed for elementary children at Center School and Crystal Lake School.

The Old Crystal Lake Schoolhouse, built in 1900 and fully renovated in 2017, serves as a hub for Parks and Recreation activities, hosting summer programs for middle school and preschool children. Beach facilities at Crystal Lake are provided during the summer months, complemented by a public boat launch maintained by the State of Connecticut.

The Town maintains sport facilities at each school, Tedford Park, and the High School Athletic Field, all featuring manicured playing fields. The Ellington High School Pavilion, completed in 2004, includes restrooms, concession stands, and storage space for Parks and Recreation and the High School, supporting the athletic complex. A State of Connecticut Small Town Economic Assistance Program grant of \$170,000 funded the construction of tennis courts adjacent to the High School, completed in June 2012. In 2013, the Town invested \$494,139 into Ellington Athletic Fields, enhancing facilities completed in 2016.

Batz Property, a 44.86-acre parcel donated by longtime residents Emma and Charles Batz, offers passive recreation opportunities such as nature hikes and outdoor educational seminars. Recent enhancements include a sensory garden, farm tables, garden plots, and a little free library, with the introduction of an outdoor exploration program in 2020. A stainless-steel volleyball station system was completed in 2020.

Sport-specific pickleball courts were completed in the fall of 2022. In the summer of 2023, a state-of-the-art 7,200 square-foot outdoor street hockey rink was installed, enhancing recreational options for the community.

In the summer of 2024, the Town converted 72 Maple Street into "Market Park," now home to one of the state's premier farmers markets. This vibrant community space hosts hundreds of vendors and attracts thousands of patrons each summer, further enhancing Ellington's commitment to health, wellness, and local commerce.

In the fall of 2024, state-of-the-art athletic field lights were installed at 13 outdoor town facilities, further expanding evening recreational opportunities. In 2025, the Town completed the installation of an outdoor fitness center featuring poured-in-place surfacing and an overhead canopy-providing residents with a modern, accessible space to support active lifestyles.

The Recreation Department collaborates year-round with the Board of Education's business office and custodial staff and partners with the Hall Memorial Library for preschool events. Recreation programming is dynamic, annually offering a variety of recreational and leisure programs, road races, camps, special events, and tournaments to meet the evolving needs of residents.

**Library:** The Hall Memorial Library provides the citizens of the Town with materials and opportunities for education and entertainment in a beautiful, state-of-the-art 23,000 square foot building. The collection consists of more than 65,500 traditional and non-traditional items in several formats, including books, periodicals, newspapers, eBooks and eaudiobooks, digital magazines, music CD's, DVD's, puzzles, board games, puppets, adventure and literacy kits, and online database and reference materials. Also available are computers for word processing, access to computerized reference and periodical resources, and access to the internet. Available for resident use are black and white and color photocopiers and printers, digital scanners, fax machine, digital microfilm reader/printer, poster printer and laminator, meeting rooms are available to community groups and organizations. As well as materials, the library provides a variety of programs for patrons of all ages, including book discussion groups, concerts, informational speakers, story hours, summer reading programs, notary service, passport acceptance service and exam proctoring.

For those patrons who are not able to come to the library, outreach and home delivery services are provided, as well as remote access to reference sources, reference assistance and collection information via the webpage. The Hall Memorial Library also provides interlibrary loan service that facilitates loans from libraries around the state or the country. The Friends of the Library continues to play an integral shared service role with the Hall Memorial Library.

The Hall Memorial Library undertook a major strategic planning process in 2007, resulting in goals for improvements to services and again in 2014 for building changes. In 2016, the replacement of windows, refinishing of the wood front doors and painting of all exterior doors were complete. In 2017, the renovation of all the restrooms, both for the public and staff were fully renovated. In 2018, the replacement of the roof of the original 1903 building was complete, along with the renovation of the staff workroom and paving of the parking lot. In 2019, the replacement of all carpeting, refinishing wood floors and repainting interior walls were completed. In 2020, the lighting, roof replacement on the addition and installation of solar panels were completed. In 2024 the parking lot was expanded, doubling capacity, as well as renewal of sidewalks and landscaping. A new plan to guide development of services for the next 3-5 years has recently been completed.

**Human Services:** The Human Services Department serves as the Town's primary agency for addressing the social service needs of the community. Services include assistance with heating and food programs, back-to-school and holiday support, advocacy, referrals, and help navigating state and federal benefits. The department also provides direct services, offering hands-on support to gather information and determine eligibility for various programs.

As the designated Municipal Agent for the Elderly, Human Services plays a key role in sharing information with older residents, helping them access available resources, and promoting awareness of community services and benefits. In addition, the department offers educational outreach on a wide range of topics to inform and empower residents of all ages.

In 2019, a Little Food Pantry was installed in front of the Human Services office building as a collaborative effort between the Human Services Department and the family of Estelle Williamson. The pantry is accessible 24/7, 365 days a year, and accepts non-perishable food donations at any time.

To further support food access, a vegetable stand was introduced in 2022, offering fresh produce generously donated by community members. In 2024, the Public Works Department built and installed a permanent structure, ensuring it's continued availability.

**Youth Services:** Youth Services' mission is to provide programs and services, while building relationships which bond youth in a positive way to their families, schools, peers and community. The department provides programs that strengthen and develop life skills needed to succeed in the many challenges facing the youth of today. Included are a wide range of programs in areas of creativity, leadership, social emotional learning, skill building and school readiness. Ellington Youth Services (EYS) offers creativity-based programs for all ages to promote healthy self-expression. Acts of creativity benefit children's concentration and confidence by stimulating thought organization. This also increases children's ability to work independently and productively. EYS offers leadership-based programs for all ages to establish peer acceptance and goal setting while focusing on the foundations of leadership. These foundations include respect, teamwork, knowing your limits, self-expression, and compassion. Through social emotional learning programs, EYS combines movement, crafts, and games to allow children to feel uncomfortable emotions in a controlled way. Skill building and educational based programs are designed to further positive youth development.

All Youth Services employees are trained in various roles to take on case management clients in addition to referrals and advocacy. Youth Services provides conflict resolution, coping skills, mindfulness, and social skills programs to several classrooms in Elementary Schools. All Middle School and High School students are provided the Signs of Suicide Program each year for suicide prevention, in addition to various health curriculum learning opportunities including body positivity, healthy relationships, and managing stress and anxiety. In partnership with the school district, they trained the school staff in recognizing suicide through QPR and SOS programming. In addition, a Youth Services member works with the school and community serving on the Truancy Board and Juvenile Review Board.

Youth Services facilitates various parenting programs including, social media dangers, anxiety and depression, QPR training, supporting parents of LGBTQ children, supporting parents who have children with special needs, autism sensitivity training NARCAN training, Vaping 101, and suicide prevention curriculum nights. They also assist families with advocating, working with the schools and other outside agencies to help their children. The Ellington Council for Developing Positive Youth Culture is a long-standing group that has coordinated prevention services for the youth of Ellington for over 20 years. The group's mission is to create and sustain a positive youth culture for Ellington's youth through collaboration among the community, schools and town agencies. EYS Alliance is an Ellington Youth Service student-based group offering high school students the opportunity to develop critical leadership tools by connecting the youth to the community through education, awareness, and service. EYS Alliance inspires the youth to find their voice and develop skills to successfully navigate life.

**Senior Center/Elderly Services:** The Ellington Senior Center mission is to help participants maintain their independence, dignity and self-respect and productivity through participation in recreation, social, nutritional, educational and informational programs that promotes healthy aging. In 2019-20, the Connecticut Department of Transportation awarded grant funding for a new bus, which arrived in the fall of 2020. In addition, two grants were awarded from North Central Area Agency on Aging, Inc., for EMATS, the Ellington Medical Transportation Appointments Services and for congregate meals under the Ellington Nutritional Partnership Program. The Senior Center also receives grant funding from the Municipal Grant Program to support their transportation program. The Senior Center also utilized ARPA funds to build an indoor fitness center, an outdoor pickleball court and installation of new flooring, and grant funds from the State of Connecticut to complete an outdoor fitness area. The Senior Center was awarded a grant from AARP Livable Communities to obtain a greenhouse to support their gardening program.

In January of 2014, the Town completed the new construction of a 10,600 square foot building. The Senior Center is an accessible, practical building that allows for space to have additional programs and activities. The facility enables staff to offer diverse programs and activities. Participants can enjoy activities in the indoor fitness facility, technology room, games room, library, café, activities room, multi-purpose room and great room. The kitchen is open three days a week and lunch is cooked and served to the participants. In addition to the lunch program, the Senior Center is also open once a week for breakfast, and also for special events such as picnics and holiday dinners. There is also a health room which offers privacy for blood pressure clinics and diabetic screens, podiatrist, hand massage therapy, audiologist screenings, haircuts and flu shots. There is also a medical loan program which allows individuals to borrow durable medical equipment. Local businesses such as insurance agencies, realtors, law offices and financial institutions offer free 15-minute consultations to participants. AARP offers free tax preparation services during tax season.

Transportation services are offered to residents who are age eligible. Transportation services for residents includes rides for social, nutritional, recreation and education programs. Transportation services include rides to grocery stores, banking, post-office and for non-emergency medical appointments.

The Senior Center collaborates with many community partners. Working with community partners can provide numerous benefits for a senior center and the community it serves. These partnerships can help enhance the services and support available to seniors, promote a sense of inclusiveness and engagement, and create a more comprehensive and well-rounded support network.

Common types of community partners for a senior center might include:

- Local healthcare providers: Partnering with medical professionals and clinics can help provide health and wellness services, screenings, and educational programs for seniors.
- Nonprofit organizations: Collaborating with nonprofits that focus on senior issues, such as Meals on Wheels, AARP, or local senior advocacy groups, can provide additional resources and support.
- Local businesses: Partnering with local businesses can result in discounts for seniors, support for events or fundraisers, and opportunities for employment or volunteer work.
- Educational institutions: Partnering with schools or colleges can lead to intergenerational programs, workshops, and mentorship opportunities for seniors.
- Government agencies: Collaborating with local, state, or federal agencies can help with accessing government-funded programs, grants, or services aimed at seniors.
- Cultural and recreational organizations: Working with museums, theaters, or recreational clubs can provide seniors with opportunities for cultural enrichment and social engagement.
- Volunteer organizations: Partnering with volunteer groups can help recruit volunteers to assist with various activities and events at the Senior Center. The Senior Center has 60+ volunteers that assist in daily operations.
- Local churches and faith-based organizations: These organizations often have dedicated senior outreach programs and can provide spiritual support and community involvement for seniors.
- Social service agencies: Collaborating with agencies that focus on social services can help address issues such as housing, transportation, and financial assistance for seniors.
- Support groups: Partnering with support groups for specific health conditions or personal challenges can offer seniors a sense of community and resources for managing their unique needs.

By working with these and other community partners, the senior center can create a more holistic and supportive environment for seniors, addressing their physical, social, and emotional well-being. It also helps foster a sense of belonging and community for seniors, which can significantly enhance their quality of life.

**Health Services:** Ellington is a member of the North Central District Health Department (“NCDHD”) which provides Ellington with full-time health department coverage and is on call seven days a week, twenty-four hours a day in case of emergencies. Each member town contributes financially to the operation of the District based on its respective population. Numerous services are provided under Community Health including Home Health, Mental Health, Home Maintenance Management and the Meals on Wheels Program. Within these programs, special services are also available including Hospice, Mental Health After Care, Alzheimer’s, Private Duty Nursing, Maternal Child Health, Senior Citizen Health and the Substance Abuse Program.

**Airport:** The Town has a privately owned airport, centrally located, to provide air carrier services to both New York and Boston. The airport can accommodate both fixed-wing aircraft and helicopters. There is an 1,800-foot runway used by small planes.

**Utilities:** Electricity for the Town is provided by the Eversource, formerly known as Connecticut Light & Power Company.

## TOWN EMPLOYEES

The following table illustrates the permanent full and part-time Town employees:

<b>Fiscal Year</b>	<b>2025</b>	<b>2024 <sup>1</sup></b>	<b>2023 <sup>2</sup></b>	<b>2022 <sup>3</sup></b>	<b>2021 <sup>3</sup></b>
General Government.....	283	261	370	350	351
Board of Education.....	658	658	706	511	511
<b>Total.....</b>	<b>941</b>	<b>919</b>	<b>1,076</b>	<b>861</b>	<b>862</b>

<sup>1</sup> For Fiscal Year ended June 30, 2024 the Town decided to no longer include volunteers in their employee count.

<sup>2</sup> Includes full and regular part-time employees.

<sup>3</sup> Includes full time equivalent employees for the Board of Education.

Source: Town Officials, Town of Ellington.

## MUNICIPAL EMPLOYEES' BARGAINING UNITS

<b>Organization</b>	<b>Number of Employee</b>	<b>Current Contract Expiration</b>
<b><u>General Government</u></b>		
Public Works & Custodians Local 1303 of Council #4.....	25	June 30, 2026
White Collar Employees Local 2001.....	22	June 30, 2027
Police Union Local 2693 of Council #15.....	13	June 30, 2028
Professional/Volunteer Ambulance Corp.....	7	June 30, 2028
General Government sub-total.....	<u>67</u>	
<b><u>Board of Education</u></b>		
Ellington Administration Association.....	14	June 30, 2027
Ellington Education Association.....	247	June 30, 2028
Ellington Educational Support Staff.....	21	June 30, 2027
Local 1303-242 of Council #4 AFSCME, Custodians/Cafeteria..	44	June 30, 2026
Service Employees International Union Local 2001, Aides.....	95	June 30, 2026
Board of Education sub-total.....	<u>421</u>	
<b>Total General Government and Board of Education.....</b>	<b><u>488</u></b>	

Source: Town Officials, Town of Ellington.

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 party. 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 of 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 wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## EDUCATION SYSTEM

The Town's school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. Ellington has a ten-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.

The Town has five schools for grades pre-kindergarten through twelve. Enrollment in grades pre-kindergarten through twelve as of October 1, 2024 is 2,524. The rated capacity of the system facilities is 2,763.

### SCHOOL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Construction/Addition/ Renovation</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/01/24</u>	<u>Rated Capacity</u>
Center School.....	Pre-K-4	1949, 1963, 2003	28	450	459
Crystal Lake School.....	K-4	1956, 1977, 2014	11	308	204
Windermere School.....	K-6	1966, 1977, 1995, 2002, 2014	47	627	800
Ellington Middle School.	7-8	1953, 1977, 1989, 1996, 1998	28	398	500
Ellington High School.....	9-12	1960, 1972, 1973, 1978, 2004	58	741	800
<b>Total .....</b>			<u>172</u>	<u>2,524</u>	<u>2,763</u>

Source: Board of Education, Town of Ellington.

### SCHOOL ENROLLMENT AND PROJECTIONS

<u>School Year</u>	<u>Pre-K</u>	<u>Elementary School</u>	<u>Middle School</u>	<u>High School</u>	<u>Special Education</u>	<u>Total</u>
<i>Historical</i>						
2021-22	50	1,178	420	815	2	2,465
2022-23	81	1,163	400	757	9	2,410
2023-24	83	1,337	376	749	40	2,585
2024-25	83	1,299	401	717	40	2,540
2025-26	97	1,267	416	723	40	2,543
<i>Projected</i>						
2026-27	97	1,260	393	722	40	2,512
2027-28	97	1,264	364	710	40	2,475
2028-29	97	1,207	387	709	40	2,440
2029-30	98	1,192	401	699	40	2,430
2030-31	98	1,174	379	700	40	2,391

Source: Board of Education, Town of Ellington.

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>% Increase</u>	<u>Density<sup>2</sup></u>
1970	7,707	38.1	221
1980	9,711	26.0	279
1990	11,197	15.3	322
2000	12,943	15.6	372
2010	15,679	21.1	451
2020	16,428	4.8	472
2023	16,994	3.4	488

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 1970 – 1990,  
Connecticut Department of Public Health 2000, 2010, 2020 and 2023.

<sup>2</sup> Per square mile: 34.8 square miles.

#### AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Ellington</u>		<u>Capital Planning Region<sup>1</sup></u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	872	5.2	49,427	5.1	181,240	5.0
5 - 9.....	1,035	6.2	52,684	5.4	195,390	5.4
10 - 14.....	1,559	9.3	58,663	6.1	217,297	6.0
15 - 19.....	736	4.4	64,550	6.7	238,145	6.6
20 - 24.....	1,050	6.3	67,854	7.0	233,423	6.5
25 - 34.....	2,090	12.5	125,901	13.0	449,771	12.5
35 - 44.....	2,112	12.6	124,288	12.8	451,461	12.5
45 - 54.....	1,858	11.1	120,303	12.4	462,543	12.9
55 - 59.....	1,432	8.6	68,840	7.1	260,758	7.2
60 - 64.....	1,031	6.2	65,012	6.7	257,548	7.2
65 - 74.....	1,556	9.3	98,478	10.2	376,023	10.4
75 - 84.....	1,057	6.3	49,101	5.1	187,378	5.2
85 and over..	312	1.9	23,928	2.5	87,371	2.4
Total .....	<u>16,700</u>	<u>100.0</u>	<u>969,029</u>	<u>100.0</u>	<u>3,598,348</u>	<u>100.0</u>
Median Age (years) .....	39.3		40.2		41.2	

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region.  
Previous to the 2022 data, Tolland County data was used.

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



## INCOME DISTRIBUTION

	<b>Town of Ellington</b>		<b>Capital Planning Region <sup>1</sup></b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000 .....	52	1.2	6,510	2.6	22,973	2.5
\$ 10,000 to 14,999 .....	7	0.2	3,252	1.3	12,547	1.4
\$ 15,000 to 24,999 .....	130	3.1	8,127	3.3	29,893	3.3
\$ 25,000 to 34,999 .....	92	2.2	9,460	3.9	35,598	3.9
\$ 35,000 to 49,999 .....	160	3.8	17,197	7.0	61,793	6.7
\$ 50,000 to 74,999 .....	188	4.4	27,693	11.3	108,046	11.8
\$ 75,000 to 99,999 .....	557	13.1	30,649	12.5	108,216	11.8
\$100,000 to 149,999 ..	978	23.0	51,601	21.0	185,242	20.2
\$150,000 to 199,999 ..	673	15.9	37,017	15.1	128,574	14.0
\$200,000 or more .....	1,407	33.2	54,188	22.1	224,258	24.5
Total .....	<u>4,244</u>	<u>100.0</u>	<u>245,694</u>	<u>100.0</u>	<u>917,140</u>	<u>100.0</u>

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

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

## INCOME LEVELS

	<b>Town of Ellington</b>	<b>Capital Planning Region <sup>1</sup></b>	<b>State of Connecticut</b>
Per Capita Income, 2023.....	\$55,621	\$49,924	\$54,409
Per Capita Income, 2020.....	\$48,985	\$41,537	\$45,668
Per Capita Income, 2010.....	\$37,322	\$33,108	\$36,775
Per Capita Income, 2000.....	\$27,766	\$25,474	\$28,766
Median Family Income, 2023.....	\$148,500	\$118,964	\$120,011
Median Family Income, 2020.....	\$124,951	\$113,232	\$102,061
Median Family Income, 2010.....	\$95,547	\$91,631	\$84,170
Median Family Income, 2000.....	\$77,813	\$70,856	\$65,521
Percent Below Poverty Level 2023.....	4.9%	6.9%	6.8%

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

Source: U.S. Department of Commerce, Bureau of Census, 2000, 2010, 2020; U.S. Census Bureau, 2019-2023 American Community Survey.

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

<b>Educational Attainment Group</b>	<b>Town of Ellington</b>		<b>Capital Planning Region <sup>1</sup></b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	146	1.3	25,463	3.8	101,530	4.0
9th to 12th grade.....	193	1.7	34,247	5.1	118,019	4.7
High School graduate.....	2,487	21.7	169,580	25.1	647,094	25.5
Some college - no degree.....	1,678	14.7	110,639	16.4	410,591	16.2
Associates degree.....	1,363	11.9	55,519	8.2	193,216	7.6
Bachelor's degree.....	3,174	27.7	154,618	22.9	581,935	23.0
Graduate or professional degree.....	2,407	21.0	125,785	18.6	480,468	19.0
Total.....	<u>11,448</u>	<u>100.0</u>	<u>675,851</u>	<u>100.0</u>	<u>2,532,853</u>	<u>100.0</u>
Percent High School Graduate or Higher.....		97.0%		91.2%		91.3%
Percent Bachelor's Degree or Higher.....		48.8%		41.5%		41.9%

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.  
Source: U.S. Census Bureau, 2019-2023 American Community Survey.

**MAJOR EMPLOYERS**  
As of July 2025

<b>Employer</b>	<b>Nature of Business</b>	<b>Estimated Number of Employees</b>
Town of Ellington.....	Municipality.....	941
Big Y/Big Y Express.....	Supermarket/Gas Station.....	144
Earthlight.....	Solar Energy.....	135
Indian Valley Family YMCA.....	Youth Organization Center.....	125
Country Pure Foods.....	Dairy Products/Fruit Juices.....	120
Dymotek.....	Plastic-Mold Manufacturer.....	105
Kloter Farms Country Store.....	Retail Country Store.....	103
Barn Yard/Great Country Garages.....	Retail Counrty Store.....	95
Oakridge Dairy/The Modern Milkman....	Dairy Farm/Home Delivery.....	95
The Ivy.....	Assisted Living.....	90
Bestech Inc.....	Mold, Mildew Moisture Control....	87
LuAnn's Bakery.....	Bakery.....	75
Bolles Motor, Inc.....	Auto Sales, Parts & Service.....	58
Data Capture Solutions.....	Business Services NEC	55
Rice/Action Packaging.....	Packaging Manufacturer.....	52
Merrill Industrires.....	Corrugated & Solid Fiber Boxes	35
Ellington Ridge Country Club.....	Country Club.....	28
Priority Urgent Care.....	Health Clinic.....	14

Source: Town Officials.

