

# Preliminary Official Statement Dated November 26, 2025

**NEW MONEY ISSUE: Book-Entry-Only**

**Ratings: S&P Global Ratings: "AAA"**

*In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds 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. See "Tax Matters" herein.*



## Town of Stonington, Connecticut \$15,500,000 General Obligation Bonds, Issue of 2025

**Dated:**      **Date of Delivery**

**Due: Serially December 15, 2026 – 2045,  
as detailed below:**

Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>	Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>
2026	\$ 775,000	. . %	. . %	862029	2036	\$ 775,000	. . %	. . %	862029
2027	775,000	. . %	. . %	862029	2037	775,000	. . %	. . %	862029
2028	775,000	. . %	. . %	862029	2038	775,000	. . %	. . %	862029
2029	775,000	. . %	. . %	862029	2039	775,000	. . %	. . %	862029
2030	775,000	. . %	. . %	862029	2040	775,000	. . %	. . %	862029
2031	775,000	. . %	. . %	862029	2041	775,000	. . %	. . %	862029
2032	775,000	. . %	. . %	862029	2042	775,000	. . %	. . %	862029
2033	775,000	. . %	. . %	862029	2043	775,000	. . %	. . %	862029
2034	775,000	. . %	. . %	862029	2044	775,000	. . %	. . %	862029
2035	775,000	. . %	. . %	862029	2045	775,000	. . %	. . %	862029

Interest on the Bonds will be payable on June 15, 2026 and semiannually thereafter on December 15 and June 15 in each year until maturity. The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC") New York, New York. The beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, redemption premium and interest payments on the Bonds will be made by the Town, or its agent to DTC, or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. So long as Cede & Co. is the Bondholder, as nominee for DTC, reference herein to the Bond owner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry-Only System" herein.)

The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein).

**Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (Eastern Time) on Thursday, December 4, 2025 at Town Hall, Town of Stonington, 152 Elm Street, Stonington, Connecticut 06378 as described in the Notice of Sale.**

The Bonds will be general obligations of the Town of Stonington, secured by the pledge of the Town's full faith and credit. See "Security and Remedies" herein.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Tobin, Carberry, O'Malley, Riley & Selinger, P.C., Bond Counsel, of New London, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about December 15, 2025.

The Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Bonds will be U.S. Bank National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103.

<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. 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 or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds 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.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A definitive Official Statement with respect to these securities will be made available prior to their delivery.



No person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. 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 by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

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

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

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

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within 10 business days of the occurrence of such events, 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. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

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## **Bond Issue Summary**

*The information in this Bond Issue Summary and the front 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>	Thursday, December 4, 2025 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Town Hall, Town of Stonington, 152 Elm Street, Stonington, Connecticut 06378.
<b>Issuer:</b>	Town of Stonington, Connecticut (the "Town").
<b>Issue:</b>	\$15,500,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	Interest on the Bonds is due June 15, 2026 and semiannually thereafter on December 15 and June 15 in each year until maturity.
<b>Principal Due:</b>	Principal on the Bonds is due serially, December 15, 2026 through December 15, 2045 as detailed in this Official Statement.
<b>Purpose:</b>	Bond proceeds will be used for various school and general purpose projects.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity, as provided herein.
<b>Denominations:</b>	\$5,000
<b>Security:</b>	The Bonds will be general obligations of the Town of Stonington, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due from taxes levied against taxable property within the Town.
<b>Credit Rating:</b>	The Town received a rating of "AAA" from S&P Global Ratings on the Bonds.
<b>Form of Legal Opinion:</b>	See Appendix B – "Form of Legal Opinion" herein.
<b>Bank Qualification:</b>	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, 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(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
<b>Legal Opinion:</b>	Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut will act as Bond Counsel.
<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 December 15, 2025. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to James Sullivan, Director of Finance, Town of Stonington, 152 Elm Street, Stonington, Connecticut 06378. Telephone: (860) 535-5070.

## **I. Bond Information**

### **Introduction**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Stonington, Connecticut, (the "Town") in connection with the issuance and sale of \$15,500,000 General Obligation Bonds, Issue of 2025 (the "Bonds") of the Town.

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. Any statement 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. 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.

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, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The Town deems this official statement to be "final" for purposes of Securities and Exchange Commission rule 15c-12(b)(1), but is subject to revision or amendment.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated November 26, 2025 for the Bonds, set forth in Appendix D has been furnished to prospective bidders. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

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

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

### **Public Health Considerations**

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19") resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the Town and its financial and operational performance.

The Town received \$5,230,927 from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the "COVID-19 Aid"). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

## **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 impacted and/or damaged from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including but not limited to, the use of virtual private networks, offsite servers and hosting platforms for its financial systems, all of which are insured. Additionally, the Town undertakes internal testing of its systems and maintains variable daily backup schedules. 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. However, the Town does have an IT Disaster Recovery Plan, and incident response protocols in place, and the Town carries a \$1,000,000 cyber security insurance policy to fund a cyber security incident response.

## **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. While the Town cannot predict the precise timing, extent, or severity of these impacts, it has taken a comprehensive and proactive approach to climate adaptation and resiliency planning, supported by strong fiscal management and dedicated reserves that ensure the capacity to respond and recover from unforeseen events.

As part of a regional collaboration among 22 municipalities in the Southeastern Connecticut Council of Governments (SCCOG), Stonington adopted a Climate Emergency Declaration in 2021, laying the foundation for sustained and coordinated climate action. Building on that effort, in 2022, the Board of Selectmen approved a Resolution of Commitment to Address Climate Change, Resiliency, and Sustainability as a Central Management Principle, empowering all Town departments to integrate climate-conscious decision-making into day-to-day operations and long-term planning.