## EMPLOYMENT BY INDUSTRY

	Capital Planning					
	Town of Ellington		Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	209	2.4	1,896	0.4	7,261	0.4
Construction.....	635	7.4	25,479	5.1	112,821	6.1
Manufacturing.....	1,213	14.1	53,698	10.8	195,355	10.6
Wholesale trade.....	162	1.9	10,772	2.2	37,294	2.0
Retail trade.....	637	7.4	52,165	10.5	192,535	10.5
Transportation & warehousing & utilities...	325	3.8	27,064	5.4	84,571	4.6
Information.....	217	2.5	8,112	1.6	36,631	2.0
Finance, insurance, real estate.....	1,077	12.5	51,930	10.5	162,724	8.9
Professional, scientific & management.....	1,005	11.7	56,853	11.4	223,982	12.2
Educational, health & social services.....	2,274	26.4	131,615	26.5	490,839	26.7
Arts, entertainment & recreation.....	541	6.3	36,610	7.4	145,445	7.9
Other professional services.....	176	2.0	19,874	4.0	78,662	4.3
Public administration.....	131	1.5	20,758	4.2	67,335	3.7
Total.....	8,602	100.0	496,826	100.0	1,835,455	100.0

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

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

## EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Ellington	Hartford Labor Market <sup>1</sup>	State of Connecticut	United States
	%	%	%	%
2015	4.9	5.6	5.6	5.3
2016	4.1	4.9	4.8	4.9
2017	3.7	4.4	4.4	4.4
2018	3.3	3.9	3.9	3.9
2019	3.0	3.6	3.6	3.7
2020	5.8	7.8	8.0	8.1
2021	5.0	6.4	6.4	5.4
2022	3.5	4.1	4.1	3.7
2023	3.1	3.7	3.8	3.6
2024	2.8	3.5	3.5	4.0
<b>2025 Monthly <sup>2</sup></b>				
January	3.7	3.9	4.0	4.4
February	4.1	4.4	4.5	4.5
March	3.9	4.1	4.1	4.2
April	3.1	3.4	3.4	3.9
May	3.5	3.9	3.9	4.0
June	3.2	3.5	3.4	4.4

<sup>1</sup> Not seasonally adjusted.

<sup>2</sup> Estimated

Source: Department of Labor, State of Connecticut.

## AGE DISTRIBUTION OF HOUSING

Year Built	Town of Ellington		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	914	13.5	75,663	18.2	313,434	20.4
1940 - 1949.....	227	3.4	27,309	6.6	95,842	6.2
1950 - 1959.....	583	8.6	69,489	16.7	221,879	14.4
1960 - 1969.....	550	8.1	58,758	14.1	198,807	12.9
1970 - 1979.....	955	14.1	54,681	13.2	210,611	13.7
1980 - 1989.....	930	13.8	53,601	12.9	197,533	12.9
1990 - 1999.....	767	11.4	31,067	7.5	116,617	7.6
2000 - 2009.....	1,020	15.1	26,176	6.3	108,430	7.1
2010 - 2019.....	807	12.0	16,959	4.1	66,546	4.3
2020 or later.....	0	0.0	1,566	0.4	6,350	0.4
Total.....	6,753	100.0	415,269	100.0	1,536,049	100.0

Percent Owner Occupied..... 70.8% 65.4% 66.2%

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

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

## HOUSING INVENTORY

Type	Town of Ellington		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	4,701	69.6	234,805	56.5	901,187	58.7
1-unit, attached.....	335	5.0	25,839	6.2	95,202	6.2
2 units.....	200	3.0	28,385	6.8	118,295	7.7
3 or 4 units.....	288	4.3	38,052	9.2	126,755	8.3
5 to 9 units.....	763	11.3	24,575	5.9	76,750	5.0
10 to 19 units.....	148	2.2	17,839	4.3	55,290	3.6
20 or more units.....	318	4.7	43,225	10.4	150,986	9.8
Mobile home, boat, other.....	0	0.0	2,549	0.6	11,584	0.8
Total .....	6,753	100.0	415,269	100.0	1,536,049	100.0

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

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

## OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Ellington		Capital Planning Region <sup>1</sup>		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	78	1.7	5,845	2.3	22,174	2.4
\$ 50,000 to \$ 99,999 ...	67	1.5	4,305	1.7	15,116	1.6
\$ 100,000 to \$149,999 ...	193	4.3	10,893	4.3	38,832	4.1
\$ 150,000 to \$199,999 ...	121	2.7	26,083	10.3	77,152	8.2
\$ 200,000 to \$299,999 ...	1,037	23.1	81,570	32.1	233,824	24.9
\$ 300,000 to \$499,999 ...	2,131	47.6	90,636	35.6	319,703	34.0
\$ 500,000 to \$999,999 ...	827	18.5	31,964	12.6	173,643	18.5
\$1,000,000 and over .....	27	0.6	3,128	1.2	59,468	6.3
Total .....	4,481	100.0	254,424	100.0	939,912	100.0
Median Value <sup>2</sup> .....	\$158,000		\$151,600		\$166,900	
Median Value <sup>3</sup> .....	\$276,800		\$259,700		\$279,700	
Median Value <sup>4</sup> .....	\$351,900		\$298,200		\$343,200	

<sup>1</sup> Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was used.

<sup>2</sup> Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

<sup>3</sup> Median Sales Price, U.S. Census Bureau, 2016-2020 American Community Survey.

<sup>4</sup> Median Sales Price, U.S. Census Bureau, 2019-2023 American Community Survey.

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

## BUILDING PERMITS

Fiscal Year Ending 6/30	Residential		Commercial and Industrial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2025	20	\$ 6,799,160	3	\$ 2,267,656	1151	\$40,508,910	1,174	\$49,575,726
2024	13	2,908,360	8	7,483,969	1087	81,699,121	1,108	92,091,450
2023	9	2,428,620	4	4,044,637	978	17,995,419	991	24,468,676
2022	19	4,547,410	6	9,048,870	1274	15,840,142	1,299	29,436,422
2021	14	3,315,600	2	720,680	1454	18,421,164	1,470	22,457,444
2020	19	4,281,802	5	3,527,814	942	11,218,496	966	19,028,112
2019	25	5,633,200	0	-	1055	14,384,531	1,080	20,017,731
2018	33	10,582,344	2	686,160	1006	12,351,816	1,041	23,620,320
2017	30	12,004,040	7	17,715,280	1043	9,643,550	1,080	39,362,870
2016	49	15,236,432	0	-	1108	11,112,343	1,157	26,348,775

Source: Building Department, Town of Ellington.

## LAND USE SUMMARY

<b>Classification</b>	<b>Total Area</b>		<b>Developed</b>		<b>Undeveloped</b>	
	<b>Acreage</b>	<b>%</b>	<b>Acreage</b>	<b>%</b>	<b>Acreage</b>	<b>%</b>
Residential.....	17,500	79.3%	5,165	83.2%	12,335	77.7%
Commercial.....	720	3.3%	548	8.8%	172	1.1%
Industrial.....	1,023	4.6%	494	8.0%	529	3.3%
Open Space.....	1,654	7.5%	0	0.0%	1,654	10.4%
Road Rights of Way.....	839	3.8%	0	0.0%	839	5.3%
Lakes.....	339	1.5%	0	0.0%	339	2.1%
<b>Total Area.....</b>	<b>22,075</b>	<b>100.0%</b>	<b>6,207</b>	<b>100.0%</b>	<b>15,868</b>	<b>100.0%</b>

Source: Town's Plan of Conservation and Development 2023.

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## **IV. TAX BASE DATA**

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### **ASSESSMENTS**

The Town had a general property revaluation effective October 1, 2020. The next revaluation is scheduled for October 1, 2025. Under section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than ten years from the preceding physical inspection. A 2006 statute permits a municipality, upon approval of its legislative body, to phase-in a real property assessment increase resulting from a revaluation over a period of up to five years. Various state statutes provide for or authorize exemptions, abatement and other adjustments to assessments. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Ellington for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable and non-taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation, while assessments for personal property and motor vehicles are computed at 70 percent of the annual appraisal value.

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 is classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Ellington. 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 has been included on the October Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles 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 1 Grand List, the taxpayer is entitled to certain credits.

### **PROPERTY TAX COLLECTION PROCEDURE**

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate tax bills are payable in two installments on July 1 and January 1. Real estate and personal property taxes of less than \$600 are due in full in July. Motor vehicle taxes are payable in full, regardless of amount, on July 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed monthly, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle, personal property, and real estate accounts are transferred to a suspense account after two years at which time they cease to be carried as receivables.

### **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 4-66I 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 32.46 mills.

#### COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle		Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	% Growth
			Property (%)	Property (%)				
2024	81.8	7.6	10.6		\$1,606,906,280	\$69,043,970	\$1,537,862,310	-1.5%
2023	80.7	7.0	12.3		1,615,620,740	54,589,080	1,561,031,660	-0.4%
2022	80.6	6.3	13.0		1,607,597,920	39,849,560	1,567,748,360	0.6%
2021	81.3	6.2	12.5		1,591,053,980	33,057,950	1,557,996,030	3.4%
2020 <sup>1</sup>	83.6	6.0	10.4		1,539,332,780	32,784,480	1,506,548,300	5.3%
2019	84.0	5.7	10.3		1,463,244,076	32,141,937	1,431,102,139	1.2%
2018	84.6	5.4	10.0		1,450,820,258	36,508,358	1,414,311,900	2.1%
2017	85.0	5.2	9.8		1,420,236,556	35,067,965	1,385,168,591	2.3%
2016	85.2	4.9	9.9		1,379,423,762	25,241,328	1,354,182,434	2.0%
2015 <sup>1</sup>	85.6	4.7	9.7		1,352,833,497	24,559,440	1,328,274,057	1.3%

<sup>1</sup> Revaluation Year.

Source: Assessor's Office, Town of Ellington.

#### PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected	Percent Uncollected	Percent Annual Levy	Amount Uncollected
					End of Each Fiscal Year	End of Each Fiscal Year	Uncollected 6/30/2024	as of 6/30/2024
2024	2026	\$1,537,862,310	37.10/32.4 <sup>1</sup>	\$57,147,974	Collections 7/1/2025 and 1/1/26			N/A
2023	2025	1,561,031,660	36.0/32.46 <sup>2</sup>	55,651,473	Collections 7/1/2024 and 1/1/25			N/A
2022	2024	1,567,748,360	34.3/32.46 <sup>3</sup>	53,812,716	99.2%	0.8%	0.8%	\$403,642
2021	2023	1,557,996,030	32.5/32.46 <sup>3</sup>	50,925,640	99.5%	0.5%	0.3%	154,076
2020	2022	1,506,548,300	31.60	48,126,579	99.3%	0.7%	0.0%	10,157
2019	2021	1,431,102,139	32.60	46,251,148	99.2%	0.8%	0.0%	7,205
2018	2020	1,414,311,900	32.60	46,435,907	99.2%	0.8%	0.0%	1,713
2017	2019	1,385,168,591	31.70	44,342,640	99.4%	0.6%	0.0%	1,666
2016	2018	1,354,182,434	31.70	43,371,144	99.5%	0.5%	0.0%	1,666
2015	2017	1,328,274,057	30.50	40,882,815	99.4%	0.6%	0.0%	1,540

<sup>1</sup> Mill rate for Real estate and Personal Property was levied at 37.10 mills; mill rate for Motor Vehicles was levied at 32.46 mills.

<sup>2</sup> Mill rate for Real estate and Personal Property was levied at 36.00 mills; mill rate for Motor Vehicles was levied at 32.46 mills.

<sup>3</sup> Mill rate for Real estate and Personal Property was levied at 34.30 mills; mill rate for Motor Vehicles was levied at 32.46 mills.

Source: Assessor's Office, Town of Ellington.



### TEN LARGEST TAXPAYERS<sup>1</sup>

<b>Business-Name</b>	<b>Nature Of Business</b>	<b>Assessment Valuation as 10/1/2024</b>	<b>Rank</b>	<b>Percent of Total</b>
Deer Valley LLC.....	Apartments.....	\$ 34,095,350	1	2.22%
Autumn Chase LLC.....	Apartments.....	33,563,740	2	2.18%
Deer Valley North LLC.....	Apartments.....	30,146,960	3	1.96%
Eversource.....	Utility.....	26,304,650	4	1.71%
Ellington Cornfield Association LLC	Apartments.....	14,006,180	5	0.91%
Arji Ellington LLC.....	Real Estate.....	13,905,440	6	0.90%
Connecticut Water Company.....	Utility.....	9,911,660	7	0.64%
Oakridge Dairy LLC.....	Dairy Farm.....	8,656,500	8	0.56%
West Road Limited Partnership.....	Real Estate.....	8,218,460	9	0.53%
Natural Country Farms Inc.....	Juice Company.....	7,864,230	10	0.51%
<b>Total</b>		<b>\$186,673,170</b>		<b>12.14%</b>

<sup>1</sup> Based on a 10/1/24 Net Taxable Grand List of \$1,537,862,310.  
Source: Assessor's Office, Town of Ellington.

### EQUALIZED NET GRAND LIST

<b>Grand List of 10/1</b>	<b>Equalized Net Grand List</b>	<b>% Growth</b>
2023	\$3,176,962,470	6.55%
2022	2,981,636,201	7.88%
2021	2,763,937,622	28.71%
2020	2,147,498,040	0.79%
2019	2,130,763,585	2.79%
2018	2,072,861,393	3.27%
2017	2,007,169,946	1.37%
2016	1,980,074,302	4.35%
2015	1,897,496,889	0.86%
2014	1,881,408,137	-0.05%

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

## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### BASIS OF ACCOUNTING

#### Accounting Policies

The financial statements of the Town of Ellington, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

*Management's Discussion and Analysis ("MD&A")* – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

*Government-wide financial statements* – consists of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

*Fund financial statements* – provides information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

*Required supplementary information* – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A "Basic Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Ellington.

### BUDGETARY PROCEDURES

The annual budget is prepared by the Board of Finance and employed for management control of the General Fund.

The budget is adopted via Town Meeting. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval.
- The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects as needed during the year.

- Additional appropriations of less than one half of one percent of the total annual budget must be approved by the Board of Finance and Board of Selectmen. Appropriations in excess of one half of one percent of the total annual budget must be approved at Town Meeting.

The Town's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the Town's.

Section 4-66l(h) of the Connecticut General Statutes (the "Act"), as amended, reduces a municipality's revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality's revenue sharing grant the Act is sometimes popularly referred to as imposing a "spending cap". Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality's percentage growth in spending 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. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement 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; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 45 mills. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

For fiscal years ending June 30, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants. For fiscal year ending June 30, 2025 the Town did not receive any municipal revenue sharing grants.

## **ANNUAL AUDIT**

Pursuant to 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 audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town of Ellington is in full compliance with said provisions. For the fiscal year ended June 30, 2024, the financial statements of the Town were audited by the firm of CliftonLarsonAllen LLP, West Hartford, Connecticut.

## **PENSION PLANS**

### ***Defined Contribution Money Purchase Plan***

The Town provides retirement benefits for full-time and eligible part-time employees of the Town through a noncontributory money purchase plan. Eligible employees are able to participate from the date of employment. The Town's contribution for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of active employees. In addition, the Town matches employee contributions up to an additional 4.64% of the employee's salary.

The Town's contribution amounted to \$598,285 the fiscal year ended June 30, 2025. All monies contributed are used to purchase insurance contracts on-behalf of the participants, therefore, the assets of the plan are not included in the Town's basic financial statements.

### ***Deferred Compensation Plan***

The Town offers its employees a deferred compensation plan (the “Plan”) in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. Employee deferrals amounted to \$455,181 for the year ended June 30, 2025. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the Plan are not included in the Town’s basic financial statements.

### ***Volunteer Firefighters’ Length of Service Award Program***

The Town sponsors a single-employer defined benefit Length of Service Award Program (“LOSAP”) for active volunteer firefighters of the Crystal Lake Fire Department and the Ellington Fire Department. The program was established pursuant to Connecticut General Statutes and provides municipality-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

Active volunteer firefighters who have reached the age of 17 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program’s entitlement age of 65.

The Town has obtained an actuarial valuation as of August 1, 2022:

<b>Actuarial Valuation Date</b>	<b>Actuarial Determined Contribution (ADC)</b>	<b>Annual Contribution</b>	<b>% of ADEC Contributed</b>
<i>LOSAP</i>			
2021	86,968	214,977	247.19%
2022	95,715	86,716	90.60%
2023	55,918	86,968	155.53%
2024	49,152	189,371	385.28%
2025	54,594	0	0.00%

The Town implemented GASB Statement No. 67. The following net pension liability of the LOSAP at July 31, 2023, determined by an actuarial valuation as of August 1, 2022 and based on actuarial assumptions as of that date, were as follows:

<b>Volunteer Firefighters' Length of Service Award Program ("LOSAP")</b>					
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total LOSAP liability	\$2,247,880	\$2,254,805	\$1,986,961	\$2,265,570	\$2,187,720
Plan fiduciary net position	1,351,092	1,408,369	1,268,308	1,240,380	1,289,865
Net LOSAP liability	<u>896,788</u>	<u>846,436</u>	<u>718,653</u>	<u>1,025,190</u>	<u>897,855</u>
Plan fiduciary net position as a % of total LOSAP liability	60.1%	62.5%	63.8%	54.7%	59.0%

The following presents the net pension liability, calculated using the discount rate of 3.95% as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.95%) or 1-percentage-point higher (4.95%) than the current rate.

	Fiscal year ending June 30, 2025		
	Current		
	1% Decrease	Discount Rate	1% Increase
	2.95%	3.95%	4.95%
LOSAP:			
Net LOSAP Liability	\$ 1,236,000	\$ 896,788	\$ 622,000

### *Municipal Employees' Retirement System*

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

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

### *Connecticut State Teachers' Retirement System*

The faculty and professional personnel of the Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees retirement system described in the Connecticut General Statutes Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The financial report for this may be obtained through the State Teachers' Retirement Board.

*Please refer to the Town of Ellington's "Notes to Financial Statements", Note 4, in "Appendix A" hereto for further information on the Town's Pension Plans.*

## **OTHER POST-EMPLOYMENT BENEFITS**

### *Town and Board of Education Program*

The Town provides eligible retirees and their spouses with other post-employment benefits ("OPEB program") for medical and dental coverage through the Town's group health insurance plans, which cover both active and retired members in a single employer OPEB defined benefit plan. Benefit and contribution provisions are established through negotiations between the Town and the union representing Town employees, and are negotiated between three-year and five-year bargaining periods. The Town currently pays for post-employment health care benefits on a pay-as-you-go basis.

The Town implemented GASB Statement No. 74. The following net OPEB liability of the Town OPEB Plan at June 30, 2024, determined by an actuarial valuation as of July 1, 2022 and based on actuarial assumptions as of that date, were as follows:

	Current		
	1% Decrease	Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Town's Net OPEB Liability			
as of June 30, 2024	\$ 5,582,018	\$ 4,921,069	\$ 4,372,102

### *Connecticut State Teachers' Retirement System*

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP"), 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 Statutes (“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. These reports can be obtained from the Connecticut Office of the State Comptroller or at [www.ct.gov/trb](http://www.ct.gov/trb).

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

***Please refer to the Town of Ellington’s “Notes to Financial Statements”, Note 5, in “Appendix A” hereto for further information on the Town’s Other Post-Employment Benefits.***

## **INVESTMENT PRACTICES**

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

The Town’s investment practices are in compliance with the Connecticut General Statutes.