In 2023, Stonington became one of the first municipalities in Connecticut to establish a Flood Prevention, Climate Resilience, and Erosion Control Board, augmenting the work of the Town's Climate Change Task Force and strengthening oversight of infrastructure and shoreline protection projects. The Town has also invested in staff capacity, hiring an Assistant Town Engineer in 2025 whose portfolio includes a major focus on stormwater management.

The Town's planning framework is anchored by a 2017 Coastal Resiliency Plan and a 2023 Hazard Mitigation and Climate Adaptation Plan, both of which guide capital investments and emergency response preparedness. In 2025, through a grant partnership with CIRCA (Connecticut Institute for Resilience & Climate Adaptation) and Fuss & O'Neill, Stonington launched the Resilient Downtown Mystic Project, which identifies vulnerabilities in Downtown Mystic and along the Route 27 corridor. This project includes extensive public engagement and will produce a series of short, mid, and long-term adaptation strategies aligned with CIRCA's *PERSISTS* (Permittable, Equitable, Realistic, Safe, Innovative, Scientific, Transferable, Sustainable) criteria.

In addition, the Town's Water Pollution Control Authority (WPCA) received a grant from Veolia to assess and mitigate vulnerabilities at the Mystic Wastewater Treatment Plant. Stonington is also nearing completion of its first living shoreline project at a Town park along the Mystic River, designed to naturally buffer storm surge and prevent erosion along a critical transportation corridor.

Through its annual budget process, the Town allocates recurring funds toward stormwater management, bridge rehabilitation, including elevation, and emergency management initiatives. In 2023, the Town expanded and professionalized its Emergency Management function, ensuring cross-departmental coordination and long-term planning with public safety, public works, and other key stakeholders.

Taken together, these measures demonstrate Stonington's commitment to fiscal prudence, climate readiness, and operational resilience, reinforcing its capacity to manage environmental risks without compromising its strong financial position or essential services.

## **Municipal Advisor**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the Town in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **The Bonds**

### **Description of the Bonds**

The \$15,500,000 principal amount of the Bonds will be paid as indicated on the front cover of this Official Statement.

The Bonds will be dated the Date of Delivery and will bear interest at the rate or rates per annum specified on the cover of this Official Statement, payable on June 15, 2026 and semiannually thereafter on December 15 and June 15 in each year until maturity. Interest will be calculated on the basis of a thirty-day month and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of May and November, in each year, by check mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, or by such other means as DTC, the Paying Agent and the Town shall agree. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only System”.

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**Redemption Provisions**

The Bonds maturing on or before December 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on December 15, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after December 15, 2033, at any time, either 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 price (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 15, 2033 and thereafter .....	100.0%

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 prior to the redemption date to the registered owner of any Bonds designated for redemption, at the address of such registered owner, as the same shall last appear on the registration books for the Bonds kept for such purposes. 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.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of the 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 a 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 being called for redemption, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct 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. 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 Direct Participants in the Bonds to be redeemed, the interests to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of reductions of interests 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, the Registrar or Paying Agent.

**Authorization and Purpose**

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, and bond resolutions approved by the Board of Selectman of the Town. The proceeds of the Bonds will be used to finance the projects listed below in "Use of Proceeds".

**Use of Proceeds**

<u>Project</u>	<u>Authorized</u>	<u>This Issue The Bonds</u>
Town and School Infrastructure.....	\$ 15,500,000	\$ 15,500,000
<b>Totals.....</b>	<b>\$ 15,500,000</b>	<b>\$ 15,500,000</b>

## **Book-Entry-Only Transfer System**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Securities”). The Securities 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 Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity 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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities 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 Paying Agent, 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Town or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security 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, Security 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 nor the Underwriter takes no responsibility for the accuracy thereof.

### ***DTC Practices***

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds 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.

### ***Replacement Bonds***

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

### ***Security and Remedies***

The Bonds 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 when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut 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 qualified disabled persons taxable at limited amounts. Payment of the Bonds 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.

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, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation debt (hereafter “debt”) and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt 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 could take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 Title 11 of the Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes 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 or other obligations.

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

***Qualification for Financial Institutions***

The Bonds shall 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, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

***Availability of Continuing Information***

The Town of Stonington prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management. The Town provides, and will continue to provide, to the rating agencies 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 requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data with respect to the Bonds and notices of certain events with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and notices of material events pursuant to SEC Rule 15c2-12(b)(5) (the “Prior Disclosure Undertakings”). The Town believes that it has complied in a timely manner with its obligations to file audited financial statements and certain financial information and operating data for each of the last five years.

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## ***Ratings***

S&P Global Ratings (“Rating Agency”) has assigned a “AAA” rating on the Bonds. The Town furnished to the Rating Agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the Rating Agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The Rating Agency should be contacted directly for its rating on the Bonds and the explanation of such rating.

The Town expects to furnish the Rating Agency with information and materials that it may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town's Municipal Advisor, Phoenix Advisors, recommends that all bonded debt be submitted for a credit rating.

## ***Tax Matters***

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Arbitrage and Use of Proceeds certificate, which will be executed and delivered by the Town concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Arbitrage and Use of Proceeds certificate, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Arbitrage and Use of Proceeds certificate, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds 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.

Legislation affecting the exclusion for federal income tax purposes from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bond.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

## **Original Issue Discount**

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds is sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bond by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any Bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such Bond or Note. The original issue discount attributable to any Bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the Bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

## **Original Issue Premium**

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

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## II. The Issuer



# Connecticut

### **Description of the Municipality**

The Town of Stonington is located in the southeastern corner of Connecticut, bordering Westerly, Rhode Island to the east, Long Island Sound to the south, Groton, Ledyard and North Stonington to the west and north. Stonington is one of only two Connecticut towns facing the Atlantic Ocean. Fisher’s Island and Long Island can be seen to the southwest and Block Island to the southeast. The rocky shoreline has many peninsulas, islands, coves and marshes.