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

	<b>Fiscal Year 2023-24</b>			<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>
	<b>Final Budget</b>	<b>Actual Operations</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Unaudited Estimates</b>	<b>Adopted Budget</b>
<b>REVENUES</b>					
Property Taxes .....	\$ 53,477,702	\$ 53,879,684	\$ 401,982	\$ 56,173,218	\$ 57,307,974
Intergovernmental .....	11,249,980	11,733,018	483,038	12,203,181	11,975,178
Charges for Services .....	1,641,112	1,819,294	178,182	1,986,481	1,621,057
Investment Income.....	250,000	1,674,757	1,424,757	1,680,007	670,000
WPCA/Debt Retirement.....	-	-	-	90,000	90,000
Other.....	837,032	855,120	18,088	1,051,591	518,013
<b>TOTAL REVENUES .....</b>	<b>67,455,826</b>	<b>69,961,873</b>	<b>2,506,047</b>	<b>73,184,478</b>	<b>72,182,222</b>
<b>EXPENDITURES</b>					
Current:					
General Government .....	2,324,711	2,146,120	178,591	2,237,131	2,340,550
Boards and Agencies.....	128,930	117,862	11,068	131,172	125,156
Public Safety .....	3,664,633	3,539,063	125,570	3,617,553	3,723,921
Public Works.....	5,464,480	5,266,382	198,098	5,369,010	5,622,911
Recreation.....	778,138	719,357	58,781	789,944	844,270
Library.....	779,431	764,542	14,889	765,697	792,619
Human Services.....	909,175	841,863	67,312	891,369	966,403
Town Properties.....	750,214	699,440	50,774	766,427	784,778
Debt Service.....	2,653,243	2,653,243	-	3,144,286	3,165,042
Other.....	4,158,341	3,876,218	282,123	3,933,239	4,733,073
Education.....	45,083,347	45,083,347	-	46,715,160	47,921,412
Capital Outlays.....	1,844,928	1,844,928	-	2,181,199	1,744,642
<b>TOTAL EXPENDITURES .....</b>	<b>68,539,571</b>	<b>67,552,365</b>	<b>987,206</b>	<b>70,542,187</b>	<b>72,764,777</b>
Excess (deficiency) of revenues over expenditures .....	(1,083,745)	2,409,508	3,493,253	2,642,291	(582,555)
Other financing sources (uses):					
Appropriation of fund balance.....	1,083,745	-	(1,083,745)	-	582,555
Transfers In .....	-	-	-	-	-
Transfers Out .....	-	-	-	-	-
Total Other financing sources (uses) ..	1,083,745	-	(1,083,745)	-	582,555
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .....</b>	<b>\$ -</b>	<b>\$ 2,409,508</b>	<b>\$ 2,409,508</b>	<b>\$ 2,642,291</b>	<b>\$ -</b>

Source: Annual Audited Financial Statements 2024; Unaudited financials 2025; Adopted Budget 2026.

**GENERAL FUND BALANCE SHEET**  
Summary of Audited Assets and Liabilities  
(GAAP Basis)

<b>FISCAL YEAR ENDED:</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>					
Cash and cash equivalents .....	\$23,337,860	\$17,996,064	\$17,006,045	\$19,510,303	\$13,911,146
Investments.....		-	-	-	-
Receivables.....	850,600	443,660	680,409	659,223	1,051,095
Due from Other Funds.....		4,715,661	2,155,436	3,416,101	4,805,436
Prepaid and Other Assets.....		-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$24,188,460</b>	<b>\$23,155,385</b>	<b>\$19,841,890</b>	<b>\$23,585,627</b>	<b>\$19,767,677</b>
<b>LIABILITIES</b>					
Accounts payable and Accrued Liabilities .....	\$ 2,229,821	\$ 1,433,576	\$ 603,536	\$ 2,020,397	\$ 2,771,034
Due to Other Funds.....	1,921,131	5,456,293	4,488,457	5,946,138	2,209,088
Unearned Revenue .....		-	-	67,175	29,912
<b>Total Liabilities .....</b>	<b>4,150,952</b>	<b>6,889,869</b>	<b>5,091,993</b>	<b>8,033,710</b>	<b>5,010,034</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes .....	479,497	208,879	467,408	399,562	452,023
Unavailable Revenue - Loans.....		-	-	-	69,328
Unavailable Revenue - Loans.....		-	-	5,823	-
<b>TOTAL DEFERRED INFLOWS.....</b>	<b>479,497</b>	<b>208,879</b>	<b>467,408</b>	<b>405,385</b>	<b>521,351</b>
<b>FUND BALANCE</b>					
Nonspendable .....		-	-	-	-
Restricted .....		-	-	-	-
Committed .....	10,383,494	9,050,506	8,888,301	8,621,323	9,008,378
Assigned .....	744,538	1,130,571	1,765,712	2,970,608	1,824,156
Unassigned .....	8,429,979	5,875,560	3,628,476	3,554,601	3,403,758
<b>TOTAL FUND BALANCE.....</b>	<b>19,558,011</b>	<b>16,056,637</b>	<b>14,282,489</b>	<b>15,146,532</b>	<b>14,236,292</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$24,188,460</b>	<b>\$23,155,385</b>	<b>\$19,841,890</b>	<b>\$23,585,627</b>	<b>\$19,767,677</b>

Source: Annual Audited Financial Statements 2020-2024.



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

<b>FISCAL YEAR ENDED:</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>					
Property Taxes .....	\$53,879,684	\$51,053,057	\$48,203,657	\$47,391,833	\$46,433,841
Intergovernmental .....	20,385,923	19,183,521	17,586,867	17,704,158	18,493,085
Charges for Services .....	1,813,858	1,840,814	1,797,216	1,495,801	1,985,263
Investment Income.....	1,675,312	1,049,469	67,183	20,175	261,446
Other.....	114,379	127,851	351,574	185,776	107,714
Capital Leases.....		376,266	373,342	624,424	396,928
Transfers In.....	624,362	-	51,878	3,593,324 <sup>1</sup>	
<b>Total Revenues &amp; Transfers In .....</b>	<b>\$78,493,518</b>	<b>\$73,630,978</b>	<b>\$68,431,717</b>	<b>\$71,015,491</b>	<b>\$67,678,277</b>
<b>EXPENDITURES</b>					
General Government .....	2,157,902	2,093,415	1,665,855	1,639,462	1,483,544
Boards & Agencies.....	120,821	110,608	90,278	111,711	101,470
Public Safety .....	3,559,589	3,385,255	3,084,454	3,135,802	3,124,346
Public Works.....	5,234,387	5,030,285	4,852,726	4,098,906	4,666,249
Recreation.....	720,414	629,488	504,709	388,628	435,600
Library.....	769,781	730,788	704,816	675,577	677,084
Human Services.....	842,858	797,680	710,084	711,627	698,630
Town Properties.....	683,927	690,474	839,021	814,963	749,294
Education.....	53,550,441	50,828,018	48,496,520	46,478,424	45,076,799
Other.....	3,476,223	3,291,806	3,244,047	2,974,691	3,076,672
Debt Service.....	2,117,238	2,683,529	2,738,273	2,828,798	2,594,096
Capital Outlay.....	1,607,914	1,585,484	2,322,557	2,413,735	2,841,076
Transfers Out.....	150,649	-	42,420	3,832,927 <sup>2</sup>	33,500
<b>Total Expenditures &amp; Transfers Out .....</b>	<b>74,992,144</b>	<b>71,856,830</b>	<b>69,295,760</b>	<b>70,105,251</b>	<b>65,558,360</b>
Results from Operations.....	\$3,501,374	1,774,148	(864,043)	910,240	2,119,917
<b>Fund Balance - July 1 .....</b>	<b>16,056,637</b>	<b>14,282,489</b>	<b>15,146,532</b>	<b>14,236,292</b>	<b>12,116,375</b>
<b>Fund Balance - June 30 .....</b>	<b>\$ 19,558,011</b>	<b>\$ 16,056,637</b>	<b>\$ 14,282,489</b>	<b>\$ 15,146,532</b>	<b>\$ 14,236,292</b>

<sup>1</sup> Includes \$3,200,000 in refunding bonds and \$393,324 in bond premium.

<sup>2</sup> Includes \$3,533,527 in refunded bond escrow.

Source: Annual Audited Financial Statements 2020-2024.

**ANALYSIS OF GENERAL FUND EQUITY  
(GAAP Basis)**

<b>FISCAL YEAR ENDED:</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Nonspendable.....		\$ -	\$ -	\$ -	\$ -
Committed.....	10,383,494	9,050,506	8,888,301	8,621,323	9,008,378
Assigned.....	744,538	1,130,571	1,765,712	2,970,608	1,824,156
Unassigned.....	8,429,979	5,875,560	3,628,476	3,554,601	3,403,758
<b>Total Fund Balance.....</b>	<b>19,558,011</b>	<b>16,056,637</b>	<b>14,282,489</b>	<b>15,146,532</b>	<b>14,236,292</b>

<b>Unassigned Fund Balance As % of</b>					
<b>Total Expenditures.....</b>	<b>11.24%</b>	<b>8.18%</b>	<b>5.24%</b>	<b>5.07%</b>	<b>5.19%</b>

Source: Annual Audited Financial Statements 2020-2024.

**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Property Tax Revenues</b>	<b>Property Tax Revenues as a Percentage of General Fund Revenues</b>
2026 <sup>1</sup>	\$72,182,222	\$57,307,974	79.4 %
2025 <sup>2</sup>	73,184,478	56,173,218	76.8
2024	78,493,518	53,879,684	68.6
2023	73,630,978	51,053,057	69.3
2022	68,431,717	48,203,657	70.4
2021	71,015,491	47,391,833	66.7
2020	67,678,277	46,433,841	68.6

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Intergovernmental Revenue</b>	<b>Aid as a Percentage of General Fund Revenues</b>
2026 <sup>1</sup>	\$72,182,222	\$11,975,178	16.6 %
2025 <sup>2</sup>	73,184,478	12,203,181	16.7
2024	78,493,518	20,385,923	26.0
2023	73,630,978	19,183,521	26.1
2022	68,431,717	17,586,867	25.7
2021	71,015,491	17,704,158	24.9
2020	67,678,277	18,493,085	27.3

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

## EXPENDITURES

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>General Government</b>	<b>Public Works</b>	<b>Debt Service</b>
2026 <sup>1</sup>	65.9%	5.1%	3.4%	7.7%	4.3%
2025 <sup>2</sup>	66.4%	5.1%	3.4%	7.6%	4.5%
2024	71.4%	4.7%	3.0%	7.0%	2.8%
2023	70.7%	4.7%	3.1%	7.0%	3.7%
2022	70.0%	4.5%	2.5%	7.0%	4.0%
2021	66.3%	4.5%	2.5%	5.8%	4.0%
2020	68.8%	4.8%	2.4%	7.1%	4.0%

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimates.

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## VI. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS

As of September 23, 2025

(Pro Forma)

<u>Long-Term Debt</u>					
<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding As of 9/23/25</u>	<u>Fiscal Year Maturity</u>
<u>General Purpose</u>					
6/18/2015	General Purpose.....	2.00-4.00	1,230,000	600,000	2035
6/27/2017	General Purpose.....	2.06	1,375,000	270,000	2027
6/22/2021	General Purpose New Money.....	3.00-4.00	125,000	75,000	2041
6/22/2021	General Purpose Refunding.....	3.00-4.00	2,979,000	1,320,000	2033
9/24/2024	General Purpose .....	4.00-5.00	1,522,500	1,445,000	2045
			<u>\$7,231,500</u>	<u>\$3,710,000</u>	
<u>Schools</u>					
6/18/2015	School Improvements.....	2.00-4.00	9,400,000	4,700,000	2035
6/22/2021	School Improvements New Money.....	3.00-4.00	2,020,000	1,520,000	2041
6/22/2021	School Refunding.....	3.00-4.00	226,000	140,000	2033
9/24/2024	School Improvements.....	4.00-5.00	5,477,500	5,205,000	2045
9/23/2025	School Improvements (This Issue).....	TBD	12,450,000	12,450,000	2046
			<u>\$29,573,500</u>	<u>\$24,015,000</u>	
<u>Sewers</u>					
06/22/21	Sewers Refunding.....	3.00-4.00	555,000	90,000	2027
			<u>\$555,000</u>	<u>\$90,000</u>	
<b>Total Long-Term Debt.....</b>			<b><u>\$37,360,000</u></b>	<b><u>\$27,815,000</u></b>	

### Short-Term Debt:

<u>Project</u>	<u>Amount Authorized</u>	<u>Rate %</u>	<u>The Notes Due: 9/22/26</u>
Windermere Building Project.....	\$74,600,000		\$ 15,250,000
Total.....			<u>\$ 15,250,000</u>

**Other Long-Term Debt:**

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The Town entered into an agreement with the Town of Vernon for the upgrade and expansion of its existing wastewater treatment facility in 1996 funded through Clean Water Fund (CWF). The treatment facility accepts sanitary wastes from Vernon, as well as portions of the surrounding towns of Ellington, Tolland, Manchester and South Windsor in accordance with the provisions of inter-municipal sewer agreements between each of those towns and Vernon. An amended September 15, 2017 agreement was entered into between the Town of Ellington and Vernon. Pursuant to the 2017 agreement, Ellington has paid its pro rata share of the 1997 capital cost of the sewer treatment plant upgrade based upon its reserved flow capacity since the inception of the CWF loan to Vernon, and paid the sum of \$683,354 in FY2021, \$774,970 in FY2022, and then \$584,771 thereafter annually for the balance of the 2017 CWF loan term, which ends in July 2040.

**Capital Leases Payable (principal only)<sup>1</sup>:**

2026	\$90,052
2027	65,758
2028	5,988
2029	6,386
2030-2034	38,540
2035-2039	40,005
	<hr/>
	\$246,729

<sup>1</sup> As of September 23, 2025

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State's share of the eligible construction costs. The State grant 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 its share of project costs.

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# ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1, 2</sup>

As of September 23, 2025

(Pro Forma)

Fiscal Year	Bonds					
Ending	General Obligation Bonds		This Issue			Percent
30-Jun	Principal	Interest	Principal	Interest	Total	Retired
2026	\$ 665,000	\$ 379,362	\$ -	\$ -	1,044,362	2.39%
2027	1,400,000	544,456	625,000	-	2,569,456	9.67%
2028	1,175,000	494,675	625,000	-	2,294,675	16.14%
2029	1,175,000	449,475	625,000	-	2,249,475	22.61%
2030	1,175,000	403,613	625,000	-	2,203,613	29.09%
2031	1,170,000	357,188	625,000	-	2,152,188	35.54%
2032	1,170,000	311,650	625,000	-	2,106,650	41.99%
2033	1,160,000	267,050	625,000	-	2,052,050	48.41%
2034	1,160,000	224,350	625,000	-	2,009,350	54.83%
2035	985,000	186,025	625,000	-	1,796,025	60.61%
2036	455,000	150,325	625,000	-	1,230,325	64.50%
2037	455,000	133,175	620,000	-	1,208,175	68.36%
2038	455,000	116,025	620,000	-	1,191,025	72.23%
2039	455,000	98,875	620,000	-	1,173,875	76.09%
2040	455,000	81,725	620,000	-	1,156,725	79.96%
2041	455,000	64,575	620,000	-	1,139,575	83.82%
2042	350,000	49,000	620,000	-	1,019,000	87.31%
2043	350,000	35,000	620,000	-	1,005,000	90.80%
2044	350,000	21,000	620,000	-	991,000	94.28%
2045	350,000	7,000	620,000	-	977,000	97.77%
2046	-	-	620,000	-	620,000	100.00%
Total	\$15,365,000	\$ 4,374,543	\$12,450,000	\$ -	\$32,189,543	

<sup>1</sup> Excludes capital lease obligations.

<sup>2</sup> Excludes principal payments of \$735,000 and interest payments of \$216,675 made in the current Fiscal Year 2025-26.

## OVERLAPPING/UNDERLYING DEBT

Crystal Lake Fire District is a taxing district in the Town. The Fire District has no outstanding debt. The Town of Ellington does not have overlapping or underlying debt.

**DEBT STATEMENT**<sup>1</sup>  
As of September 23, 2025  
(Pro Forma)

**Long-Term Indebtedness**

General Purpose <i>(includes this issue)</i> .....	\$ 3,710,000
Schools <i>(includes this issue)</i> .....	24,015,000
Sewers.....	90,000
<b>Total Long-Term Indebtedness</b> .....	<b>27,815,000</b>

**Short-Term Indebtedness *(includes this issue)***

Note payable <i>(this issue)</i> .....	15,250,000
<b>Total Short-Term Indebtedness</b> .....	<b>15,250,000</b>

<b>Total Direct Indebtedness</b> .....	<b>43,065,000</b>
--	-------------------

**Exclusions:**

Less:	
Sewer Assessments.....	218,179 <sup>2</sup>

<b>Net Direct Indebtedness</b> .....	<b>42,846,821</b>
--------------------------------------	-------------------

<b>Overlapping/Underlying Indebtedness</b> .....	<b>-</b>
--	----------

<b>Total Overall Net Direct Indebtedness</b> .....	<b>\$ 42,846,821</b>
--	----------------------

<sup>1</sup> Excludes capital lease obligations.

<sup>2</sup> Fiscal Year ended June 30, 2024.

**CURRENT DEBT RATIOS**

September 23, 2025  
(Pro Forma)

Population <sup>1</sup> .....	16,700
Net Taxable Grand List (10/1/24).....	\$1,537,862,310
Estimated Full Value.....	\$2,196,946,157
Equalized Net Taxable Grand List (10/1/23)....	\$3,176,962,470
Per Capita Income (2023).....	\$55,621

	<b>Total Direct debt \$43,065,000</b>	<b>Total Net Direct Debt \$42,846,821</b>	<b>Total Overall Net Debt \$42,846,821</b>
Per Capita.....	\$2,578.74	\$2,565.68	\$2,565.68
Ratio to Net Taxable Grand List.....	2.80%	2.79%	2.79%
Ratio to Estimated Full Value.....	1.96%	1.95%	1.95%
Ratio to Equalized Net Taxable Grand List.....	1.36%	1.35%	1.35%
Debt per Capita to Money Income per Capita.....	4.64%	4.61%	4.61%

<sup>1</sup> U.S. Census Bureau, 2019-2023 American Community Survey.

## **BOND AUTHORIZATION**

The Town of Ellington has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the procedural requirements of the Town Charter. The issuance of bonds and notes is authorized by the Town Meeting, at which all electors and certain non-resident property owners can vote upon the recommendations of the Board of Finance.

## **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 temporary notes when they become due and payable and the legislative body schedules principal reductions no later than 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 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of estimated net project cost (CGS Sec. 7-378a) subject to the exception set forth in CGS Sec. 10-287f. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years, or pursuant to Public Act No. 02-114, effective October 1, 2002, eight years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the 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 fifteen 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 (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen 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).

## **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
Pension Obligation 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 Connecticut General Statutes 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) for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; 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 an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency 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 pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in amount sufficient, together with such investment earnings thereon as are



to be retained in said escrow, to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

**STATEMENT OF STATUTORY DEBT LIMITATION**  
As of September 23, 2025

Total Receipts for fiscal year ended June 30, 2024 (including interest and lien fees)<sup>1</sup> \$ 50,966,140

State Reimbursement for Revenue Loss on:

Tax Relief for Veterans & Disabled	-
Base for Establishing Debt Limit	\$ 50,966,140

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$114,673,815					
(4.50 times base).....		\$229,347,630				
(3.75 times base).....			\$191,123,025			
(3.25 times base).....				\$165,639,955		
(3.00 times base).....					\$152,898,420	
(7.00 times base).....						\$356,762,980
<b>Indebtedness</b>						
Bonds Payable <i>(Includes this issue)</i> ..	\$ 3,710,000	\$ 24,015,000	\$ 90,000	\$ -	\$ -	\$ 27,815,000
Notes <i>(This issue)</i> .....	-	15,250,000	-	-	-	15,250,000
Authorized but						
Unissued Debt.....	1,000	35,951,882	-	-	-	35,952,882
Total Bonded Indebtedness.....	3,711,000	75,216,882	90,000	-	-	79,017,882
Less Sewer Assessments.....	-	-	218,179 <sup>2</sup>	-	-	218,179
Net Bonded Indebtedness.....	3,711,000	75,216,882	(128,179)	-	-	78,799,703
<b>Excess of Limit Over</b>						
<b>Outstanding and</b>						
<b>Authorized Debt.....</b>	<b>\$110,962,815</b>	<b>\$154,130,748</b>	<b>\$191,251,204</b>	<b>\$165,639,955</b>	<b>\$152,898,420</b>	<b>\$277,963,277</b>

<sup>1</sup> Does not include collection or debt of Crystal Lake Fire District, a coterminous municipality of the Town.

<sup>2</sup> Represents Sewer Assessment receivables as of June 30, 2024.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$356,762,980.

**AUTHORIZED BUT UNISSUED DEBT**  
As of September 24, 2024  
(Pro Forma)

Project	Amount of Total Authorization	Prior Debt Issued	Paydowns / Grants / Other Funds	Notes Due 9/23/2025	Additions/ (Reductions)	Bonds This Issue	Notes This Issue	Authorized But Unissued
Windermere Building Project.....	\$ 74,600,000	\$ 4,911,038 <sup>2</sup>	\$12,774,330	\$21,745,000	\$ 5,955,000	\$12,450,000	\$15,250,000	\$29,214,632 <sup>1</sup>
School HVAC Project.....	6,736,250	-	-	-	-	-	-	6,736,250
Athletic Facilities Lighting Project.	3,047,000	3,045,000	-	-	-	-	-	2,000
Total All Projects	<u>\$ 84,383,250</u>	<u>\$ 7,956,038</u>	<u>\$12,774,330</u>	<u>\$21,745,000</u>	<u>\$ 5,955,000</u>	<u>\$12,450,000</u>	<u>\$15,250,000</u>	<u>\$35,952,882</u>

<sup>1</sup> It is anticipated that this project will qualify for State of Connecticut School Construction Grants of approximately \$52,220,000.

<sup>2</sup> Includes \$956,038 previously issued bond proceeds reallocated from the Crystal Lake/Windermere Project to the Windermere Building Project.

**PRINCIPAL AMOUNT OF OUTSTANDING DEBT <sup>1</sup>**

<b>Long-Term Debt</b>	<b>2025 Est.</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Bonds.....	\$16,100,000	\$10,150,000	\$11,505,000	\$13,255,000	\$15,065,000	\$14,935,000
<b>Short-Term Debt</b>						
Bond Anticipation Notes.....	21,745,000	22,000,000	0	0	0	0
<b>Totals.....</b>	<b>\$37,845,000</b>	<b>\$32,150,000</b>	<b>\$11,505,000</b>	<b>\$13,255,000</b>	<b>\$15,065,000</b>	<b>\$14,935,000</b>

<sup>1</sup> Excludes capital lease obligations.

**RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME**

<b>Fiscal Year</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Net Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2025 Est.	\$1,561,031,660	\$2,230,045,229	\$37,845,000	2.42%	1.70%	16,700	\$2,266.17	4.07%
2024	1,567,748,360	2,239,640,514	32,150,000	2.05%	1.44%	16,700	1,925.15	3.46%
2023	1,557,996,030	2,225,708,614	11,505,000	0.74%	0.52%	16,700	688.92	1.24%
2022	1,506,548,300	2,152,211,857	13,255,000	0.88%	0.62%	16,558	800.52	1.44%
2021	1,431,102,139	2,044,431,627	15,065,000	1.05%	0.74%	16,339	922.03	1.66%
2020	1,414,311,900	2,020,445,571	14,935,000	1.06%	0.74%	16,426	909.23	1.63%

<sup>1</sup> Excludes State of Connecticut School Construction Grants, actual and estimated, due to the Town of Ellington over the life of the bond issues.

<sup>2</sup> U.S. Census Bureau 2019-2023 American Community Survey.

<sup>3</sup> Income per Capita: \$55,621: U.S. Census Bureau, 2019-2023 American Community Survey.

**THE TOWN OF ELLINGTON HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

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## **VII. LEGAL AND OTHER LITIGATION**

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### **LITIGATION**

The Town Attorney advised that the Town of Ellington, Connecticut, its officers, employees, boards and commissions are named defendants in a few lawsuits. With regard to these pending lawsuits, it is the Town Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

### **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 Bonds and 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. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds and the Notes is contingent upon the issuance and delivery of the Bonds and the Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regards to the investment of Bond and Note proceeds.

### **TRANSCRIPT AND CLOSING DOCUMENTS**

Upon the delivery of the Bonds and 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 of the Bonds and the Notes no litigation is pending or threatened affecting the validity of the Bonds and 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 Finance Officer/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 the bids were accepted, 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 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. Receipts for the purchase price of the Bonds and the Notes;
4. The approving opinions of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut substantially in the forms attached hereto as Appendices B and C;
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially in the forms attached hereto as Appendices D and E; and
6. The Town has prepared a Preliminary Official Statement for the Bonds and the Notes which is dated August 29, 2025. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(i), but it is subject to revision or amendment. The Town will make available to each winning bidder a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening.

A transcript of the proceedings taken by the Town in authorizing the Bonds and the Notes will be kept in file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

## CONCLUDING STATEMENT

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

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

### TOWN OF ELLINGTON, CONNECTICUT

By: \_\_\_\_\_  
Lori L. Spielman, *First Selectman*

By: \_\_\_\_\_  
Tiffany L. Pignataro, CPA, *Finance Officer/Treasurer*

September \_\_\_, 2025

## **APPENDIX A - BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Appendix A - Basic Financial Statements - is taken from the Annual Comprehensive Financial Report of the Town of Ellington for the Fiscal Year ended 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 Director of Finance, Town of Ellington, Ellington, Connecticut.



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Ellington, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2024, (except for the pension trust fund, for which the year end was July 31, 2023) and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of June 30, 2024, (except for the pension trust fund, for which the year end was July 31, 2023) and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

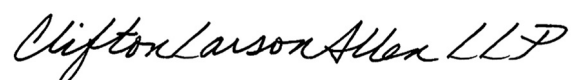
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024, on our consideration of the Town of Ellington, 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 Ellington, 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 Ellington, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
November 5, 2024



**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024.

***FINANCIAL HIGHLIGHTS***

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$109,582,036 (net position). Of this amount, \$18,066,893 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net position for the year ended June 30, 2024 amounted to an increase of \$17,936,976.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$24,282,222, an increase of \$572,528 in comparison with the prior year.
- At the end of the current fiscal year, the total fund balance of the Town's General Fund was \$19,558,011, an increase of \$3,501,374 in comparison with the prior year.
- The Town's total long-term debt decreased by \$(1,569,309) or 13.2% due to scheduled principal repayments on general obligation bonds, direct placement notes payable arrangements and lease arrangements.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

**Government-wide Financial Statements**

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

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

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Government-wide Financial Statements (Continued)**

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

Both government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, recreation, library, human services and education. The business-type activities of the Town include sewer and solid waste activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, ARPA Fund, Education Grants Fund, and Windermere School Addition/Renovation Fund, all of which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

**Proprietary Funds**

The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and solid waste disposal operations. Internal service funds are used for the financing of goods and services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis. The Town uses internal service funds to account for the Board of Education's medical and dental self-insurance funds.

The Town maintains four individual enterprise funds and two individual internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered major funds. Data from the other two enterprise funds are combined into a single, aggregated presentation. Data from the two internal service funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

**Fiduciary Funds**

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

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

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 79 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 80 through 150 of this report.

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

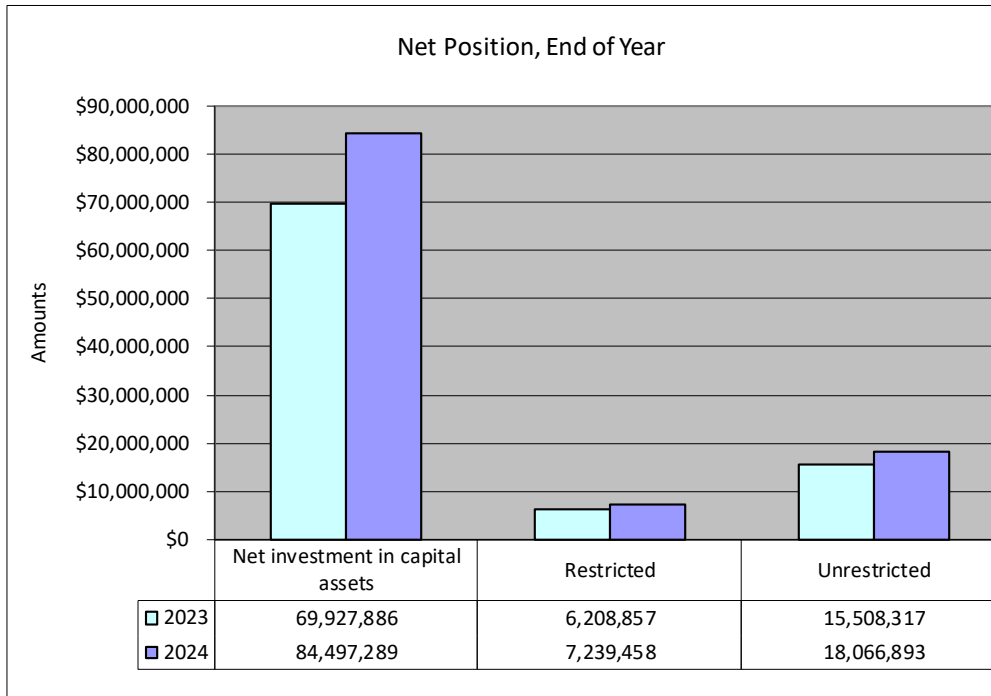
Over time, net position may serve as one measure of a government's financial position. Total net position (governmental and business-type activities combined) of the Town totaled \$109,582,036 and \$91,645,060 as of June 30, 2024 and 2023, respectively, and are summarized below.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current Assets	\$ 56,461,803	\$ 32,744,687	\$ 11,920,151	\$ 11,746,894	\$ 68,381,954	\$ 44,491,581
Capital Assets, Net of Accumulated Depreciation	87,469,085	74,218,851	8,923,688	8,704,677	96,392,773	82,923,528
Total Assets	143,930,888	106,963,538	20,843,839	20,451,571	164,774,727	127,415,109
<b>Deferred Outflows of Resources</b>	4,734,964	4,782,338	-	-	4,734,964	4,782,338
<b>Liabilities:</b>						
Current Liabilities	31,531,279	10,251,090	860,460	781,661	32,391,739	11,032,751
Long-Term Liabilities						
Outstanding	25,126,137	26,528,775	305,824	402,128	25,431,961	26,930,903
Total Liabilities	56,657,416	36,779,865	1,166,284	1,183,789	57,823,700	37,963,654
<b>Deferred Inflows of Resources</b>	2,103,955	2,588,733	-	-	2,103,955	2,588,733
<b>Net Position:</b>						
Net Investments in Capital Assets	75,742,986	61,724,901	8,532,699	8,202,985	84,275,685	69,927,886
Restricted	7,239,458	6,208,857	-	-	7,239,458	6,208,857
Unrestricted	6,922,037	4,443,520	11,144,856	11,064,797	18,066,893	15,508,317
Total Net Position	<u>\$ 89,904,481</u>	<u>\$ 72,377,278</u>	<u>\$ 19,677,555</u>	<u>\$ 19,267,782</u>	<u>\$ 109,582,036</u>	<u>\$ 91,645,060</u>

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



Net position of the Town is reflected 77.1% in investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of the Town is comprised 6.6% of which is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

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

Overall, net position increased by \$17,936,976 in comparison to the prior year.

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 6,037,053	\$ 5,385,078	\$ 2,894,353	\$ 2,963,294	\$ 8,931,406	\$ 8,348,372
Operating Grants and Contributions	27,121,835	25,246,121	-	-	27,121,835	25,246,121
Capital Grants and Contributions	7,740,086	111,348	-	-	7,740,086	111,348
General Revenues:						
Property Taxes	54,160,167	50,790,898	-	-	54,160,167	50,790,898
Grants not Restricted to Specific Programs	59,292	73,125	-	-	59,292	73,125
Unrestricted Investment Earnings	2,493,813	1,342,273	480,212	327,879	2,974,025	1,670,152
Miscellaneous Revenue	216,776	216,308	-	-	216,776	216,308
Total Revenues	<u>97,829,022</u>	<u>83,165,151</u>	<u>3,374,565</u>	<u>3,291,173</u>	<u>101,203,587</u>	<u>86,456,324</u>
<b>Expenses:</b>						
General Government	4,528,869	4,597,976	-	-	4,528,869	4,597,976
Public Safety	5,058,307	4,932,745	-	-	5,058,307	4,932,745
Public Works	6,724,494	6,604,859	-	-	6,724,494	6,604,859
Recreation	1,111,695	857,538	-	-	1,111,695	857,538
Library	1,368,277	1,257,751	-	-	1,368,277	1,257,751
Human Services	1,208,119	1,326,676	-	-	1,208,119	1,326,676
Education	59,996,367	61,863,136	-	-	59,996,367	61,863,136
Interest Expense	305,691	345,245	-	-	305,691	345,245
Sewer and Solid Waste	-	-	2,964,792	2,628,218	2,964,792	2,628,218
Total Expenses	<u>80,301,819</u>	<u>81,785,926</u>	<u>2,964,792</u>	<u>2,628,218</u>	<u>83,266,611</u>	<u>84,414,144</u>
<b>Change in Net Position</b>	17,527,203	1,379,225	409,773	662,955	17,936,976	2,042,180
Beginning Net Position	<u>72,377,278</u>	<u>70,998,053</u>	<u>19,267,782</u>	<u>18,604,827</u>	<u>91,645,060</u>	<u>89,602,880</u>
<b>Ending Net Position</b>	<u>\$ 89,904,481</u>	<u>\$ 72,377,278</u>	<u>\$ 19,677,555</u>	<u>\$ 19,267,782</u>	<u>\$ 109,582,036</u>	<u>\$ 91,645,060</u>

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

***GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)***

***Changes in Net Position (Continued)***

***Governmental Activities***

Governmental activities increased the Town's net position by \$17,527,203 during fiscal year 2024, compared to a prior year increase of \$409,773.

Overall revenues increased by \$14,663,871 or 17.6% from the prior year. Revenues from operating and capital grants increased by \$9,504,452 mainly due to an increase in capital grants for Windermere school construction. Revenues from charges for services increased by \$651,975 or 12.1%. This increase was mainly due to an increase in the charges for service related to the Ambulance activities, parks and recreation day camp and youth program activity increases, education district and student activities, as well as the charges for service related to the education special revenue activities. Revenues from property taxes increased by \$3,369,269 or 6.6%, which was driven by an overall increase in the taxable grand list.

Overall expenses decreased by \$1,484,107 or 1.8% from the prior year. A decrease of \$1,866,769 in Education which is mainly a result of a decrease year over year for the portion of the State Teachers Retirement and State Teachers Retirement OPEB expenses.

***Business-type Activities***

Business-type activities increased the Town's net position by \$409,773 during fiscal year 2024, compared to a prior year increase of \$662,955.

***FINANCIAL ANALYSIS OF THE TOWN'S FUNDS***

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

***Governmental Funds***

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$24,282,222, an increase of \$572,528 in comparison with the prior year. Of the total governmental fund balances, \$2,690,872 constitutes unassigned fund balance, which is primarily derived from the General Fund. The remainder of the Town's fund balance has been classified as either nonspendable, restricted, committed or assigned, and is not available for other use without authorization from the governing bodies of the Town or external parties.

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)**

**Governmental Funds (Continued)**

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,429,979, while total fund balance was \$19,558,011. In addition to unassigned fund balance, the Town maintains a capital reserve pursuant to its Charter in the amount of \$5,589,946. The remaining General Fund fund balance has been committed or assigned for various other purposes, including \$592,083, which has been assigned for use in the Town's fiscal year 2025 budget.

The fund balance of the Town's General Fund increased by \$3,501,374 in comparison with the prior year. This is due to increased revenues from tax collections, charges for services, grants and contributions and investment earnings.

**ARPA Fund**

The fund balance of the Town's ARPA Fund increased by \$222,933 to \$408,184 due to investment earnings earned in fiscal year 2024.

**Windermere School Addition/Renovation Fund**

The fund balance of the Town's Windermere School Addition/Renovation Fund decreased by \$(2,351,276) to \$(4,226,717) due to ongoing construction costs that will be funded in the future through a combination of grant reimbursements and bonds.

**Proprietary Funds**

Unrestricted net position of the Sewer Authority Fund as of June 30, 2024 totaled \$9,204,762. Unrestricted net position of the Crystal Lake Sewer Fund as of June 30, 2024 totaled \$1,799,915.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for 2024 planned for the utilization of fund balance of \$983,064. The final budget for 2024 included additional appropriations of \$100,681. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$2,409,508. Revenues were \$1,422,302 more than budgeted and expenditures were \$987,206 less than budgeted. The Town recognized a favorable variance in tax collections as the percent of collection ended higher than budgeted, as well as increased revenue to budget in state and federal grants, charges for goods and services, investment earnings and other revenue. This was offset by needing less of an appropriation from fund balance than originally budgeted. Expenditures were generally under budget across all departments, most notably in Town Counsel, Police, General Town Roads, and Parks and Recreation. Final budgetary results also reflected continued funding of the Town's Reserve for Other Post-employment Benefits in the amount of \$100,000.



**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024 totaled \$96,392,773 (net of accumulated depreciation and amortization). This investment in capital assets includes an art collection, land, property development rights, construction in progress, buildings and improvements, machinery, equipment and vehicles, right-to-use assets, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$13,469,245 or 16.24%. The decrease is due to current year depreciation and amortization in the amount of \$4,340,044 offset by current year net capital asset additions of \$17,809,289.

Significant capital asset additions included the following:

- Infrastructure improvements made to various Town roads and sidewalks;
- Construction in Progress related to Windermere School Renovation/Addition, Strawberry Road Bridge, Athletic Lighting Project, Arbor Park Outdoor Fitness, and Vernon Pump Station in the amount of \$15,030,811;
- Property development rights in the amount of \$49,970;
- Parking lot renovations \$422,635;
- Ellington Volunteer Fire Department HVAC Repairs \$139,592;
- Ellington High School Track \$613,878;
- Crystal Lake Fire Department Extrication Tools and Rescue Struts \$112,450.

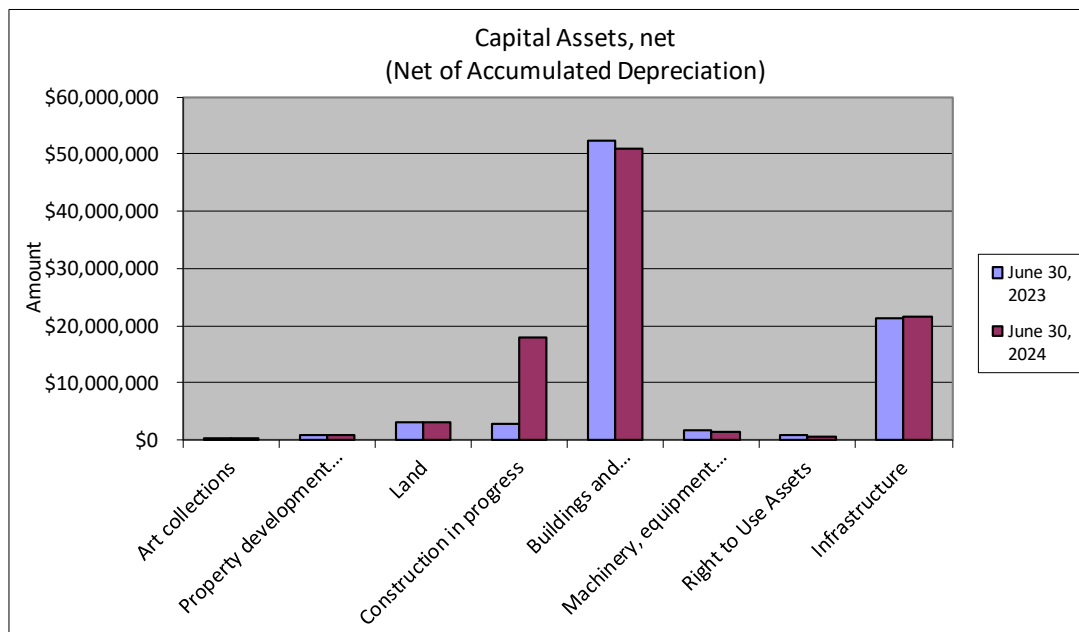
The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Art Collections	\$ 35,598	\$ 35,598	\$ -	\$ -	\$ 35,598	\$ 35,598
Property Development Rights	951,647	901,677	-	-	951,647	901,677
Construction in Progress	17,031,702	2,448,388	811,806	364,309	17,843,508	2,812,697
Land	3,056,666	3,056,666	-	-	3,056,666	3,056,666
Buildings and Improvements	51,056,475	52,277,078	-	-	51,056,475	52,277,078
Machinery, Equipment, and Vehicles	1,278,305	1,637,927	91,497	92,844	1,369,802	1,730,771
Right to Use Assets	465,532	718,595	59,710	79,613	525,242	798,208
Infrastructure	13,593,160	13,142,922	7,960,675	8,167,911	21,553,835	21,310,833
Total	<u>\$ 87,469,085</u>	<u>\$ 74,218,851</u>	<u>\$ 8,923,688</u>	<u>\$ 8,704,677</u>	<u>\$ 96,392,773</u>	<u>\$ 82,923,528</u>

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

***CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)***

***Capital Assets (Continued)***



Additional information on the Town's capital assets can be found in Note 3C to the basic financial statements.

***Long-Term Debt***

At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$10,280,860. This entire amount is comprised of debt backed by the full faith and credit of the Town. In addition, the Town had notes payable from direct borrowings outstanding of \$214,294, which are collateralized by the related capital assets.

The Town's total debt decreased by \$(1,569,309) or 13.2% due to scheduled principal repayments.

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

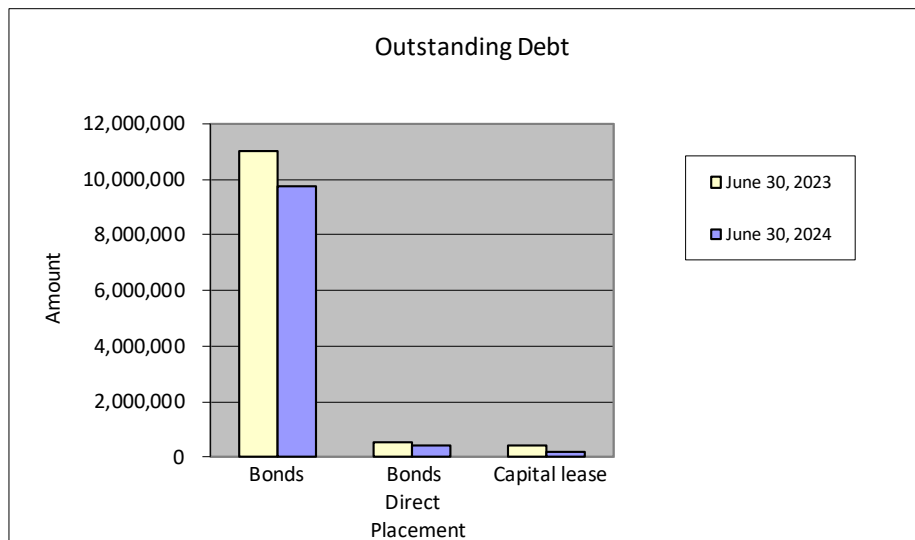
**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt (Continued)**

The following table is a two-year comparison of long-term debt presented for both governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 9,475,000	\$ 10,600,000	\$ 400,860	\$ 501,692	\$ 9,875,860	\$ 11,101,692
General Obligation Bonds - Direct Placement	405,000	540,000	-	-	405,000	540,000
Notes Payable - Direct Placement	214,294	422,771	-	-	214,294	422,771
Total	<u>\$ 10,094,294</u>	<u>\$ 11,562,771</u>	<u>\$ 400,860</u>	<u>\$ 501,692</u>	<u>\$ 10,495,154</u>	<u>\$ 12,064,463</u>



Additional information on the Town's long-term debt can be found in Note 3E to the basic financial statements.