Stonington boasts a combination of seaside villages, semi-rural neighborhoods and business areas. The Town is within two hours or less of major research and transportation centers in Boston, Providence, New Haven, Hartford and New York, all conveniently accessible via Interstate 95. Major airports are located nearby in Groton, Hartford, Providence and Boston. Amtrak train stations are located in the Village of Mystic located within the Town of Stonington, and in New London and Westerly, Rhode Island.

The Town of Stonington, covering 42.7 square miles in New London County, was settled in 1649. The 2023 population totals 18,381 with 5% residing in the Borough (a seaside village and political subdivision). Pawcatuck and Mystic are two other villages in the Town, which have 40% and 20% of the Town’s population respectively.

The Borough of Stonington, the oldest borough in Connecticut, was incorporated in 1801. Steeped in the history of its past as a whaling port and home of the last remaining commercial fishing fleet in the State, it includes a number of large, well maintained homes of former mariners including Captain Nathaniel Palmer, the discoverer of Antarctica.

Pawcatuck has continued its proud industrial heritage as the home of global manufacturing leader Davis Standard Corporation, the premier supplier of plastic extrusion systems.

Mystic was developed around the shipbuilding industry. Today Mystic boasts three distinct visiting areas: Historic Downtown Mystic, with diverse specialty shops; Mystic Aquarium Sea Research Foundation; and the Museum of America and the Sea, which provides an inside look at New England's maritime heritage. Mystic is renowned for its village area of historic buildings and tall ships. Olde Mystic Village has over sixty shops set in a New England style village located next to Mystic Aquarium and Institute for Exploration. Old Mystic is the original community at the head of the Mystic River.

Foxwoods Resort Casino is fifteen minutes north of Mystic and the Mohegan Sun Casino is twenty minutes away from Mystic.

### **Form of Government**

The Town adopted a charter on November 7, 1989, which establishes a Town Meeting form of government. The Town Meeting acts as the legislative body. The three-member Board of Selectmen acts as the governing body for most matters with certain boards and agencies having jurisdiction over specific areas, such as the Board of Finance, Water Pollution Control Authority, Board of Education, Planning and Zoning Commission and Zoning Board of Appeals. The First Selectman is the Chief Executive Officer, with an appointed Director of Administrative Services to maintain continuity of government services.

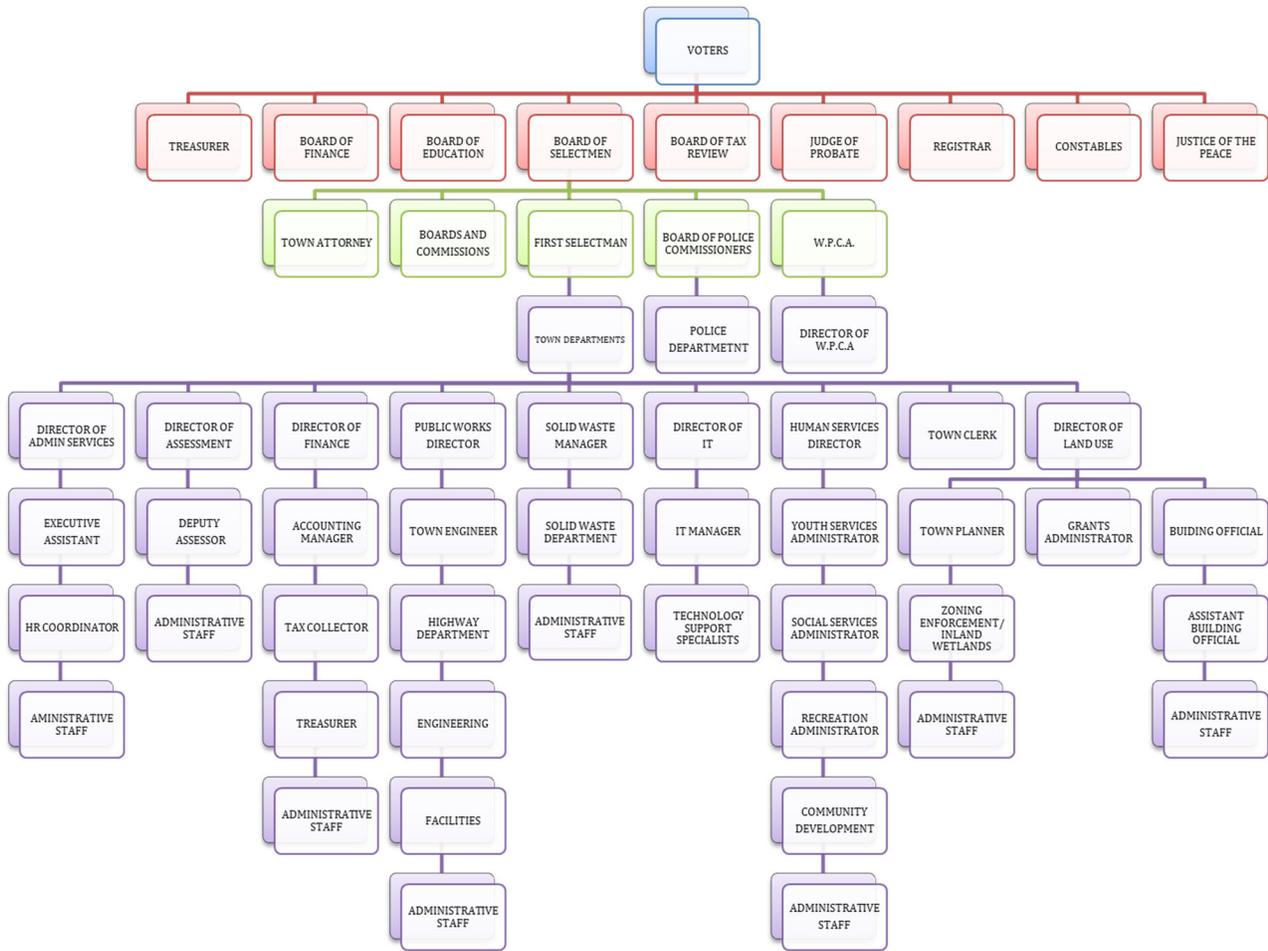
The financial administrator of the Town is the Director of Finance. The Director of Finance administers and accounts for all Town funds.