**TOWN OF ELLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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 fiscal year 2025 and thereafter.
- The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5% 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.
- Inflationary trends in the region compare favorably to national indices.
- The financial implications of COVID-19 and the current economy in which costs have increased and revenue has slightly decreased.

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

***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 46,893,132	\$ 9,150,307	\$ 56,043,439
Investments	1,362,665	-	1,362,665
Receivables	9,770,159	913,325	10,683,484
Internal Balances	(1,600,157)	1,600,157	-
Due from Fiduciary Funds	10,166	-	10,166
Supplies	25,838	-	25,838
Assessments Receivable - Long-Term Portion	-	256,362	256,362
Capital Assets, Nondepreciable	21,075,613	811,806	21,887,419
Capital Assets, Net of Accumulated Depreciation/Amortization	66,393,472	8,111,882	74,505,354
Total Assets	143,930,888	20,843,839	164,774,727
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to LOSAP	470,435	-	470,435
Deferred Outflows Related to MERS	3,457,597	-	3,457,597
Deferred Outflows Related to OPEB	806,932	-	806,932
Total Deferred Outflows of Resources	4,734,964	-	4,734,964
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	3,544,263	722,047	4,266,310
Unearned Revenue	3,388,407	43,377	3,431,784
Bond Anticipation Notes Payable	22,119,900	-	22,119,900
Due Within One Year	2,478,709	95,036	2,573,745
Due in More than One Year	25,126,137	305,824	25,431,961
Total Liabilities	56,657,416	1,166,284	57,823,700
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to LOSAP	246,043	-	246,043
Deferred Inflows Related to MERS	496,321	-	496,321
Deferred Inflows Related to OPEB	1,361,591	-	1,361,591
Total Deferred Inflows of Resources	2,103,955	-	2,103,955
<b>NET POSITION</b>			
Net Investment in Capital Assets	75,742,986	8,532,699	84,275,685
Restricted for:			
Grant Purposes	5,784,158	-	5,784,158
Employee Benefits	49,424	-	49,424
Endowments - Expendable	1,353,379	-	1,353,379
Endowments - Nonexpendable	52,497	-	52,497
Unrestricted	6,922,037	11,144,856	18,066,893
Total Net Position	\$ 89,904,481	\$ 19,677,555	\$ 109,582,036

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
General Government	\$ 4,528,869	\$ 450,162	\$ 2,132,730	\$ -	\$ (1,945,977)	\$ -	\$ (1,945,977)
Public Safety	5,058,307	1,163,680	22,488	-	(3,872,139)	-	(3,872,139)
Public Works	6,724,494	2,485	2,998,614	165,756	(3,557,639)	-	(3,557,639)
Recreation	1,111,695	476,254	-	-	(635,441)	-	(635,441)
Library	1,368,277	2,170	55,322	-	(1,310,785)	-	(1,310,785)
Human Services	1,208,119	84,194	245,847	-	(878,078)	-	(878,078)
Education	59,996,367	3,858,108	21,666,834	7,574,330	(26,897,095)	-	(26,897,095)
Interest and Fiscal Charges	305,691	-	-	-	(305,691)	-	(305,691)
Total Governmental Activities	80,301,819	6,037,053	27,121,835	7,740,086	(39,402,845)	-	(39,402,845)
Business-Type Activities:							
Sewer Authority Fund	2,612,611	2,653,737	-	-	-	41,126	41,126
Crystal Lake Sewers Fund	352,181	240,091	-	-	-	(112,090)	(112,090)
Nonmajor Enterprise Funds	-	525	-	-	-	525	525
Total Business-Type Activities	2,964,792	2,894,353	-	-	-	(70,439)	(70,439)
<b>Total</b>	<b>\$ 83,266,611</b>	<b>\$ 8,931,406</b>	<b>\$ 27,121,835</b>	<b>\$ 7,740,086</b>	<b>(39,402,845)</b>	<b>(70,439)</b>	<b>(39,473,284)</b>
<b>GENERAL REVENUES</b>							
Property Taxes					54,160,167	-	54,160,167
Grants and Contributions not Restricted to Specific Programs					59,292	-	59,292
Unrestricted Investment Earnings					2,493,813	480,212	2,974,025
Miscellaneous					216,776	-	216,776
Total General Revenues					56,930,048	480,212	57,410,260
<b>CHANGE IN NET POSITION</b>					17,527,203	409,773	17,936,976
Net Position - Beginning of Year					72,377,278	19,267,782	91,645,060
<b>NET POSITION - END OF YEAR</b>					<b>\$ 89,904,481</b>	<b>\$ 19,677,555</b>	<b>\$ 109,582,036</b>

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General Fund	ARPA Fund	Education Grants Fund	Windermere School Addition/ Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 23,337,860	\$ 3,959,190	\$ 29,086	\$ 11,336,932	\$ 7,940,227	\$ 46,603,295
Investments	-	-	-	-	1,362,665	1,362,665
Receivables, Net	850,600	-	1,748	4,353,131	4,457,393	9,662,872
Due from Other Funds	-	-	-	-	2,444,819	2,444,819
Supplies	-	-	-	-	25,838	25,838
Total Assets	<u>\$ 24,188,460</u>	<u>\$ 3,959,190</u>	<u>\$ 30,834</u>	<u>\$ 15,690,063</u>	<u>\$ 16,230,942</u>	<u>\$ 60,099,489</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 2,229,821	\$ 2,472	\$ 1,337	\$ 586,568	\$ 176,427	\$ 2,996,625
Bond Anticipation Notes Payables	-	-	-	19,000,000	3,000,000	22,000,000
Premium on Bond Anticipation Notes Payable	-	-	-	103,550	16,350	119,900
Due to Other Funds	1,921,131	383,152	10,069	226,662	3,251,094	5,792,108
Unearned Revenue	-	3,165,382	19,428	-	203,597	3,388,407
Total Liabilities	<u>4,150,952</u>	<u>3,551,006</u>	<u>30,834</u>	<u>19,916,780</u>	<u>6,647,468</u>	<u>34,297,040</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	479,497	-	-	-	-	479,497
Unavailable Revenue - Grants	-	-	-	-	1,040,730	1,040,730
Total Deferred Inflows of Resources	<u>479,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,040,730</u>	<u>1,520,227</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	78,335	78,335
Restricted	-	408,184	-	-	5,738,047	6,146,231
Committed	10,383,494	-	-	-	4,238,752	14,622,246
Assigned	744,538	-	-	-	-	744,538
Unassigned	8,429,979	-	-	(4,226,717)	(1,512,390)	2,690,872
Total Fund Balances	<u>19,558,011</u>	<u>408,184</u>	<u>-</u>	<u>(4,226,717)</u>	<u>8,542,744</u>	<u>24,282,222</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,188,460</u>	<u>\$ 3,959,190</u>	<u>\$ 30,834</u>	<u>\$ 15,690,063</u>	<u>\$ 16,230,942</u>	<u>\$ 60,099,489</u>

See accompanying Notes to Financial Statements.



**TOWN OF ELLINGTON, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024**

**RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

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

Fund Balances - Total Governmental Funds (Exhibit III)	\$ 24,282,222
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	\$ 160,787,296	
Less: Accumulated Depreciation	(73,318,211)	
Net Capital Assets		87,469,085

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

Property Tax Receivables Greater than 60 Days	479,497
Interest Receivable on Property Taxes	70,222
Grant Receivable Greater than 60 Days	1,040,730
Deferred Outflows Related to MERS	3,457,597
Deferred Outflows Related to LOSAP	470,435
Deferred Outflows Related to OPEB	806,932

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

1,583,352

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

Bonds Payable	(9,880,000)
Unamortized Premium on Bonds Payable	(451,509)
Notes Payable	(214,294)
Lease Liability	(482,926)
Interest Payable on Bonds	(46,790)
Total OPEB Liability	(4,921,069)
Compensated Absences	(1,136,308)
Net MERS Liability	(9,672,304)
Net LOSAP Liability	(846,436)
Deferred Inflows Related to MERS	(496,321)
Deferred Inflows Related to LOSAP	(246,043)
Deferred Inflows Related to OPEB	(1,361,591)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 89,904,481

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General Fund	ARPA Fund	Education Grants Fund	Windermere School Addition/ Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes, Interest, and Lien Fees	\$ 53,879,684	\$ -	\$ -	\$ -	\$ -	\$ 53,879,684
Intergovernmental Revenues	20,385,923	1,387,123	1,235,055	7,574,330	4,505,417	35,087,848
Charges for Services	1,813,858	-	-	-	4,356,885	6,170,743
Investment Earnings	1,675,312	222,933	-	334,330	261,238	2,493,813
Other Revenues	114,379	-	-	-	161,689	276,068
Total Revenues	77,869,156	1,610,056	1,235,055	7,908,660	9,285,229	97,908,156
<b>EXPENDITURES</b>						
Current:						
General Government	2,157,902	143,840	-	-	146,549	2,448,291
Boards and Agencies	120,821	-	-	-	-	120,821
Public Safety	3,559,589	766,352	-	-	44,060	4,370,001
Public Works	5,234,387	45,206	-	-	-	5,279,593
Recreation	720,414	-	-	-	-	720,414
Library	769,781	-	-	-	35,320	805,101
Human Services	842,858	-	-	-	131,658	974,516
Town Properties	683,927	-	-	-	-	683,927
Education	53,550,441	431,725	1,235,055	-	5,272,914	60,490,135
Other	3,476,223	-	-	-	-	3,476,223
Debt Service:						
Principal Payments	1,719,465	-	-	-	-	1,719,465
Interest and Fiscal Charges	397,773	-	-	-	-	397,773
Capital Outlay	1,607,914	-	-	10,259,936	3,981,518	15,849,368
Total Expenditures	74,841,495	1,387,123	1,235,055	10,259,936	9,612,019	97,335,628
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,027,661	222,933	-	(2,351,276)	(326,790)	572,528
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In from Other Funds	624,362	-	-	-	150,649	775,011
Transfers Out to Other Funds	(150,649)	-	-	-	(624,362)	(775,011)
Total Other Financing Sources (Uses)	473,713	-	-	-	(473,713)	-
<b>NET CHANGE IN FUND BALANCES</b>	3,501,374	222,933	-	(2,351,276)	(800,503)	572,528
Fund Balances - Beginning of Year	16,056,637	185,251	-	(1,875,441)	9,343,247	23,709,694
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,558,011</u>	<u>\$ 408,184</u>	<u>\$ -</u>	<u>\$ (4,226,717)</u>	<u>\$ 8,542,744</u>	<u>\$ 24,282,222</u>

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$	572,528
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Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	17,156,318
Depreciation and Amortization Expense	(3,906,084)
Loss on Disposition of Capital Assets	-

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

Property Taxes Collected after 60 Days	270,618
Change in Interest Receivable on Property Taxes	9,865
Grants Collected after 60 Days	411,998
Deferred Outflows Related to MERS	93,397
Deferred Outflows Related to LOSAP	201,228
Deferred Outflows Related to OPEB	(341,999)

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

Principal Payments on Bonds Payable	1,260,000
Principal Payments on Notes Payable	208,477
Principal Payments on Leases	250,988

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

Amortization of Premium	84,848
Accrued Interest	7,235
Change in Total OPEB Liability	89,024
Change in Long-Term Compensated Absences	(111,530)
Change in Net Pension Liability - MERS Plans	73,037
Change in Net Pension Liability - LOSAP Plan	(127,783)
Deferred Inflows Related to MERS Plans	259,320
Deferred Inflows Related to LOSAP Plan	42,390
Deferred Inflows Related to OPEB	183,068

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

840,260

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$	<u>17,527,203</u>
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See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 7,801,937	\$ 1,348,370	\$ -	\$ 9,150,307	\$ 289,837
Receivables, Net	768,828	143,946	551	913,325	37,065
Due from Other Funds	1,152,966	345,746	210,986	1,709,698	1,757,298
Total Current Assets	9,723,731	1,838,062	211,537	11,773,330	2,084,200
Noncurrent Assets:					
Assessments Receivable	218,179	-	38,183	256,362	-
Capital Assets, Net of Accumulated Depreciation and Amortization	6,279,492	2,644,196	-	8,923,688	-
Total Noncurrent Assets	6,497,671	2,644,196	38,183	9,180,050	-
Total Assets	16,221,402	4,482,258	249,720	20,953,380	2,084,200
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	685,874	36,173	-	722,047	500,848
Compensated Absences - Current	112	28	-	140	-
Lease Liability - Current	4,896	-	-	4,896	-
Bonds Payable - Current	90,000	-	-	90,000	-
Due to Other Funds	-	-	109,541	109,541	-
Unearned Revenue	43,377	-	-	43,377	-
Total Current Liabilities	824,259	36,201	109,541	970,001	500,848
Noncurrent Liabilities:					
Compensated Absences after One Year	7,785	1,946	-	9,731	-
Lease Liability after One Year	101,771	-	-	101,771	-
Bonds Payable after One Year	194,322	-	-	194,322	-
Total Noncurrent Liabilities	303,878	1,946	-	305,824	-
Total Liabilities	1,128,137	38,147	109,541	1,275,825	500,848
<b>NET POSITION</b>					
Net Investment in Capital Assets	5,888,503	2,644,196	-	8,532,699	-
Unrestricted	9,204,762	1,799,915	140,179	11,144,856	1,583,352
Total Net Position	\$ 15,093,265	\$ 4,444,111	\$ 140,179	\$ 19,677,555	\$ 1,583,352

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>					
User Charges	\$ 2,581,010	\$ 215,920	\$ -	\$ 2,796,930	\$ -
Assessments	17,827	-	-	17,827	-
Permits and Fees	2,400	-	-	2,400	-
Solid Waste Fees	-	-	525	525	-
Charges For Services	-	-	-	-	7,069,618
Other	52,500	24,171	-	76,671	-
Total Operating Revenues	2,653,737	240,091	525	2,894,353	7,069,618
<b>OPERATING EXPENSES</b>					
Town of Vernon Fees	1,885,431	-	-	1,885,431	-
Town of Stafford Fees	-	109,225	-	109,225	-
Depreciation and Amortization	293,689	140,271	-	433,960	-
Salaries and Benefits	200,244	54,571	-	254,815	-
Utilities	32,915	14,458	-	47,373	-
Equipment	14,787	10,377	-	25,164	-
Administration	32,191	3,577	-	35,768	-
Engineering	66,177	5,380	-	71,557	-
Repairs and Maintenance	65,883	12,000	-	77,883	-
Claims	-	-	-	-	6,229,358
Other	15,443	2,322	-	17,765	-
Total Operating Expenses	2,606,760	352,181	-	2,958,941	6,229,358
<b>OPERATING INCOME (LOSS)</b>	46,977	(112,090)	525	(64,588)	840,260
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Income on Investments	409,449	70,763	-	480,212	-
Interest Expense and premium amortization	(5,851)	-	-	(5,851)	-
Total Nonoperating Revenues (Expenses)	403,598	70,763	-	474,361	-
<b>CHANGE IN NET POSITION</b>	450,575	(41,327)	525	409,773	840,260
Net Position - Beginning of Year	14,642,690	4,485,438	139,654	19,267,782	743,092
<b>NET POSITION - END OF YEAR</b>	<u>\$ 15,093,265</u>	<u>\$ 4,444,111</u>	<u>\$ 140,179</u>	<u>\$ 19,677,555</u>	<u>\$ 1,583,352</u>

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 2,723,268	\$ 230,214	\$ 1,459	\$ 2,954,941	\$ 7,032,553
Payments to Suppliers	(2,041,048)	(145,791)	-	(2,186,839)	(6,139,923)
Payments to Employees	(192,347)	(52,597)	-	(244,944)	-
Payments for Interfund Services Used	245,172	2,654	(1,459)	246,367	(684,759)
Net Cash Provided by Operating Activities	735,045	34,480	-	769,525	207,871
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Additions to Capital Assets	(618,491)	(34,480)	-	(652,971)	-
Interest Paid	(16,990)	-	-	(16,990)	-
Principal Paid on Leases	(4,564)	-	-	(4,564)	-
Principal Paid on Bonds Outstanding	(95,000)	-	-	(95,000)	-
Net Cash Used by Capital and Related Financing Activities	(735,045)	(34,480)	-	(769,525)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Income on Investments	409,449	70,763	-	480,212	-
Net Cash Provided by Investing Activities	409,449	70,763	-	480,212	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	409,449	70,763	-	480,212	207,871
Cash and Cash Equivalents - Beginning of Year	7,392,488	1,277,607	-	8,670,095	81,966
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 7,801,937</u>	<u>\$ 1,348,370</u>	<u>\$ -</u>	<u>\$ 9,150,307</u>	<u>\$ 289,837</u>

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 46,977	\$ (112,090)	\$ 525	\$ (64,588)	\$ 840,260
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by					
Operating Activities:					
Depreciation and Amortization	293,689	140,271	-	433,960	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable, Net	69,531	(9,877)	934	60,588	(37,065)
Decrease in Due from Other Funds	-	-	(1,459)	(1,459)	-
Increase (Decrease) in Accounts Payable and Accrued Items	71,779	11,548	-	83,327	-
Increase (Decrease) in Compensated Absences	7,897	1,974	-	9,871	-
(Increase) Decrease in Due from Other Funds	245,172	2,654	-	247,826	(684,759)
Increase (Decrease) in Claims Payable	-	-	-	-	89,435
Total Adjustments	<u>688,068</u>	<u>146,570</u>	<u>(525)</u>	<u>834,113</u>	<u>(632,389)</u>
Net Cash Provided by Operating Activities	<u>\$ 735,045</u>	<u>\$ 34,480</u>	<u>\$ -</u>	<u>\$ 769,525</u>	<u>\$ 207,871</u>

See accompanying Notes to Financial Statements.

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

	Pension Trust Fund (July 31, 2023)	Private Purpose Trust Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 91,466	\$ 86,805
Investments:		
Insurance Contracts	<u>1,316,903</u>	<u>-</u>
Total Assets	<u>1,408,369</u>	<u>86,805</u>
<b>LIABILITIES</b>		
Due to Other Funds	<u>-</u>	<u>10,166</u>
Total Liabilities	<u>-</u>	<u>10,166</u>
<b>NET POSITION</b>		
Restricted for Pension Benefits and Trust Purposes	<u><u>\$ 1,408,369</u></u>	<u><u>\$ 76,639</u></u>

See accompanying Notes to Financial Statements.



**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Pension Trust Fund (July 31, 2023)	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 189,371	\$ -
Private	-	30,038
Total Contributions	<u>189,371</u>	<u>30,038</u>
Investment Income:		
Interest	<u>41,798</u>	<u>3,186</u>
Total Additions	231,169	33,224
<b>DEDUCTIONS:</b>		
Benefits	<u>91,108</u>	<u>22,152</u>
Total Deductions	<u>91,108</u>	<u>22,152</u>
<b>CHANGE IN NET POSITION</b>	140,061	11,072
Net Position - Beginning of Year	<u>1,268,308</u>	<u>65,567</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 1,408,369</u></u>	<u><u>\$ 76,639</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Ellington, Connecticut (the Town) was incorporated in 1786. It operates under an elected, seven-member Board of Selectmen and an elected, six-member Board of Finance form of government and provides the following services: public safety (police, ambulance and fire), public works, recreation, library, human services, education and general government.

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

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

**Fiduciary Component Unit**

The Town has established a single-employer Length of Service Award Program (LOSAP) to provide retirement benefits to active volunteer firefighters of the Crystal Lake Fire Department, the Ellington Ambulance and the Ellington Fire Department. The Town appoints a majority of the Pension Board and is required to make contributions to the pension plan and can impose its will.

The financial statements of the fiduciary component unit are reported as a Pension Trust fund in the fiduciary fund financial statements as of July 31, 2023 which is the plans year end. Separate financial statements have not been prepared for the fiduciary component unit.

**Related Organizations**

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health, the North Central District Health Department, but the Town's accountability for the Health Department does not extend beyond making the appointment.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government. For the most part, the effect of interfund activity has been eliminated within these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**B. Basis of Presentation (Continued)**

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

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

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

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

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

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

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

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**B. Basis of Presentation (Continued)**

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *ARPA Fund* accounts for the American Rescue Plan Act of 2021 grant.
- The *Education Grants Fund* accounts for Federal and State Education grants revenues and expenditures.
- The *Windemere School Addition/Renovation Fund* accounts for the addition and renovation of the Windemere School.

The Town reports the following major enterprise funds:

- The *Sewer Authority Fund* accounts for all sewer use activities and assessments in the Hockanum River section of the Town.
- The *Crystal Lake Sewers Fund* accounts for all sewer use activities and assessments in the Crystal Lake section of the Town.