The Police Department is headed by a five-member Board of Police Commissioners.

The Town is divided into five voting districts, and Town elections are held biennially in odd-numbered years.

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## Organizational Chart



### Principal Municipal Officials

Office	Name	Manner of Selection	Term of Office	Years Served	Employment Last Five Years
First Selectman.....	William Middleton	Elected	11/25-11/27	< 1	Business Owner
Selectwoman.....	Deborah Norman	Elected	11/25-11/27	< 1	Business Owner
Selectman.....	Ben Tamsky	Elected	11/25-11/27	3	Business Owner
Director of Admin. Services.....	Melanie Roberts	Appointed	Indefinite	< 1	-
Director of Finance.....	James Sullivan	Appointed	Indefinite	10	Certified Public Accountant
Treasurer.....	Sandy Grimes	Elected	11/25-11/27	12	Retired
Chief of Police.....	Jay DelGrosso	Appointed	Indefinite	3	Connecticut State Police
Chairman, Board of Finance.....	TBD	Elected	TBD	TBD	-
Superintendent of Schools.....	Mary Anne Butler	Appointed	Indefinite	2	Assitant Superintendent of Schools
Tax Collector.....	Cindy Curioso	Appointed	Indefinite	3	Assistant Tax Collector
Town Clerk.....	Sally Duplice	Appointed	Indefinite	2	Assistant Town Clerk
Town Attorney.....	Thomas J. Londregan	Appointed	Indefinite	30	Attorney
Director of Human Services.....	Leanne Theodore	Appointed	Indefinite	9	Human Services Director
Director of Land Use.....	Position vacant	Appointed	Indefinite	-	-
Assessor.....	Jennifer Lineaweaver	Appointed	Indefinite	5	Assessor
Director, WPCA .....	Daniel Smith	Appointed	Indefinite	3	Plant Operator

## ***Municipal Services***

**Police:** The Police Department is headed by a five-member Board of Police Commissioners appointed by the Board of Selectmen for five-year terms, with one appointed each year. The Board is responsible for all policy as well as the formulation and administration of the Police Department's budget. The Department is administered by a Chief of Police and staffed with one Captain, two Lieutenants, six Sergeants, twenty-nine Patrolmen and eight civilian dispatchers.

**Water Pollution Control:** The Stonington Water Pollution Control Authority consists of a five-member Board appointed by the Board of Selectmen for five-year terms. The Board is responsible for all policy as well as the formulation and administration of the budget. The Authority is administered by a full time Director. The wastewater facilities including collection and treatment are operated under a contract with Suez Water, Inc. The contract was for a 15-year term renewable at 5-year intervals solely at the Town's option. The contract was renewed for an additional five years through November 14, 2029.

The Authority operates the Sanitary Sewer System, which is operational for the Borough of Stonington and the Mystic and Pawcatuck areas. The plants serve approximately 4,000 residential and commercial users. The plants process 1.3 million gallons per day and have total capacity of 2.8 million gallons per day.

In November 2010, the Town approved an appropriation and bond authorization in the amount of \$18,325,000 for making improvements to the Town's Wastewater Treatment Facilities. The project was completed in June of 2015. The Mystic and Stonington Treatment Plants were upgraded in 1999 at a cost of approximately \$6,351,000.

**Fire and Miscellaneous:** Fire protection is provided by five volunteer fire companies and funded through eleven separate fire districts and associations with individual taxing authority. These coterminous municipalities, including the Borough of Stonington which provides other services as well, are as follows: Stonington Fire District, Borough of Stonington, Old Mystic Fire District, Quiambaug Fire District, Mystic Fire District, Pawcatuck Fire District, Mason's Island Fire District, Latimer Point Fire District, Lord's Point Association, Inc., Wequetequock Fire District and Wamphaussuc Point Association. An enhanced 911 system is connected to a central dispatch at Town Police Headquarters.

**Pawcatuck Neighborhood Center:** The Pawcatuck Neighborhood Center was built from the proceeds of a federally funded Community Development Block Grant from the Department of Housing and Urban Development. The Center opened in September of 1985. It is a multi-purpose facility, which offers a variety of social, educational, health and human services programs with an emphasis on community spirit. The Center provides hot lunch programs to senior citizens once a week. An addition to the Pawcatuck Neighborhood Center was completed in May 2009 and serves as a Senior Center for the Town.

**Human Services:** Established by Town Charter and housed in the Human Services Building at 166 South Broad Street in Pawcatuck, the Human Services Department is comprised of four divisions: Social Services, Youth & Family Services, Recreation and Senior Services. The mission of the Department is to enhance the quality of life for Stonington residents of all age groups and all economic backgrounds by advocating for their basic needs and promoting self-sufficiency. Services include free individual, family and group counseling, educational workshops, youth leadership and community service groups, social and recreational opportunities for residents of all ages, subsidized preschool, after school programming, Energy Assistance, medical and state program application assistance and referral, Stonington Prevention Council, a Juvenile Diversionary Board, Housing/Homelessness assistance, a prom shop and computer lab.

**Solid Waste Management:** In November 1985, the Town of Stonington entered into a Municipal Solid Waste Management Services Contract, as amended, (the "Service Contract") with the Southeastern Connecticut Regional Resources Recovery Authority (SCRRA) pursuant to which it participates, with eleven other southeastern Connecticut municipalities, in the Southeastern Connecticut system. The System consists of a mass-burn solid waste, disposal and electric generation facility located in the Town of Preston, Connecticut and various improvements and facilities related thereto, including landfills.