Additionally, the Town reports the following fund types:

- The *Internal Service Funds* are used to account for the Board of Education's self-insured medical and dental programs.
- The *Pension Trust Fund* is used to account for resources held in trust for participants in the Town's volunteer firefighters' LOSAP.
- The *Private Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**C. Cash and Cash Equivalents**

The Town's cash and cash equivalents consist of all cash on hand, checking, savings, money market accounts, and certificates of deposit with an original maturity of 90 days or less.

**D. Investments**

Investments are stated at fair value.

**E. Supplies and Prepaid Items**

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

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

**F. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

The Town provides low interest loans in connection with the Town's small business and residential housing rehabilitation loan programs. Loans made by the Town under the program bear an interest rate of 0% and repayment of the loans is deferred. These loans become due and payable only upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The Town records loans receivable at the time the loan proceeds are advanced, and such amounts are reported net of an allowance for uncollectible amounts.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**G. Capital Assets**

Capital assets, which include arts collection, property development rights, land, construction in progress, buildings and improvements, equipment, vehicles, right-to-use leased equipment and infrastructure assets, (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Infrastructure	50 Years
Building and Improvements	40 Years
Vehicles	5 to 10 Years
Equipment	3 to 7 Years

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and other post-employment benefits (OPEB) in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and difference between projected and actual earnings on investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees), with the exception of investment related deferrals which are amortized over five years.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources for pension and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**I. Compensated Absences**

Both the Town and Board of Education employees accumulate compensated leave balances for subsequent use or for payment upon termination or retirement. The Town employees can accumulate vacation time and the Board of Education employees can accumulate both vacation time and sick leave. Compensated absences are accrued when incurred in the government-wide, proprietary or fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**J. Net Pension Liability**

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

**K. Total Other Postemployment Benefits Other than Pensions Liability**

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



**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**L. Long-Term Obligations**

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

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

**M. Leases**

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

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the lease term.

The lease term may include options to extend the lease when it is reasonably certain that the Town will exercise that option.

The Town has recognized payments for short-term leases with a lease term of 12 months or less as an expense as incurred, and as such are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**M. Leases (Continued)**

The Town accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

**N. Equity**

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

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

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

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

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

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

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

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**N. Equity (Continued)**

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**O. Property Taxes**

Property taxes are assessed annually as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable annually on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of May 15 following the payable date. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected as a deferred inflow in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as a deferred inflow in both the fund financial statements and the government-wide financial statements.

**P. Sewer Use Charges and Assessments**

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Q. Accounting Estimates**

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

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

**A. Budgetary Information**

The budget is adopted via Town Meeting. The Town adhered to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval.
- The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects during the last three months of the fiscal year.
- Additional appropriations of less than one half of one percent of the total annual budget must be approved by the Board of Finance and Board of Selectmen. Appropriations in excess of one half of one percent of the total annual budget must be approved at a Town Meeting. During the year, the Board of Finance and Board of Selectmen, where required, Town Meeting(s), approved additional appropriations of \$283,872.
- Formal budgetary integration is employed as a management control device during the year.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**A. Budgetary Information (Continued)**

- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes, and “on-behalf” payments made by the state of Connecticut into the State Teachers’ Retirement System are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year-end, except capital projects.

**B. Deficit Fund Equity**

For the year ended June 30, 2024, the following funds had deficit balances:

Nonmajor Governmental Funds:

Special Revenue Fund:

Small Cities Regular Rehabilitation 17 Fund	\$ 2,624
Athletic Lighting Project Fund	1,220,024
Windermere School Addition/Renovation Fund	4,226,717
Town Land Preservation Fund	7,504
Strawberry Road Bridge Fund	40,973
BOE HVAC Fund	241,265

Nonmajor Enterprise Funds:

Watermains Tripp and Middle Roads	71,358
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These amounts will be funded through bonds, grant reimbursements, contributions, and future revenues.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents, and Investments**

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

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

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

**Deposits**

Based on the criteria described in the GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,969,792 of the Town's bank balance of \$11,567,806 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 9,822,812
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	1,146,980
Total Amount Subject to Custodial Risk	<u>\$ 10,969,792</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2024, the Town's cash equivalents amounted to \$49,985,838. The following table provides the balance of the Town's cash equivalents at June 30, 2024 and details of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

Cash Equivalents	
STIF	\$ 49,818,503
M&T Bank	75,868
Flushing Bank	91,467
Total	<u><u>\$ 49,985,838</u></u>

**Investments**

As of June 30, 2024, the Town had the following investments:

Investment Type	Value	Investment Maturities (Years)		
		Less than 1	1 - 10	More than 10
Interest-Bearing Investments:				
U.S. Government Securities	\$ 64,978	\$ 29,845	\$ 35,133	\$ -
U.S. Government Agencies	93,254	59,312	33,942	-
Corporate Bonds	196,789	-	196,789	-
Total	355,021	<u><u>\$ 89,157</u></u>	<u><u>\$ 265,864</u></u>	<u><u>\$ -</u></u>
Other Investments:				
Mutual Funds	686,935			
Common Stock	320,709			
Insurance Contracts	<u>1,316,903</u>			
Total Investments	<u><u>\$ 2,679,568</u></u>			

**Investment Custodial Credit Risk**

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**Credit Risk**

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

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies
Aaa	\$ 18,902	\$ 64,978	\$ 93,254
Aa3	12,425	-	-
A1	45,165	-	-
A2	55,706	-	-
A3	46,804	-	-
Baa2	17,787	-	-
Total	<u>\$ 196,789</u>	<u>\$ 64,978</u>	<u>\$ 93,254</u>

**Concentration of Credit Risk**

The Town places no limit on the amount invested in any one issuer. As of June 30, 2024, 100% of the investments of the Volunteer Firefighters' Length of Service Award Program (LOSAP) were invested in an insurance contract held with First Security Benefit Life Insurance and Annuity Company of New York. Fully guaranteed insurance contracts totaled \$1,316,903.

**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.

The Pension Trust Fund is also authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

**Fair Value**

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).



**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**Fair Value (Continued)**

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

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 64,978	\$ 64,978	\$ -	\$ -
U.S. Government Agencies	93,254	93,254	-	-
Corporate Bonds	196,789	-	196,789	-
Common Stock	320,709	320,709	-	-
Mutual Funds	686,935	686,935	-	-
Total Investments by Fair Value Level	1,362,665	<u>\$ 1,165,876</u>	<u>\$ 196,789</u>	<u>\$ -</u>
Investments not Recorded at Fair Value:				
Insurance Contracts	<u>1,316,903</u>			
Total Investments	<u>\$ 2,679,568</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The insurance contract is valued at cost.

**Donor-Restricted Endowments**

The original principal received remains in the net position on the statement of net position and is restricted for the trust principal, and in nonspendable fund balance on the balance sheet - governmental funds. The net appreciation on investments available for expenditures is included in Unrestricted Net Position on the statement of net position, and in Committed Fund Balance on the balance sheet - governmental funds, and is spent based on the original criteria established by the trust. The Town's policy is to spend only investment income for the purposes of the trust.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**Donor-Restricted Endowments (Continued)**

The Town has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Town classifies as nonspendable fund balance (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in nonspendable fund balance is classified as committed fund balance until those amounts are appropriated for expenditure by the Town in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the Town considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the organization and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Town; the investment policies of the Town.

**B. Receivables**

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

	General Fund	Education Grants Fund	School Addition/ Renovation Fund	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor and Other Funds	Total
Property Taxes Receivable	\$ 590,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,738
Sewer Usage	-	-	-	668,561	84,967	-	753,528
Assessments	-	-	-	73,716	52,491	-	126,207
Solid Waste	-	-	-	-	-	4,813	4,813
Grants and Contracts	-	-	4,353,131	-	-	1,499,981	5,853,112
Loans	-	1,748	-	-	-	2,738,213	2,739,961
Other	284,453	-	-	30,369	7,332	256,264	578,418
Less: Allowance for Uncollectible Accounts	(24,591)	-	-	(3,818)	(844)	(4,262)	(33,515)
Net Accounts Receivable	<u>\$ 850,600</u>	<u>\$ 1,748</u>	<u>\$ 4,353,131</u>	<u>\$ 768,828</u>	<u>\$ 143,946</u>	<u>\$ 4,495,009</u>	<u>\$ 10,613,262</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Arts Collection	\$ 35,598	\$ -	\$ -	\$ 35,598
Construction in Progress	2,448,388	14,789,793	206,479	17,031,702
Property Development Rights	901,677	49,970	-	951,647
Land	3,056,666	-	-	3,056,666
Total Capital Assets Not Being Depreciated	6,442,329	14,839,763	206,479	21,075,613
Capital Assets Being Depreciated:				
Buildings and Improvements	104,882,094	1,640,362	250,000	106,272,456
Machinery, Equipment, and Vehicles	15,605,962	45,206	2,910,389	12,740,779
Right-to-Use - Leased Equipment	1,220,872	-	150,649	1,070,223
Infrastructure	18,790,759	837,466	-	19,628,225
Total Capital Assets Being Depreciated	140,499,687	2,523,034	3,311,038	139,711,683
Less Accumulated Depreciation for:				
Buildings and Improvements	52,605,016	2,860,965	250,000	55,215,981
Machinery, Equipment, and Vehicles	13,968,035	404,828	2,910,389	11,462,474
Right-to-Use - Leased Equipment	502,277	253,063	150,649	604,691
Infrastructure	5,647,837	387,228	-	6,035,065
Total Accumulated Depreciation	72,723,165	3,906,084	3,311,038	73,318,211
Total Capital Assets Being Depreciated, Net	67,776,522	(1,383,050)	-	66,393,472
Governmental Activities Capital Assets, Net	<u>\$ 74,218,851</u>	<u>\$ 13,456,713</u>	<u>\$ 206,479</u>	<u>\$ 87,469,085</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 364,309	\$ 447,497	\$ -	\$ 811,806
Capital Assets Being Depreciated:				
Equipment - Sewer Authority	285,890	9,966	-	295,856
Infrastructure - Sewer Authority	13,308,073	161,028	-	13,469,101
Right-to-Use - Leased Equipment	119,419	-	-	119,419
Infrastructure - Watermains	162,015	-	-	162,015
Equipment - Crystal Lake	24,993	-	-	24,993
Infrastructure - Crystal Lake	6,962,205	34,480	-	6,996,685
Total Capital Assets Being Depreciated	20,862,595	205,474	-	21,068,069
Less Accumulated Depreciation for:				
Equipment - Sewer Authority	196,085	10,975	-	207,060
Infrastructure - Sewer Authority	7,887,110	262,811	-	8,149,921
Right-to-Use - Leased Equipment	39,806	19,903	-	59,709
Infrastructure - Watermains	162,015	-	-	162,015
Equipment - Crystal Lake	21,954	338	-	22,292
Infrastructure - Crystal Lake	4,215,257	139,933	-	4,355,190
Total Accumulated Depreciation	12,522,227	433,960	-	12,956,187
Total Capital Assets Being Depreciated, Net	8,340,368	(228,486)	-	8,111,882
Business-Type Activities Capital Assets, Net	<u>\$ 8,704,677</u>	<u>\$ 219,011</u>	<u>\$ -</u>	<u>\$ 8,923,688</u>

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

Governmental Activities:	
General Government	\$ 828,789
Public Safety	513,635
Public Works	617,862
Library	26,494
Education	1,919,304
Total Depreciation Expense - Governmental Activities	<u>\$ 3,906,084</u>
Business-Type Activities:	
Sewer	<u>\$ 433,960</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 433,960</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

The composition of interfund balances as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	ARPA Fund	\$ 383,152
	Windermere School Addition/Renovation Fund	226,662
	Education Grants Fund	10,069
	Nonmajor Governmental Funds	1,705,229
	Nonmajor Enterprise Fund	109,541
	Fiduciary Funds	10,166
		<u>2,444,819</u>
Sewer Authority Fund	General Fund	1,152,966
Crystal Lake Sewers Fund	General Fund	345,746
Nonmajor Enterprise Fund	General Fund	210,986
Internal Service Fund	General Fund	211,433
	Nonmajor Governmental Funds	1,545,865
		<u>1,757,298</u>
Total		<u><u>\$ 5,911,815</u></u>

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

	Transfers In		Total
	General Fund	Nonmajor Governmental Funds	Transfers Out
Transfers Out:			
General Fund	\$ -	\$ 150,649	\$ 150,649
Nonmajor Governmental Funds	624,362	-	624,362
Total Transfers In	<u>\$ 624,362</u>	<u>\$ 150,649</u>	<u>\$ 775,011</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 10,600,000	\$ -	\$ 1,125,000	\$ 9,475,000	\$ 825,000
General Obligation Bonds - Direct Placement	540,000	-	135,000	405,000	135,000
Unamortized Premium	536,357	-	84,848	451,509	-
Total Bonds Payable	11,676,357	-	1,344,848	10,331,509	960,000
Notes Payable - Direct Placement	422,771	-	208,477	214,294	214,294
Lease Liability	733,914	-	250,988	482,926	239,665
Compensated Absences	1,024,778	870,530	759,000	1,136,308	745,000
Net Pension Liability - LOSAP	718,653	127,783	-	846,436	-
Net Pension Liability - MERS	9,745,341	-	73,037	9,672,304	-
Total OPEB Liability	5,010,093	-	89,024	4,921,069	319,750
Total Governmental Activities Long-Term Liabilities	<u>\$ 29,331,907</u>	<u>\$ 998,313</u>	<u>\$ 2,725,374</u>	<u>\$ 27,604,846</u>	<u>\$ 2,478,709</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 365,000	\$ -	\$ 95,000	\$ 270,000	\$ 90,000
Premium on Bonds	25,461	-	11,139	14,322	-
Subtotal	390,461	-	106,139	284,322	90,000
Compensated Absences	-	9,871	-	9,871	140
Lease Liability	111,231	-	4,564	106,667	4,896
	111,231	9,871	4,564	116,538	5,036
Total Business-Type Activities Long-Term Liabilities	<u>\$ 501,692</u>	<u>\$ 9,871</u>	<u>\$ 110,703</u>	<u>\$ 400,860</u>	<u>\$ 95,036</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**Changes in Long-Term Liabilities (Continued)**

General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
Governmental Activities:					
General Obligation	2015	6/15/35	2-4.0%	\$ 10,630,000	\$ 5,830,000
General Obligation	2021	9/15/40	2-4.0%	5,345,000	3,645,000
Direct Placement:					
General Obligation	2017	6/15/27	2.06%	1,375,000	405,000
Total Governmental Activities					9,880,000
Business-Type Activities:					
General Obligation	2021	9/15/26	3-4.0%	560,000	270,000
Total Business-Type Activities					270,000
Total Outstanding					<u>\$ 10,150,000</u>

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

General Obligation

	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 825,000	\$ 313,525	\$ 90,000	\$ 9,000
2026	825,000	285,825	90,000	5,400
2027	825,000	258,125	90,000	1,800
2028	825,000	230,425	-	-
2029	825,000	202,725	-	-
2030-2034	4,085,000	590,850	-	-
2035-2039	1,055,000	89,425	-	-
2040-2041	210,000	6,300	-	-
Total	<u>\$ 9,475,000</u>	<u>\$ 1,977,200</u>	<u>\$ 270,000</u>	<u>\$ 16,200</u>

Direct Placement

	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 135,000	\$ 8,343
2026	135,000	5,562
2027	135,000	2,781
Total	<u>\$ 405,000</u>	<u>\$ 16,686</u>

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

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

**Changes in Long-Term Liabilities (Continued)**

The Town is subject to the general statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2024 to the following:

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 114,673,815	\$ 5,811,500	\$ 108,862,315
Schools	229,347,630	49,251,312	180,096,318
Sewers	191,123,025	270,000	190,853,025
Urban Renewal	165,639,955	-	165,639,955
Pension Deficit	152,898,420	-	152,898,420

Total debt outstanding may not exceed seven times annual receipts of taxation of \$356,762,980.

**Notes Payable – Direct Placement**

The Town has financing agreements for various vehicles and equipment. These agreements vary in duration through September 1, 2025 and interest rates from 2.59% to 3.1%.

The following is a schedule of future payments as of June 30, 2024:

Notes Payable - Direct Placement

	Governmental Activities	
	<u>Notes Payable-Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 214,294	\$ 5,980

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2024 is \$32,966,062. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Bond Anticipation Notes**

The Town issued bond anticipation notes on January 24, 2024 totaling \$22,000,000. The notes had a coupon rate of 4.000% and mature on September 24, 2024.



**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**F. Lease Liability**

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2039.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		Business-Type	
	Principal	Interest	Principal	Interest
2025	\$ 239,665	\$ 11,755	\$ 4,896	\$ 3,495
2026	183,111	4,971	5,244	3,315
2027	60,150	807	5,608	3,123
2028	-	-	5,988	2,917
2029	-	-	6,386	2,698
2030-2034	-	-	38,540	9,676
2035-2039	-	-	40,005	2,157
Total	<u>\$ 482,926</u>	<u>\$ 17,533</u>	<u>\$ 106,667</u>	<u>\$ 27,381</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities	Business-Type Activities
Leased Assets Being Amortized:		
Buildings	\$ 246,737	\$ -
Equipment	823,487	119,419
Less: Accumulated Amortization:		
Buildings	(123,368)	-
Equipment	(481,323)	(59,709)
Total	<u>\$ 465,533</u>	<u>\$ 59,710</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**G. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	ARPA Fund	Windermere School Addition/ Renovation Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Supplies	\$ -	\$ -	\$ -	\$ 25,838	\$ 25,838
Endowments	-	-	-	52,497	52,497
Restricted for:					
Grants	-	408,184	-	287,052	695,236
Loans Receivable	-	-	-	3,021,687	3,021,687
Education	-	-	-	1,075,929	1,075,929
Special Reserves - External	-	-	-	1,353,379	1,353,379
Committed to:					
General Government	-	-	-	168,510	168,510
Capital Reserves	5,589,946	-	-	-	5,589,946
Capital and Nonrecurring	1,578,487	-	-	-	1,578,487
School Alterations	-	-	-	164,163	164,163
OPEB	1,883,774	-	-	-	1,883,774
Land Acquisition	-	-	-	619,272	619,272
Road Repair and Sidewalk	-	-	-	5,103	5,103
Public Safety	-	-	-	595,343	595,343
Mill Rate Stabilization	1,200,000	-	-	-	1,200,000
Education	120,342	-	-	1,727,568	1,847,910
Culture and Recreation Programs	-	-	-	99,998	99,998
Sanitation	10,945	-	-	-	10,945
Library	-	-	-	629,875	629,875
Various Capital Projects	-	-	-	228,920	228,920
Assigned to:					
General Government	58,897	-	-	-	58,897
Public Safety	21,275	-	-	-	21,275
Public Works	58,029	-	-	-	58,029
Health and Welfare	1,254	-	-	-	1,254
Culture and Recreation	13,000	-	-	-	13,000
Use in Subsequent Budget	592,083	-	-	-	592,083
Unassigned	8,429,979	-	(4,226,717)	(1,512,390)	2,690,872
Total Fund Balances	<u>\$ 19,558,011</u>	<u>\$ 408,184</u>	<u>\$ (4,226,717)</u>	<u>\$ 8,542,744</u>	<u>\$ 24,282,222</u>

Major encumbrances are reported in the assigned fund balance of the General Fund totaling \$152,455.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 EMPLOYEE RETIREMENT PLANS**

**A. Defined Contribution Money Purchase Plan**

The Town provides retirement benefits for all full-time and eligible part-time employees of the Town through a noncontributory money purchase plan. Eligible employees are able to participate from the date of employment. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of active employees. In addition, the Town matches employee contributions up to an additional 4.64% of the employee's salary.

The Town's contribution amounted to \$540,037 for the year ended June 30, 2024. All monies contributed are used to purchase insurance contracts on-behalf of the participants, therefore, the assets of the plan are not included in the Town's basic financial statements.

**B. Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits employees to defer a portion of their salary until future years. Employee deferrals totaled \$152,638 for the year ended June 30, 2024. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the Plan are not included in the Town's basic financial statements.

**C. Volunteer Firefighters' Length of Service Award Program (LOSAP)**

The Town sponsors a single-employer defined benefit LOSAP for active volunteer firefighters of the Crystal Lake Fire Department and the Ellington Fire Department. The program was established pursuant to Connecticut General Statutes and provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

**Plan Description and Benefits Provided**

Active volunteer firefighters who have reached the age of 17 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$8.00 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 35 years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program also provides certain death and disability benefits on some active participants, which is provided through a group term life insurance policy.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**C. Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**Plan Description and Benefits Provided (Continued)**

The Town funds the plan based on an actuarial recommended contribution, which includes the current year cost plus a payment to amortize the unfunded liability. The plan actuarial required contribution for the year was \$49,152. The Town contributed \$189,371 to the plan for the year ended June 30, 2024.

At August 1, 2022, plan membership consisted of the following:

Entitled Participants	70
Inactive Participants with Deferred Benefits	101
Active Participants	53
Total Participants	<u>224</u>

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the LOSAP. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Investments in insurance contracts are measured at contract value, which approximates fair value. Investment income is recognized as earned.

**Investment Policy**

The allocation of invested assets for the LOSAP is developed by Town management and the investment advisor. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

**Rate of Return**

For the year ended July 31, 2023, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 3.90%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**C. Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**Summary of Significant Accounting Policies (Continued)**

Net Pension Liability of the Town

The components of the net pension liability of the Town at July 31, 2023 were as follows:

Total LOSAP Liability	\$ 2,254,805
Plan Fiduciary Net Position	1,408,369
Net LOSAP Liability	<u>\$ 846,436</u>

Plan Fiduciary Net Position as a	
Percentage of the Total LOSAP Liability	62%

Actuarial Assumptions

The total pension liability was measured as of July 31, 2023 and it was determined by an actuarial valuation as of August 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return, Including Inflation	4.00 %
Discount Rate	3.86 %

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

Mortality was assumed using the RP2000 Combined – Unisex table.

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Insurance Contract	100.00 %	4.00 %

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**C. Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**Summary of Significant Accounting Policies (Continued)**

Changes in the Net Pension Liability

	Volunteer Firefighter's LOSAP		
	Increase (Decrease)		
	Total LOSAP Liability (a)	Plan Fiduciary Net Position (b)	Net LOSAP Liability (a)-(b)
Balance as of August 1, 2022	\$ 1,986,961	\$ 1,268,308	\$ 718,653
Changes for the Year:			
Service Cost	8,872	-	8,872
Interest on Total Pension Liability	77,024	-	77,024
Effect of Plan Changes	-	-	-
Difference Between Expected and Actual Experience	97,167	-	97,167
Effect of Assumption Changes or Inputs	175,889	-	175,889
Employer Contributions	-	189,371	(189,371)
Member Contributions	-	-	-
Net Investment Income	-	41,798	(41,798)
Benefit Payments, Including Refund Employee Contributions	(91,108)	(91,108)	-
Net Changes	267,844	140,061	127,783
Balance as of July 31, 2023	\$ 2,254,805	\$ 1,408,369	\$ 846,436

Discount Rate

The discount rate used to measure the total pension liability was 3.86%. 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 Town contributions will be made at rates equal to the actuarially determined contribution rate. For this purpose, only Town contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Projected contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the LOSAP's fiduciary net position was projected to be depleted prior to making 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 up to the depletion date and the municipal bond rate was applied to all periods after the depletion date to determine the total pension liability.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**C. Volunteer Firefighters' Length of Service Award Program (LOSAP) (Continued)**

**Summary of Significant Accounting Policies (Continued)**

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

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

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Employee's Net Pension Liability	\$ 1,198,000	\$ 846,436	\$ 563,000

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

For the year ended June 30, 2024, the Town recognized pension expense of \$29,411 and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 95,048	\$ 16,085
Changes of Assumptions	260,775	229,958
Net Difference Between Projected and Actual Earning on Pension Plan Investments	20,956	-
Town Contributions Subsequent to the Measurement Date	93,656	-
Total	<u>\$ 470,435</u>	<u>\$ 246,043</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 34,919
2026	31,854
2027	29,123
2028	27,064
2029	24,133
Thereafter	(16,357)
Total	<u>\$ 130,736</u>

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**D. Municipal Employees' Retirement System**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement – Service Connected**

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



**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**D. Municipal Employees' Retirement System (Continued)**

**Disability Retirement – Non-Service Connected**

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

**Pre-Retirement Death Benefit**

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

**Contributions**

Member

Contributions for members not covered by Social Security are 6% of compensation; for members covered by Social Security, 3.25% of compensation up to the Social Security taxable wage base plus 6% of compensation, if any, in excess of such base.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2024, was 15.85% percent of annual payroll. Contributions to the pension plan from the Town were \$1,040,392 for the year ended June 30, 2024.

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

At June 30, 2024, the Town reports a liability of \$9,672,304 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2023. The actuarial assumptions used in the June 30, 2023 valuation were based on results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2024, the Town's proportion was 0.68%. The decrease in proportion from the prior year was 0.03%.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**D. Municipal Employees' Retirement System (Continued)**

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

For the year ended June 30, 2024, the Town recognized pension expense of \$575,281. At June 30, 2024, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 810,468	\$ -
Change in Proportionate Share	106,961	389,816
Change of Assumptions	880,429	-
Net Difference Between Projected and Actual Actuarial Experience	619,347	106,505
Town Contributions Subsequent to the Measurement Date	1,040,392	-
Total	<u>\$ 3,457,597</u>	<u>\$ 496,321</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 380,736
2026	324,657
2027	1,046,667
2028	118,807
2029	50,017
Total	<u>\$ 1,920,884</u>

**Actuarial Assumptions**

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

Inflation	2.50%
Salary Increase	3.50-9.50%, including inflation
Investment Rate of Return	7.00% net of pension plan investment expense, including inflation

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**D. Municipal Employees' Retirement System (Continued)**

**Actuarial Assumptions (Continued)**

Mortality rates were based on:

Pub-2010 Mortality Tables set-forward one year (except Active Employees) are projected generationally with scale MP-2021.

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

Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.00 %	6.80 %
Public Credit	2.0	2.9
Core Fixed Income	13.0	0.4
Liquidity Fund	1.0	(0.4)
Risk Mitigation	5.0	0.1
Private Equity	15.0	11.2
Private Credit	10.0	6.1
Real Estate	10.0	6.3
Infra. & Natural Resources	7.0	7.7
Total	<u>100.00 %</u>	

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**D. Municipal Employees' Retirement System (Continued)**

**Discount Rate**

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 13,561,528	\$ 9,672,304	\$ 6,430,126

**E. Connecticut Teachers Retirement System – Pension**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**E. Connecticut Teachers Retirement System – Pension (Continued)**

**Benefit Provisions (Continued)**

Early Retirement

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

Disability Retirement

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

**Contributions**

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

Employer (School Districts)

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

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

For the year ended June 30, 2024 the amount of "on-behalf" contributions made by the state was \$7,664,363 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**E. Connecticut Teachers Retirement System – Pension (Continued)**

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

At June 30, 2024, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	82,602,561
Total	<u><u>\$ 82,602,561</u></u>

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. At June 30, 2024, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the Town recognized pension expense and revenue of \$7,908,717 in Exhibit II.

**Actuarial Assumptions**

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

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

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**E. Connecticut Teachers Retirement System – Pension (Continued)**

**Actuarial Assumptions (Continued)**

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

**Cost-of-Living Allowance**

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the CPI, 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%.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**E. Connecticut Teachers Retirement System – Pension (Continued)**

**Long-Term Rate of Return**

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

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Global Equity	6.80 %	37.00 %
Public Credit	2.9	2.00
Core Fixed Income	0.4	13.00
Liquidity Fund	(0.4)	1.00
Risk Mitigation	0.1	5.00
Private Equity	11.2	15.00
Private Credit	6.1	10.00
Real Estate	6.2	10.00
Infrastructure and Natural Resources	7.7	7.00
Total		<u>100.00 %</u>

**Discount Rate**

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

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

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

**Pension Plan Fiduciary Net Position**

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



**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

**E. Connecticut Teachers Retirement System – Pension (Continued)**

**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.

**F. Aggregate Pension Information**

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2024:

Plan	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
LOSAP Plan	\$ 846,436	\$ 470,435	\$ 246,043	\$ 29,411
MERS	9,672,304	3,457,597	496,321	575,281
Connecticut Teachers Retirement System	-	-	-	7,664,363
Total	<u>\$ 10,518,740</u>	<u>\$ 3,928,032</u>	<u>\$ 742,364</u>	<u>\$ 8,269,055</u>

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS**

**A. Town and Board of Education Program**

**Plan Description**

The Town provides eligible retirees and their spouses with OPEB Program for medical and dental coverage through the Town's group health insurance plans, which cover both active and retired members in a single employer OPEB defined benefit plan. Benefit and contribution provisions are established through negotiations between the Town and the union representing Town employees and are renegotiated between three-year and five-year bargaining periods.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2024, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

**Funding Policy**

Participant contribution requirements are established and may be amended through negotiations between the Town and the respective labor union. Board of Education employees age 55 with 5 or more consecutive years of service or any age with 25 years of service in the Ellington school system are eligible to receive benefits. Town employees with 25 or more years of service, and age plus service greater than or equal to 75 years, are eligible to receive benefits.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**A. Town and Board of Education Program (Continued)**

**Funding Policy (Continued)**

Board of Education retirees contribute 100% towards dental and medical premiums. For nonunion employees, the Town contributes 100% of the premium cost for retiree's health and dental insurance coverage. For Town Hall employees, the Town contributes 85% towards pre-age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after December 4, 2008 are not eligible for any postemployment premium cost share by the Town. For public works department employees, the Town contributes 85% towards pre-age 65 retiree and medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after September 28, 2009 are not eligible for any postemployment premium cost share by the Town.

At July 1, 2023, plan membership consisted of the following:

Retirees, Beneficiaries, and Dependents Currently	
Receiving Benefits	46
Active Participants	461
Total	<u>507</u>

**Total OPEB Liability**

The Town's total OPEB liability of \$4,921,069 was measured as of June 30, 2024 and was determined by an actuarial valuation dated July 1, 2022 rolled forward to June 30, 2024.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation Rate	2.00%
Discount Rate	3.93%
Salary Increases:	2.50% annually
Medical Trend Rates	6.50% decreasing to an ultimate rate of 5.00%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date. This represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on PUB-2010 head-weighted projected generationally with scale MP-2021.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**A. Town and Board of Education Program (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

Other significant assumptions were as follows:

- The healthcare cost trend rate was reset to 7.00% in 2020, grading down 0.50% per annum to an ultimate rate of 5.00% in years 2026 and later.
- The mortality table improvement scale was updated to MP-2021.
- The participation rate for Town employees who are eligible to receive a Town contribution in retirement was reset to 75% and the participation rate for Town employees who are not eligible to receive a Town contribution in retirement was reset to 25% to reflect actual experience.
- The participation rate for the Board of Education employees was reset to 25% to reflect actual experience.
- The demographic assumptions for non-teachers were updated to reflect assumptions included in the State of Connecticut State Employee OPEB Plan GASB 75 valuation report prepared by Segal as of June 30, 2022.
- The demographic assumptions for teachers were updated to reflect assumptions included in the Connecticut State Teacher's Retirement System Actuarial Valuation report prepared by Cavanaugh Macdonald as of June 30, 2022.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance as of July 1, 2023	\$ 5,010,093
Changes for the Year:	
Service Cost	149,682
Interest on Total OPEB Liability	183,814
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(172,677)
Benefit Payments	(249,843)
Net Changes	(89,024)
Balance as of June 30, 2024	\$ 4,921,069

**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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 5,582,018	\$ 4,921,069	\$ 4,372,102

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**A. Town and Board of Education Program (Continued)**

**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 the current healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB Liability	<u>\$ 4,275,213</u>	<u>\$ 4,921,069</u>	<u>\$ 5,726,562</u>

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$319,750. At June 30, 2024, the Town reported 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	\$ 115,871	\$ 597,514
Changes in Assumptions	691,061	764,077
Total	<u>\$ 806,932</u>	<u>\$ 1,361,591</u>

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

<u>Year Ending June 30, 2024</u>	<u>Amount</u>
2025	\$ 9,151
2026	(68,972)
2027	(249,260)
2028	(77,629)
2029	(66,100)
Thereafter	(101,849)
Total	<u>\$ (554,659)</u>

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

**Plan Description**

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

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

**Benefit Provisions**

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute.

A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

**Contributions**

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$104,297 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2024, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	7,738,726
Total	<u>\$ 7,738,726</u>

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

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

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

For the year ended June 30, 2024, the Town recognized OPEB expense and revenue of \$(911,672) in Exhibit II.

**Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2028

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

- Discount rate changed from 3.53% to 3.64%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;



**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

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

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

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

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

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

**OPEB Fiduciary Net Position**

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

**Other Information**

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

**C. Aggregate OPEB Information**

The Town recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2024:

Plan	Net Pension Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Town OPEB Plan	\$ 4,921,069	\$ 806,932	\$ 1,361,591	\$ 319,750
Connecticut Teachers Retirement System	-	-	-	104,297
Total	<u>\$ 4,921,069</u>	<u>\$ 806,932</u>	<u>\$ 1,361,591</u>	<u>\$ 424,047</u>

**NOTE 6 OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties except for workers' compensation and Liability-Automobile-Property insurance, for which the Town participates in risk-sharing pools. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2024.

**TOWN OF ELLINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

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

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 32, and 40 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town has chosen to retain the risks for Board of Education employee dental claims and Board of Education employee medical insurance claims. These funds are reported as Internal Service Funds in the accompanying combining statement of net position.

The claims liability of \$42,973 for the BOE Dental Self-Insurance Fund, reported at June 30, 2024 is based on estimated claims incurred but not reported. The changes in the claim liability were as follows:

BOE Dental Self-Insurance	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,	Due Within One Year
2023-2024	\$ 26,224	\$ 337,250	\$ 320,501	\$ 42,973	\$ 42,973
2022-2023	45,200	284,473	303,449	26,224	26,224

The claims liability of \$457,875 for the BOE Medical Self Insurance Fund, reported at June 30, 2024 is based on estimated claims incurred but not reported. The changes in the claim liability were as follows:

BOE Medical Self-Insurance	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,	Due Within One Year
2023-2024	\$ 382,079	\$ 5,984,653	\$ 5,908,857	\$ 457,875	\$ 457,875
2022-2023	297,244	6,507,069	6,422,234	382,079	382,079

**TOWN OF ELLINGTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**B. Contingent Liabilities**

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

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

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

**NOTE 7 SUBSEQUENT EVENT**

The Town issued \$7,000,000 of general obligation bonds on September 24, 2024. The bonds had a coupon rate ranging from 4.0% to 5.0% and mature at various dates through 2044.

The Town also issued \$21,745,000 of general obligation bond anticipation notes on September 24, 2024. The notes had a coupon rate of 4.0% and are due September 23, 2025.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ELLINGTON, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2024**  
**(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Property Taxation:				
Current Year Levy	\$ 53,317,702	\$ 53,317,702	\$ 53,491,687	\$ 173,985
Prior Year Levy	80,000	80,000	192,869	112,869
Interest and Lien Fees	80,000	80,000	195,128	115,128
Total Property Taxation	53,477,702	53,477,702	53,879,684	401,982
State and Federal Grants:				
Education Cost Sharing Grant	10,333,424	10,333,424	10,351,630	18,206
Adult Education and Vocational Agriculture	22,003	22,003	24,679	2,676
Town Road Aid	339,087	339,087	340,943	1,856
Disability Reimbursement	1,941	1,941	2,123	182
State Property Forest	4,540	4,540	-	(4,540)
Pequot/Mohegan Funds	4,081	4,081	4,081	-
Circuit Court Fines	870	870	1,355	485
Telecomm Serv Pers Prop Tax	14,868	14,868	26,057	11,189
Additional Income Veterans	10,135	10,135	9,016	(1,119)
Local Capital Improvement Program	106,927	165,756	165,756	-
Revenue Sharing	-	-	415,675	415,675
Erase Grant	4,153	4,153	4,153	-
Historical Preserve Award	-	-	6,000	6,000
Emergency Management	18,379	18,379	21,133	2,754
North Central Area Agency on Aging	59,300	59,300	13,864	(45,436)
Municipal Grants-in-Aid	223,527	223,527	223,527	-
NCAAA-Nutrition PP (ENPP)	8,000	8,000	7,776	(224)
CT Fair Plan Anti Arson Grant	500	500	500	-
DOT Elderly and Disabled	-	-	54,340	54,340
Motor Vehicle Tax Reimbursement	8,744	8,744	8,744	-
PILOT	8,683	8,683	9,334	651
State of CT 'Nip Sales'	21,989	21,989	22,832	843
State of CT Elections	-	-	10,500	10,500
AARP	-	-	9,000	9,000
Total State and Federal Grants	11,191,151	11,249,980	11,733,018	483,038

**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for Goods and Services:				
Building Department	\$ 273,000	\$ 273,000	\$ 480,593	\$ 207,593
Rights of Way Permits	2,600	2,600	2,485	(115)
Fire Marshal	400	400	305	(95)
Planning and Zoning	40,000	40,000	37,486	(2,514)
Recreation Program Receipts	371,469	371,469	476,254	104,785
Town Clerk Conveyance Tax	275,000	275,000	196,154	(78,846)
Town Clerk Record Fees and License	125,000	125,000	84,827	(40,173)
Aircraft Registration	1,080	1,080	630	(450)
Animal Control Officer Fees and Licenses	26,500	26,500	25,352	(1,148)
Adhoc Patriotic Committee	-	-	50	50
Adhoc Ell Trails Committee	-	-	50	50
Board of Education	34,000	34,000	34,000	-
Police-Special Duty	377,000	377,000	367,791	(9,209)
Police-Dare Donations	-	-	138	138
Youth Services Donations	-	-	750	750
Youth Services Activities	13,000	13,000	30,486	17,486
Human Services-Fuel Administration	1,200	1,200	-	(1,200)
Human Services Donations	-	-	600	600
Senior Center Donations	350	350	622	272
Senior Center Emats	250	250	2,126	1,876
Senior Center Transportation Center	27,423	27,423	-	(27,423)
Senior Center Programs	30,000	30,000	49,610	19,610
Senior Center Rental Income	100	100	-	(100)
Hall Memorial Library Reimbursement	30,000	30,000	15,441	(14,559)
Library Program Revenue	2,500	2,500	2,170	(330)
Friends of the Library Reimbursement	10,240	10,240	11,374	1,134
Total Charges for Goods and Services	1,641,112	1,641,112	1,819,294	178,182
Investment Earnings:				
Interest on Earnings	250,000	250,000	1,674,757	1,424,757
Airport Sewer Debt	100,000	100,000	95,000	(5,000)
Other Revenues:				
Ambulance Fee Program	500,000	624,362	624,362	-
Insurance Claims and Refunds	4,000	4,000	24,837	20,837
WPCA Reimbursement	-	-	35,768	35,768
Recycling Revenue	6,000	6,000	11,634	5,634
Charging Stations	-	-	346	346
Snow Removal Charge - Developers	-	-	144	144
Sundry Refunds and Receipts	72,000	72,000	19,065	(52,935)
Rental Income of Town Property	29,270	29,270	29,270	-
Sale of Property	1,400	1,400	14,694	13,294
Total Other Revenues	612,670	737,032	760,120	23,088
Total Revenues	67,272,635	67,455,826	69,961,873	2,506,047

**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	\$ 983,064	\$ 1,083,745	\$ -	\$ (1,083,745)
Total Other Financing Sources	983,064	1,083,745	-	(1,083,745)
 Total Revenues and Other Financing Sources	 \$ 68,255,699	 \$ 68,539,571	 69,961,873	 \$ 1,422,302

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted	7,664,363
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted	104,297
CRRRA Sanitation fund not budgeted	555
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	857,430
Airport sewer debt payment receipts not included for GAAP	(95,000)

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

\$ 78,493,518



**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Board of Selectmen	\$ 473,204	\$ 488,724	\$ 444,141	\$ 44,583
Board of Finance	13,390	15,637	15,637	-
Auditors	59,000	59,000	53,984	5,016
Auditors - Special Project	1	1	-	1
Finance Officer	597,010	618,332	618,332	-
Tax Assessor	302,348	304,831	297,611	7,220
Tax Collector	198,505	202,323	186,797	15,526
Board of Assessment Appeals	110	110	87	23
Insurance Advisory Board	125	125	-	125
Town Clerk	190,766	194,186	185,169	9,017
Town Counsel	145,000	145,000	59,386	85,614
Probate Court	31,981	31,981	30,235	1,746
Town Planner	260,020	264,461	254,741	9,720
Total	2,271,460	2,324,711	2,146,120	178,591
Boards and Agencies:				
Registrars and Electors	78,086	78,086	75,854	2,232
Economic Development Commission	4,950	4,950	3,308	1,642
Planning and Zoning	27,900	27,900	27,275	625
Design Review Board	1	1	-	1
Zoning Board of Appeals	4,200	4,200	2,234	1,966
Shared Services Commission	1	1	-	1
Permanent Building Commission	4,120	4,120	1,690	2,430
Ethics Commission	70	70	-	70
Inland Wetland Agency	6,250	6,250	5,503	747
Flood and Erosion Control Board	1	1	-	1
Conservation Commission	3,350	3,350	1,998	1,352
WPCA	1	1	-	1
Total	128,930	128,930	117,862	11,068
Public Safety:				
Center Fire Department	208,777	208,777	196,812	11,965
Crystal Lake Fire Department	116,942	121,136	121,136	-
Fire Protection Hydrants	444,400	444,400	420,515	23,885
Emergency 911	71,611	71,611	68,212	3,399
Police	1,242,328	1,242,328	1,192,719	49,609
Police Special Duty	227,000	257,364	257,364	-
Police Drug Abuse Resistance Education	1,500	3,310	3,310	-
Animal Control Officer	114,834	120,033	120,033	-
Emergency Management	107,703	113,114	113,114	-
Building Department	179,563	209,319	209,319	-
Volunteer Ambulance	398,034	512,150	512,150	-
Emergency Service Incentive Program	160,000	160,000	133,935	26,065
Adhoc Emergency Service Committee	250	250	-	250
Preemption	5,500	9,900	9,900	-
Public Safety Commission	1	1	-	1
Fire Marshall	185,001	190,940	180,544	10,396
Total	3,463,444	3,664,633	3,539,063	125,570