Under the terms of the Fourth Amendment to the Service Contract, effective October of 2016, the Town may deliver or cause to be delivered to the System, solid waste generated within its boundaries and under its control. The uniform per ton Disposal Fee is \$75.06 for 2025-2026. Payments are made to the Authority based on the waste delivery made to the Facility. There is no minimum commitment requirement. As part of the agreement, the Authority also provides such services as brush grinding, household waste collection services, waste oil collection, freon collection and florescent bulb collection to the Town at no charge.

The Town provides for the collection of MSW and recyclables for both its residential and commercial properties. The cost of this program is offset by revenue collected through volume-based user fees. The residential collection is a “pay-per-bag” program while the commercial collection costs are recovered by billing for container size and frequency.

The Town also operates an MSW and recyclables transfer station on Greenhaven Road in the Pawcatuck section of town. Activities include drop off for MSW and recyclables, processing of bulky waste, brush chipping and leaf composting.

## ***Economic Development***

The Town of Stonington is a core contributor to the Southeastern Connecticut economy, benefiting from its diverse mix of industries, strategic coastal location, and proximity to major employers such as General Dynamics Electric Boat, Pfizer, and two of the nation’s largest resort casinos. The local economy is anchored by four major industry clusters — defense and advanced manufacturing, tourism and culture, healthcare and biotechnology, and commercial fishing and food production — providing the Town with a broad economic base that supports stable growth and long-term tax capacity.

### **Regional Economic Strengths**

- Defense Technology, Engineering, and Advanced Manufacturing:

Stonington and the surrounding region benefit from strong spillover effects from General Dynamics Electric Boat (EB), which employs over 15,000 workers and plans to add 3,000 more by 2030 under contracts exceeding \$8 billion. Nearly 450 Connecticut firms supply EB, driving sustained job creation, industrial demand, and household income stability throughout the region. This fall, EB presented a new proposal for a new 80,000 square-foot technology /R&D center in the Pawcatuck Village area of Stonington.

- Tourism, Cultural Attractions, and Entertainment:

Southeastern Connecticut attracts more than 20 million visitors annually, with Stonington’s Mystic Village, Mystic Aquarium, and Mystic Seaport among the state’s premier destinations. Tourism generates substantial in statewide economic activity and supports a robust local ecosystem of restaurants, retail, hospitality, and service-sector employment. Recent capital investments — including Mystic Seaport’s \$12 million expansion and the Aquarium’s \$3.5 million research facility — reinforce the region’s national visibility and year-round visitor traffic.

- Healthcare and Biotechnology:

Healthcare represents approximately 14% of regional employment and continues to expand within Stonington, where recent developments have added over \$100 million in property value and 800 residential care units. The Town’s growing eldercare and medical office market — supported by the new Hartford HealthCare medical building — enhances both the service economy and the local tax base.

- Agriculture, Fishing, and Food Production:

Stonington is home to Connecticut’s last operating commercial fishing fleet, based at the Town Dock, and a growing aquaculture sector focused on oyster and shellfish harvests. Connecticut ranks as the 5th largest shellfish producer in the U.S., underscoring the economic and cultural importance of maritime and agricultural industries to the Town’s identity and resilience. Stonington is also home to New England’s largest Kelp farm outside of Maine.

## **Local Investment and Growth**

Tourism and residential investment remain vital economic drivers for Stonington. The Town's high quality of life, historic character, and coastal amenities continue to attract both residents and private developers. Since 2016, Stonington has approved over \$176 million in private investment, with an additional \$300 million in potential projects under review — a clear indicator of sustained market confidence and development momentum.

Housing development has been particularly strong, with 280 new units added since 2016, representing \$68 million in new investment. Many of these units serve the Town's growing elder population, complementing its well-established senior living and healthcare sector. Perkins Farm, a \$60 million mixed-use development, integrates residential, medical, and commercial uses, supporting both community vitality and long-term fiscal sustainability. Further, StoneRidge Senior Living, currently consisting of 270 independent elder living units, is planning a \$40 million expansion adding nearly 70 apartments, further anchoring the eldercare/health-care cluster.

The Town has also successfully obtained multiple brownfield redevelopment grants (over \$5 million in the past six years) showing proactive support for remediation & renewal.

Major employers such as Davis-Standard, General Dynamics Information Technology, and Zachry Nuclear Engineering provide a foundation of high-quality jobs, while nonprofit anchors like Mystic Seaport and Mystic Aquarium contribute to the region's national profile, education ecosystem, and tourism economy. Collectively, these institutions underpin Stonington's stable employment base and diversified local economy.

## **Strategic Positioning for Long-Term Growth**

Stonington believes its strategic investments in infrastructure, zoning modernization, and coastal resilience have strengthened its economic competitiveness and positioned it for sustainable, long-term growth. The Town's believes its combination of regional industry linkages, rising property values, growing healthcare presence, and diverse tax base make it a low-risk, high-stability investment environment. Anticipated private development, paired with prudent fiscal management, will ensure the Town's capacity to meet future obligations while maintaining a strong financial position.

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**Municipal Employees  
(Full-time)  
Fiscal Year**

	2025	2024	2023	2022	2021
General Government <sup>1</sup> .....	138	144	136	137	128
Board of Education .....	321	328	328	335	328
<b>Total</b> .....	459	472	464	472	456

<sup>1</sup> Represents full time employees.

Source: Superintendent's Office, Director of Finance, Town of Stonington.