**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works:				
General Town Roads	\$ 2,308,152	\$ 2,302,026	\$ 2,203,548	\$ 98,478
New Equipment	10,000	10,018	10,018	-
Equipment Maintenance	283,000	283,000	266,448	16,552
Town Garage Maintenance	72,150	72,150	64,336	7,814
Street Signs	10,000	10,000	7,577	2,423
Grounds Maintenance - BOE/Parks	110,000	110,531	110,531	-
Town Aid Road - Winter	257,210	257,210	256,083	1,127
Town Aid Road - Materials	275,000	290,838	288,760	2,078
Sanitary Landfill	675,210	675,210	612,657	62,553
Mun-Solid/Bulky Waste Curb	679,375	679,375	677,482	1,893
Sanitary Recycling	434,486	503,040	503,040	-
Household Hazardous Waste	21,572	21,572	20,094	1,478
Street Lighting	82,000	82,000	78,298	3,702
Engineering and Inspections	105,000	167,510	167,510	-
Total	5,323,155	5,464,480	5,266,382	198,098
Recreation:				
Parks Recreation Equipment	681,242	715,400	656,619	58,781
Crystal Lake Water Monitor	60,000	62,738	62,738	-
Total	741,242	778,138	719,357	58,781
Library:				
Hall Memorial Library	779,431	779,431	764,542	14,889
Human Services:				
Nutmeg Big Brothers Big Sisters	3,000	3,000	3,000	-
Cornerstone Foundation, Inc.	5,000	5,000	5,000	-
Connecticut Legal Services	1,500	1,500	1,500	-
YWCA/SACS	2,000	2,000	2,000	-
Regional Mental Health Board	1,149	1,149	1,149	-
Hockanum Valley Community Council	21,000	21,000	13,125	7,875
Youth Activity Programs	236,343	236,343	215,976	20,367
Hartford Interval House	3,000	3,000	3,000	-
Human Services	237,658	242,233	219,026	23,207
North Central Health District	77,662	77,662	77,662	-
Municipal Agent	2,000	2,000	1,440	560
Senior Center	310,399	314,288	298,985	15,303
Total	900,711	909,175	841,863	67,312

**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Town Properties:				
Town Hall	\$ 353,039	\$ 361,438	\$ 359,904	\$ 1,534
Center Cemetery	3,700	3,700	3,700	-
Hall Memorial Library Building	116,850	116,850	111,340	5,510
EVAC Building	33,350	33,350	26,393	6,957
Crystal Lake Fire Building	38,431	39,225	39,225	-
Crystal Fire Building - Main Street	41,641	43,035	43,035	-
Crystal Fire Building - Nutmeg Drive	30,666	30,666	20,300	10,366
Arbor Commons - Human Services	21,800	21,800	16,875	4,925
Arbor Commons - Police	14,400	14,400	13,016	1,384
Animal Control Facility	1,500	1,500	1,302	198
Senior Center Building	69,500	69,500	55,641	13,859
Pinney House	-	1,500	854	646
Old Crystal Lake School House	13,250	13,250	7,855	5,395
Total	738,127	750,214	699,440	50,774
Debt Service:				
Principal Retirement	2,255,469	2,255,469	2,255,469	-
Interest	397,773	397,774	397,774	-
Total	2,653,242	2,653,243	2,653,243	-
Other:				
Social Security	575,993	575,993	521,266	54,727
Insurance	2,857,907	2,857,907	2,766,993	90,914
Insurance Reimbursement and Claims	13,000	26,410	26,410	-
Service Insurance	93,656	93,656	93,656	-
Contingency Fund	200,000	68,083	-	68,083
Capital Reserve Fund	200,000	-	-	-
AD HOC Prevention Council Developing	10,000	10,000	8,584	1,416
Erase	3,907	4,153	4,153	-
AD HOC Patriotic Committee	5,000	5,000	4,461	539
AD HOC Beautification Committee	2,500	3,067	3,067	-
AD HOC Trails Committee	5,800	5,800	5,594	206
AD HOC Committee on Diversity and Inclusion	1,000	1,000	143	857
Charter Revision Commission	1,000	1,000	79	921
Miscellaneous	1,500	2,869	2,869	-
GASB-OPEB	100,000	100,000	100,000	-
Mill Rate Stabilization	100,000	300,000	300,000	-
Referendum/Primaries	17,500	17,500	10,993	6,507
Building Demolition/Eviction	5,000	5,000	642	4,358
Salary Adjustment	170,867	45,995	-	45,995
Employee Education Development	7,500	7,500	-	7,500
Town Communications	3,208	4,308	4,308	-
Town Website	20,000	20,000	20,000	-
Grant Applications	100	100	-	100
GIS	3,000	3,000	3,000	-
Total	4,398,438	4,158,341	3,876,218	282,123

**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education	\$ 45,083,347	\$ 45,083,347	\$ 45,083,347	\$ -
Capital Outlays	1,774,172	1,844,928	1,844,928	-
Total Budgetary Expenditures	<u>\$ 68,255,699</u>	<u>\$ 68,539,571</u>	<u>\$ 67,552,365</u>	<u>\$ 987,206</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted			\$ 7,664,363	
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted			104,297	
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes			857,430	
Change in designations recorded as expenditures for budget purposes:				
Capital and nonrecurring			(237,014)	
Debt service			(900,000)	
OPEB Reserve			(100,000)	
Airport debt payment receipts not included for GAAP			(95,000)	
Transfers not budgeted for			150,650	
Encumbrances outstanding at June 30, 2023 paid during current year			147,507	
Encumbrances outstanding at June 30, 2024			<u>(152,454)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Exhibit IV			<u>\$ 74,992,144</u>	

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND**  
**RELATED RATIOS – VOLUNTEER FIREFIGHTERS’**  
**LENGTH OF SERVICE AWARD PROGRAM**  
**LAST SIX FISCAL YEARS**

	2024	2023	2022	2021	2020	2019
Total LOSAP Liability:						
Service Cost	\$ 8,872	\$ 25,994	\$ 27,133	\$ 27,489	\$ 23,340	\$ 31,255
Interest on Total Pension Liability	77,024	79,258	82,727	85,458	84,438	84,051
Difference Between Expected and Actual Experience	97,167	5,656	4,982	(26,343)	(1,974)	13,832
Effect of Assumption Changes or Inputs	175,889	(294,412)	49,724	106,446	34,885	(23,954)
Benefit Payments	(91,108)	(95,105)	(86,716)	(89,049)	(94,420)	(100,133)
Net Change in Total LOSAP Liability	267,844	(278,609)	77,850	104,001	46,269	5,051
Total LOSAP Liability - Beginning	1,986,961	2,265,570	2,187,720	2,083,719	2,037,450	2,032,399
Total LOSAP Liability - Ending	2,254,805	1,986,961	2,265,570	2,187,720	2,083,719	2,037,450
Plan Fiduciary Net Position:						
Contributions - Employer	189,371	86,968	-	214,977	-	107,681
Net Investment Income (Loss)	41,798	36,065	37,231	32,271	34,972	36,735
Benefit Payments	(91,108)	(95,105)	(86,716)	(89,049)	(94,420)	(100,133)
Net Change in Plan Fiduciary Net Position	140,061	27,928	(49,485)	158,199	(59,448)	44,283
Plan Fiduciary Net Position - Beginning	1,268,308	1,240,380	1,289,865	1,131,666	1,191,114	1,146,831
Plan Fiduciary Net Position - Ending	1,408,369	1,268,308	1,240,380	1,289,865	1,131,666	1,191,114
Town's Net LOSAP Liability	<u>\$ 846,436</u>	<u>\$ 718,653</u>	<u>\$ 1,025,190</u>	<u>\$ 897,855</u>	<u>\$ 952,053</u>	<u>\$ 846,336</u>
Plan Fiduciary Net Position as a Percentage of Total LOSAP Liability	62.46%	63.83%	54.75%	58.96%	54.31%	58.46%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Town Net LOSAP Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

## Notes:

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

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 49,152	\$ 55,918	\$ 95,715	\$ 86,968	\$ 101,156	\$ 107,681	\$ 93,306	\$ 100,911	\$ 96,341	\$ 99,463
Contributions in Relation to the Actuarially Determined Contribution	189,371	86,968	86,716	214,977	-	107,681	93,306	101,000	96,341	90,200
Contribution Deficiency (Excess)	<u>\$ (140,219)</u>	<u>\$ (31,050)</u>	<u>\$ 8,999</u>	<u>\$ (128,009)</u>	<u>\$ 101,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89)</u>	<u>\$ -</u>	<u>\$ 9,263</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Notes to Schedule:

Valuation date: August 1, 2022

Measurement date: July 31, 2023

Actuarially determined contribution rates are calculated based on actuarial valuation as of August 1 of the beginning of each fiscal year in which contributions are reported.

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Unit credit
Amortization method	10 and 29 years
Single equivalent amortization period	10 year/29 year
Asset valuation method	Smoothed fair value
Inflation	2.60%
Investment rate of return	4.00%, net of investment related expense
Mortality Table	RP2000 - Combined Unisex

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.90 %	4.01 %	3.81 %	3.79 %	3.93 %	4.22 %	3.59 %	3.82 %	3.57 %	3.57 %

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.68 %	0.71 %	0.71 %	0.81 %	0.82 %	0.92 %	1.32 %	1.16 %	0.86 %	0.90 %
Town's Proportionate Share of the Net Pension Liability	<u>\$ 9,672,304</u>	<u>\$ 9,745,341</u>	<u>\$ 5,016,210</u>	<u>\$ 8,987,144</u>	<u>\$ 8,425,498</u>	<u>\$ 8,814,000</u>	<u>\$ 3,265,400</u>	<u>\$ 3,877,319</u>	<u>\$ 2,853,323</u>	<u>\$ 2,143,846</u>
Town's Covered Payroll	\$ 6,130,309	\$ 5,986,905	\$ 5,736,463	\$ 6,770,657	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684	\$ 4,434,633
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	63.38%	61.43%	114.36%	75.34%	77.00%	64.00%	144.01%	119.28%	162.08%	206.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.54 %	68.71 %	82.59 %	71.18 %	72.69 %	73.60 %	91.68 %	88.29 %	92.72 %	90.48 %

Notes: The measurement date is one year earlier than the employer's reporting date.



**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,040,392	\$ 1,075,501	\$ 974,235	\$ 952,257	\$ 811,260	\$ 809,991	\$ 692,362	\$ 662,260	\$ 535,138	\$ 587,703
Contributions in Relation to the Actuarly Determined Contribution	1,040,392	1,075,501	974,235	952,257	811,260	809,991	692,362	662,260	535,138	587,703
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,565,476	\$ 6,130,309	\$ 5,986,905	\$ 5,736,463	\$ 6,770,657	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684
Contributions as a Percentage of Covered Payroll	15.85 %	17.54 %	15.91 %	16.60 %	11.98 %	12.49 %	12.27 %	14.08 %	11.57 %	12.71 %

Notes to Schedule:

Valuation date: June 30, 2023

Measurement date: June 30, 2023

The actuarially determined contributions are calculated as of June 30, for the fiscal year ending two years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single equivalent amortization period	Blended 24.3 to 24.4 years depending on Tier
Asset valuation method	Market Value on the measurement date. Plan's fiduciary net position also included the present value of receivable initial liability payments established by participating employers upon entry into MERS
Inflation	2.50%
Salary increases	3.50% - 9.50%, including inflation
Investment rate of return	7%, net of investment related expense

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Attributed to the Town	82,602,561	87,504,330	70,585,999	89,122,783	78,949,572	60,875,000	59,744,000	63,060,000	48,421,000	44,756,000
Total	<u>\$ 82,602,561</u>	<u>\$ 87,504,330</u>	<u>\$ 70,585,999</u>	<u>\$ 89,122,783</u>	<u>\$ 78,949,572</u>	<u>\$ 60,875,000</u>	<u>\$ 59,744,000</u>	<u>\$ 63,060,000</u>	<u>\$ 48,421,000</u>	<u>\$ 44,756,000</u>
Town's Covered Payroll	\$ 23,282,974	\$ 22,491,951	\$ 21,561,516	\$ 20,684,364	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000	\$ 17,669,000	\$ 17,616,000	\$ 17,176,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.39 %	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

## Notes to Schedule:

Changes in benefit terms

None

Changes of assumptions

None

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation

Single equivalent amortization period

27.8 years

Asset valuation method

4-year smoothed fair value

Inflation

2.50%

Salary increase

3.00%-6.50%, including inflation

Investment rate of return

6.90%, net of investment related expense

## Notes:

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

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

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

	2024	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Attributed to the Town	7,738,726	7,663,372	7,690,215	13,292,666	12,312,630	12,169,000	15,377,000
Total	<u>\$ 7,738,726</u>	<u>\$ 7,663,372</u>	<u>\$ 7,690,215</u>	<u>\$ 13,292,666</u>	<u>\$ 12,312,630</u>	<u>\$ 12,169,000</u>	<u>\$ 15,377,000</u>
Town's Covered Payroll	\$ 23,282,974	\$ 22,491,951	\$ 21,561,516	\$ 20,684,364	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.92 %	9.46 %	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %

## Notes to Schedule:

## Changes in benefit terms

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

## Changes of assumptions

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

## Actuarial cost method

Entry age

## Amortization method

Level percent of payroll over an open period

## Remaining amortization period

30 years

## Asset valuation method

Fair value of assets

## Investment rate of return

3.00%, net of investment related expense including price inflation

## Price inflation

2.50%

## Notes:

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

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL – THE BONDS

September \_\_, 2025

Town of Ellington  
55 Main Street  
Ellington, CT 06029

We have acted as Bond Counsel to the Town of Ellington, Connecticut (the “Town”) in connection with the issuance by the Town of its \$\_\_\_\_\_ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated September \_\_, 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 Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds 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 Bonds in order that interest on the Bonds 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 Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, 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.

Based on the foregoing, we are of the opinion that interest on the Bonds 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 Bonds 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 Bonds 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 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds 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 Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds 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 Bonds.

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 OPINION OF BOND COUNSEL – THE NOTES

September \_\_, 2025

Town of Ellington  
55 Main Street  
Ellington, CT 06029

We have acted as Bond Counsel to the Town of Ellington, Connecticut (the “Town”) in connection with the issuance by the Town of its \$ \_\_\_\_\_ General Obligation Bond Anticipation Notes (the “Notes”) dated September \_\_, 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.

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 D – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

*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, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement ("Agreement") is made as of September \_\_, 2025 by the Town of Ellington, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2025, dated as of September \_\_, 2025 (the "Bonds"). for the benefit of the beneficial owners from time to time of the Bonds.

**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 September \_\_, 2025 prepared in connection with the Bonds.

"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. Annual Financial Information.**

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:

(i) Financial statements of the Issuer's general fund and, any special revenue, capital projects, permanent enterprise, and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

(A) amounts of the gross and the net taxable grand list applicable to the fiscal year,

- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's applicable net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

### **Section 3. 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 Bonds:

- (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 bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, 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 of the Issuer, 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 a 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 Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Bonds 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 Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, 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 Bond 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 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and 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 6. 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 Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. 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 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Officer is Ellington Town Hall, 55 Main Street, Ellington, Connecticut 06029.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds 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 Bonds.

#### **Section 8. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 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 additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional

information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or 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 Bonds, 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. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(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 ELLINGTON, CONNECTICUT

By \_\_\_\_\_  
LORI L. SPIELMAN  
First Selectman

By \_\_\_\_\_  
TIFFANY L. PIGNATARO  
Finance Officer/Treasurer

## APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

*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 September \_\_, 2025 by the Town of Ellington, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$\_\_\_\_\_ General Obligation Bond Anticipation Notes, dated as of September \_\_, 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 September \_\_, 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 Finance Officer, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Finance Officer, Town Hall, 55 Main Street, Ellington, Connecticut 06029.

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 ELLINGTON, CONNECTICUT

By: \_\_\_\_\_  
LORI L. SPIELMAN  
First Selectman

By: \_\_\_\_\_  
TIFFANY L. PIGNATARO  
Finance Officer/Treasurer

## APPENDIX F – NOTICE OF SALE - THE BONDS

### NOTICE OF SALE

#### TOWN OF ELLINGTON, CONNECTICUT \$12,450,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF ELLINGTON, CONNECTICUT (the “Issuer”), until NOON (E.T.) on TUESDAY,

SEPTEMBER 9, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$12,450,000 General Obligation Bonds, Issue of 2025, dated September 23, 2025 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on September 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	625,000	2036	620,000
2027	625,000	2037	620,000
2028	625,000	2038	620,000
2029	625,000	2039	620,000
2030	625,000	2040	620,000
2031	625,000	2041	620,000
2032	625,000	2042	620,000
2033	625,000	2043	620,000
2034	625,000	2044	620,000
2035	625,000	2045	620,000

The Bonds will bear interest commencing September 15, 2026 and semiannually thereafter on March 15 and September 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

#### Optional Redemption

The Bonds maturing on or before September 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after September 15, 2033, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 15, 2033 and thereafter	100.0%

### **Nature of Obligation**

The Bonds 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 Bonds when due. Unless paid from other sources, the Bonds 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.

### **Bank Qualification**

The Bonds SHALL NOT 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 Bonds.

### **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity 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 Bonds 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, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. 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 Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form

of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

### **Record Date**

The record dates for the Bonds will be the last business day of February and August in each year.

### **Proposals**

Each bid must be for the entire \$12,450,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

### **Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost ("TIC") to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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 Bonds in accordance with the provisions of this Notice of Sale.

## **CUSIP Numbers**

The deposit of the Bonds 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 Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, 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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

## **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds 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 Bonds on the terms described in this Notice. **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.**

**Disclaimer.** Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. 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 or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the 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 Bonds. 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 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 of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds 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 Bonds the purchaser 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 Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond 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 Bonds.

The Bonds 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 September 23, 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 Bonds 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 Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds 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 Bonds 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 Bonds 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 Bonds, 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 Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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 Bonds, 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 Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, 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

Bonds, 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 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 Bonds) will apply to the initial sale of the Bonds (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 who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), 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. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

***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 Bonds (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 Bonds 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 (I) of the first price at which ten percent (10%) of each Maturity of Bonds 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 of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. 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 Bonds 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 Bonds 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 Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds 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 Bonds, that each Underwriter will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that Maturity or all Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that

Maturity or all Bonds 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 Bonds 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 Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds 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 Bonds 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 Bonds 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 Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated August 29, 2025 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [www.munistat.com](http://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 from Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: [Susan.Caron@munistat.com](mailto:Susan.Caron@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 Bonds or by the seventh (7th) business day after the day bids on the Bonds 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 Bonds, 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 annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix D. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF ELLINGTON, CONNECTICUT

LORI L. SPIELMAN  
First Selectman

TIFFANY L. PIGNATARO  
Finance Officer/Treasurer

August 29, 2025

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF ELLINGTON, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2025  
Dated September 23, 2025

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF ELLINGTON, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about September 23, 2025, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of September 9, 2025 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “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. The term “related party” for purposes of this certificate generally means any two or

more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “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 Bonds 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 Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of September \_\_, 2025.

[UNDERWRITER]

By: \_\_\_\_\_  
Name:  
Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, September 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026	625,000		
2027	625,000		
2028	625,000		
2029	625,000		
2030	625,000		
2031	625,000		
2032	625,000		
2033	625,000		
2034	625,000		
2035	625,000		
2036	620,000		
2037	620,000		
2038	620,000		
2039	620,000		
2040	620,000		
2041	620,000		
2042	620,000		
2043	620,000		
2044	620,000		
2045	620,000		

**Schedule B to Issue Price Certificate**

## **APPENDIX G – NOTICE OF SALE – THE NOTES**

### **NOTICE OF SALE**

#### **TOWN OF ELLINGTON, CONNECTICUT \$15,250,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF ELLINGTON, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

SEPTEMBER 9, 2025

(the “Sale Date”) for the purchase of the Issuer’s \$15,250,000 General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

#### **The Notes**

The Notes are expected to be dated September 23, 2025 and will mature and be payable to the registered owner on September 22, 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 NOT 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.

## **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 submitted in accordance with the requirements prescribed herein. 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 \$150,000, 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**<sup>®</sup>. 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**<sup>®</sup> 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**<sup>®</sup>, 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**<sup>®</sup>, or the inaccuracies of any information, including bid information or worksheets supplied by **PARITY**<sup>®</sup>, the use of **PARITY**<sup>®</sup> 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**<sup>®</sup> as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**<sup>®</sup>, including any fee charged, may be obtained from **PARITY**<sup>®</sup>, 1359 Broadway, 36<sup>th</sup> Street, 2<sup>nd</sup> Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 or (212) 849-5023 - email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto:parity@i-deal.com)).

For purposes of the electronic bidding process, the time as maintained by **PARITY**<sup>®</sup> 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. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup>. The Issuer is using **PARITY**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup> 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**<sup>®</sup> at (212) 849-5021 or (212) 849-5023.

### **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**

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.

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 September 23, 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 C 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 Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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 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.

***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 (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. 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 29, 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](http://www.i-dealprospectus.com) and [www.munistat.com](http://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 from Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: [Susan.Caron@munistat.com](mailto:Susan.Caron@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 E. 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 ELLINGTON, CONNECTICUT

LORI L. SPIELMAN  
First Selectman

TIFFANY L. PIGNATARO  
Finance Officer/Treasurer

August 29, 2025