**Employee Bargaining Organizations**

<b>General Government</b>	<b>Positions Covered <sup>1</sup></b>	<b>Current Contract Expiration Date</b>
Stonington Public Administrators Association.....	18	June 30, 2029
Stonington Town Hall Employees' Union, Inc., AFSCME-AFL-CIO...	21	June 30, 2028
United Steelworkers' Association, Inc.....	20	June 30, 2029
CT Organization for Public Safety Employees, Local 137.....	39	June 30, 2030
<b>Board of Education</b>		
Stonington Education Association.....	197	June 30, 2026
Stonington Public Administrators Association, Inc.....	10	June 30, 2025 <sup>2</sup>
AFSCME, AFL-CIO School Nurses .....	7	June 30, 2027
AFSCME, AFL-CIO School Secretaries .....	9	June 30, 2027
AFSCME, AFL-CIO School Maintenance Employees .....	21	June 30, 2027
AFSCME, AFL-CIO Paraprofessionals .....	75	June 30, 2028

<sup>1</sup> Based on Full Time Equivalent (FTE)

<sup>2</sup> In negotiations.

Source: Superintendent's Office, Director of Finance, Town of Stonington.

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 certificated teachers and certain other employees. The legislative body of an affected municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel shall give 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. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## Educational System

A six-member elected Board of Education is responsible for the operations of the Town educational system which consists of six schools. Also located in the Town are St. Michael's Parochial School and Pine Point, a private country-day school.

### School Facilities

<b>School</b>	<b>Grades</b>	<b>Date of Construction/ Remodeling</b>	<b>Number of Classrooms</b>	<b>Type of Construction</b>	<b>Enrollment 10/1/2025</b>	<b>Rated Capacity</b>
West Vine.....	K-5	1967, 2019	13	Masonry	351	420
Deans Mill.....	K-5	1967, 1975, 2019	25	Masonry	418	610
Stonington Middle...	6-8	1962, 2000	19	Masonry	385	525
Stonington High.....	9-12	1957, 1982, 2004	44	Masonry	501	792
<b>Total.....</b>					1,655	2,347

Source: Superintendent's Office, Director of Finance, Town of Stonington.

### School Enrollment

<b>School Year</b>	<b>Elementary Pre K-4</b>	<b>Middle High 5-8</b>	<b>High School 9-12</b>	<b>Total</b>
<b><u>Historical</u></b>				
2016-2017	738	648	686	2,072
2017-2018	724	652	694	2,070
2018-2019	724	633	664	2,021
2019-2020	691	611	648	1,950
2020-2021	677	579	616	1,872
2021-2022	801	397	609	1,807
2022-2023	805	379	597	1,781
2023-2024	771	394	584	1,749
2024-2025	771	366	572	1,709
2025-2026	769	385	501	1,655
<b><u>Projected</u></b>				
2026-2027	769	385	501	1,655

Source: Superintendent's Office, Director of Finance, Town of Stonington.

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### III. Economic and Demographic Information Population and Density

Year	Actual			State of Connecticut		
	Population	% Increase	Density <sup>1</sup>	Population	% Increase	Density <sup>1</sup>
1960	13,969	-	327	2,535,234	-	457
1970	15,940	14.11	373	3,032,217	19.60	547
1980	16,220	1.76	380	3,107,576	2.49	561
1990	16,919	4.31	396	3,287,116	5.78	593
2000	17,906	5.83	419	3,405,565	3.60	614
2010	18,545	3.57	434	3,510,297	3.08	633
2020	18,539	(0.03)	434	3,570,549	1.72	644
2023 <sup>2</sup>	18,381	(0.85)	430	3,598,348	0.78	649

Source: U.S. Census Bureau.

<sup>1</sup> Per square mile: Stonington: 42.7 square miles, State of CT: 5,543 square miles.

<sup>2</sup> American Community Survey 2019-2023.

#### Age Distribution of the Population

Age	Town of Stonington		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years.....	802	4.4%	181,240	5.0%
5 - 9 years.....	871	4.7	195,390	5.4%
10 - 14 years.....	1,041	5.7	217,297	6.0%
15 - 19 years.....	770	4.2	238,145	6.6%
20 - 24 years.....	626	3.4	233,423	6.5%
25 - 34 years.....	1,760	9.6	449,771	12.5%
35 - 44 years.....	1,919	10.4	451,461	12.5%
45 - 54 years.....	2,504	13.6	462,543	12.9%
55 - 59 years.....	1,458	7.9	260,758	7.2%
60 - 64 years.....	1,461	7.9	257,548	7.2%
65 - 74 years.....	2,850	15.5	376,023	10.4%
75 - 84 years.....	1,700	9.2	187,378	5.2%
85 years and over.....	619	3.4	87,371	2.4%
<b>Total.....</b>	<b>18,381</b>	<b>100%</b>	<b>3,598,348</b>	<b>100%</b>
Median Age (Years).....	51.5		41.2	

Source: American Community Survey 2019-2023.

#### Income Distribution

Income	Town of Stonington		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	76	1.5%	22,973	2.5%
\$10,000 to \$14,999.....	67	1.3	12,547	1.4%
\$15,000 to \$24,999.....	88	1.7	29,893	3.3%
\$25,000 to \$34,999.....	145	2.8	35,598	3.9%
\$35,000 to \$49,999.....	251	4.8	61,793	6.7%
\$50,000 to \$74,999.....	567	10.9	108,046	11.8%
\$75,000 to \$99,999.....	609	11.7	108,216	11.8%
\$100,000 to \$149,999.....	979	18.8	185,242	20.2%
\$150,000 to \$199,999.....	876	16.8	128,574	14.0%
\$200,000 or more.....	1,553	29.8	224,258	24.5%
<b>Total.....</b>	<b>5,211</b>	<b>100.0%</b>	<b>917,140</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### Income Levels

	<b>Town of Stonington</b>	<b>State of Connecticut</b>
Per Capita Income, 2010 .....	\$42,184	\$36,775
Per Capita Income, 2023 .....	\$68,036	\$54,409
Median Family Income, 2023 .....	\$138,352	\$120,011
Percent Below Poverty, 2023 .....	3.40%	6.80%

*Source: American Community Survey 2019-2023.*

*U.S. Census Bureau, 2010 American Community Survey*

### Educational Attainment Population 25 Years and Over

	<b>Town of Stonington</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	147	1.0%	101,530	4.0%
9th to 12th grade, no diploma.....	259	1.8	118,019	4.7
High School graduate (includes equivalency)...	2,926	20.5	647,094	25.5
Some college, no degree.....	2,406	16.9	410,591	16.2
Associate degree.....	1,158	8.1	193,216	7.6
Bachelor's degree.....	3,995	28.0	581,935	23.0
Graduate or professional degree.....	3,380	23.7	480,468	19.0
<b>Total.....</b>	<b>14,271</b>	<b>100.0%</b>	<b>2,532,853</b>	<b>100.0%</b>
Total high school graduate or higher (%)......	97.2%		91.3%	
Total bachelor's degree or higher (%)......	51.7%		41.9%	

*Source: American Community Survey 2019-2023.*

### Major Employers

<b>Name of Employer</b>	<b>Nature of Business</b>	<b>Employees</b>
Town of Stonington (Town and BOE).....	Municipality	459
Davis Standard.....	Plastic Extrusion Systems	413
Mystic Aquarium and Institute for Exploration.....	Marine Life Aquarium	274
Mystic CT Senior Prop. LLC (Stonridge Retirement Comm.)...	Retirement Community	262
Mystic Seaport.....	Maritime Museum	255
Pendleton Health and Rehabilitation Center.....	Rehabilitation	154
Zachry Nuclear Engineering.....	Engineering	109
Big Y Grocery Store.....	Grocery Store	98
Senior Living By Masonicare.....	Retirement Community	98
McQuades Grocery Store.....	Grocery Store	93

*Source: Town of Stonington.*

## Employment by Industry

Sector	Town of Stonington		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining .....	23	0.3%	7,261	0.4%
Construction .....	681	7.4	112,821	6.1
Manufacturing .....	1566	17.1	195,355	10.6
Wholesale trade .....	157	1.7	37,294	2.0
Retail trade .....	859	9.4	192,535	10.5
Transportation and warehousing, and utilities .....	220	2.4	84,571	4.6
Information .....	150	1.6	36,631	2.0
Finance, insurance, real estate, rental & leasing .....	469	5.1	162,724	8.9
Professional, scientific, management, administrative, and waste mgmt services .....	1123	12.3	223,982	12.2
Education, health and social services .....	2,174	23.7	490,839	26.7
Arts, entertainment, recreation, accommodation and food services .....	1178	12.9	145,445	7.9
Other services (except public administration) .....	253	2.8	78,662	4.3
Public Administration .....	308	3.4	67,335	3.7
<b>Total Labor Force, Employed .....</b>	<b>9,161</b>	<b>100%</b>	<b>1,835,455</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

## Employment Data <sup>1</sup> By Place of Residence

Period	Town of Stonington		Percentage Unemployed		
	Employed	Unemployed	Town of Stonington	New London Labor Market	State of Connecticut
August 2025	9,371	294	3.0	3.7	3.8
<b>Annual Average</b>					
2024	9,428	289	3.0	3.5	3.5
2023	9,377	320	3.3	3.6	3.7
2022	9,154	338	3.6	4.4	4.1
2021	8,428	487	5.5	7.2	6.6
2020	8,722	621	6.7	9.2	7.3
2019	9,564	296	3.6	3.6	3.7
2018	9,516	328	3.3	4.0	4.1
2017	9,289	364	3.8	4.6	4.7
2016	9,219	405	4.2	5.4	5.3
2015	9,091	466	4.9	6.0	5.6

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

Source: Department of Labor, State of Connecticut.

### Age Distribution of Housing

Year Built	Town of Stonington		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	2,885	30.0%	313,434	20.4%
1940 to 1969.....	2,052	21.3	516,528	33.6
1970 to 1979.....	913	9.5	210,611	13.7
1980 to 1989.....	1,259	13.1	197,533	12.9
1990 to 1999.....	947	9.8	116,617	7.6
2000 or 2009.....	1,031	10.7	108,430	7.1
2010 or later.....	528	5.5	72,896	4.7
<b>Total Housing Units</b> .....	<b>9,615</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### Housing Inventory

Housing Units	Town of Stonington		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	6,623	68.9%	901,187	58.7%
1-unit, attached.....	358	3.7	95,202	6.2
2 units.....	811	8.4	118,295	7.7
3 or 4 units.....	789	8.2	126,755	8.3
5 to 9 units.....	189	2.0	76,750	5.0
10 to 19 units.....	180	1.9	55,290	3.6
20 or more units.....	450	4.7	150,986	9.8
Mobile home.....	192	2.0	10,967	0.7
Boat, RV, van, etc.....	23	0.2	617	0.0
<b>Total Inventory</b> .....	<b>9,615</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### Building Permits

Fiscal Year Ending 6/30	Residential		Commercial / Industrial		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2025	1,011	\$ 54,955,945	117	\$ 16,603,457	1,371	\$ 37,548,096	2,499	\$ 109,107,498
2024	1,034	46,591,717	114	13,282,319	1,319	21,241,527	2,467	81,115,563
2023	896	50,079,173	70	39,011,519	1,196	24,910,652	2,162	114,001,344
2022	791	44,989,818	100	8,085,525	1,108	12,398,630	1,999	65,473,973
2021	800	33,332,467	100	6,624,734	87	238,238	987	40,195,439
2020	597	35,416,477	201	12,294,663	2	29,600	800	47,740,740
2019	679	35,760,168	83	9,549,738	-	-	762	45,309,906
2018	567	33,250,966	76	14,097,124	2	95,000	645	47,443,090
2017	516	22,786,919	83	63,546,892	1	1,042,361	600	87,376,172
2016	617	26,199,595	83	44,750,465	1	7,467	701	70,957,527

Note: "Other" Category includes permits for additions and alterations for residential/commercial, permits for garages, swimming pools, signs, churches and clubs.

Source: Building Department, Town of Stonington

### Owner-Occupied Housing Values

<b>Specified Owner-Occupied Units</b>	<b>Town of Stonington</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000 .....	235	3.9%	22,174	2.4%
\$50,000 to \$99,999 .....	59	1.0	15,116	1.6
\$100,000 to \$149,999 .....	79	1.3	38,832	4.1
\$150,000 to \$199,999 .....	106	1.8	77,152	8.2
\$200,000 to \$299,999 .....	794	13.3	233,824	24.9
\$300,000 to \$499,999.....	2,136	35.7	319,703	34.0
\$500,000 to \$999,999 .....	2,080	34.7	173,643	18.5
\$1,000,000 or more .....	497	8.3	59,468	6.3
<b>Total .....</b>	<b>5,986</b>	<b>100.0%</b>	<b>939,912</b>	<b>100.0%</b>
<b>Median Sales Price .....</b>	<b>\$450,100</b>		<b>\$343,200</b>	

Source: American Community Survey 2019-2023.

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## **IV. Tax Base Data**

### ***Property Tax-Assessments***

The Town of Stonington had a physical property revaluation effective October 1, 2022. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation of real property every five years. Additionally, the Town must conduct a physical inspection of every property in town no later than ten years from the preceding physical inspection. The Town's next revaluation will be for the October 1, 2027 Grand List. Various state statutes provide for or authorize evaluations and exemptions, abatements and other adjustments to assessments. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibility of the Assessor's Office. The Grand List represents the total of assessed values for all taxable and nontaxable real and personal property and motor vehicles located within the Town on October 1. The 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.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value. New construction complete after the October 1 assessment is prorated onto the grand list from the date the Building Official issues the Certificate of Occupancy or when the structure is occupied.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at 70 percent of present value.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles. Motor Vehicles are valued according to the manufacturer's suggested retail price and a straight-line depreciation per Section 12-63. 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 October 1st are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The assessment is prorated, based on the number of months of ownership between October 1 and the following September 30th. Motor vehicles purchased in August and September are not assessed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was assessed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70 percent of the depreciated manufacturer's suggested retail price.

### ***Property Tax Collection Procedure***

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1 and January 1. Real estate and personal property taxes of less than \$50 are due in full in July. Personal property taxes are payable in one installment on July 1 with motor vehicle supplemental bills payable on January 1. Payments not received by August 1 and February 1 become delinquent, with interest charged at the rate of 1.50% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Prior to June 30, a lien is placed on outstanding real estate tax accounts; legal demands and alias tax warrants are used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State Statutes.

## Comparative Assessed Valuations

Grand List as of 10/1	Residential	Commercial	Land and	Personal	Motor	Gross Taxable Grand List	Less Exemptions <sup>1</sup>	Net Taxable Grand List	Annual Growth Rate
	Real Property (%)	& Industrial Property (%)	Other Property (%)	Property (%)	Vehicles Property (%)				
2024	75.35	13.58	1.66	4.53	4.88	\$ 4,195,226,292	\$ 61,788,878	\$ 4,133,437,414	1.1%
2023	76.00	13.00	1.70	4.40	5.10	4,138,728,453	52,171,198	4,086,557,255	1.0%
2022 <sup>2</sup>	76.00	13.00	1.70	4.40	5.10	4,106,298,620	59,074,327	4,047,224,293	36.5%
2021	71.59	13.82	2.10	5.50	7.00	3,025,068,053	59,944,999	2,965,123,054	3.6%
2020	73.33	14.13	2.19	4.70	5.65	2,924,554,579	62,133,619	2,862,420,960	1.4%
2019	74.01	14.12	2.22	4.30	5.35	2,868,335,183	45,183,902	2,823,151,281	1.4%
2018	74.23	14.12	2.25	4.09	5.30	2,825,920,381	42,575,835	2,783,344,546	0.5%
2017 <sup>2</sup>	74.09	14.22	2.48	3.95	5.26	2,813,049,207	43,016,046	2,770,033,161	4.6%
2016	73.90	14.14	2.58	3.99	5.39	2,677,711,194	29,894,322	2,647,816,872	0.8%
2015	74.01	14.26	2.62	3.79	5.32	2,652,017,400	26,177,593	2,625,839,807	0.1%

<sup>1</sup> Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities. The State of Connecticut will directly reimburse the Town for 80% of the foregone taxes beginning with the Town's October 1, 2000 Grand List.

<sup>2</sup> Revaluation. Real Estate assessments are based on 70% of fair market value at the time of the revaluation; Personal Property and Motor Vehicles are based upon 70% of current market value and are revalued annually.

### Exempt Property

Public	Assessed Value
United States of America .....	\$ 2,419,000
State of Connecticut .....	4,173,560
Municipal .....	124,211,500
<b>Sub-Total Private .....</b>	<b>\$ 130,804,060</b>
<b>Private</b>	
Scientific, educational, historical, charitable .....	\$ 130,644,640
Cemeteries .....	5,347,000
General Hospital .....	-
Churches .....	19,474,300
Veteran's Organizations .....	1,223,900
Volunteer Fire Companies .....	7,833,860
Hospitals and Colleges .....	1,548,210
Miscellaneous .....	12,031,640
<b>Sub-Total Private .....</b>	<b>178,103,550</b>
<b>Total Exempt .....</b>	<b>\$ 308,907,610</b>
Percent Compared to Net Taxable Grand List <sup>1</sup> .....	7.47%

<sup>1</sup> Based on October 1, 2024 Net Taxable Grand List of \$4,133,437,414.

Source: Assessor's Office, Town of Stonington.

## Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent Annual Levy Collected at End of Fiscal Year	Uncollected	
						Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/25
2024	2026 <sup>1</sup>	\$ 4,133,437,414	18.18	\$ 75,145,892		<i>IN COLLECTION</i>	
2023	2025 <sup>1</sup>	4,086,557,255	17.45	71,310,424	99.36%	0.64%	0.64%
2022 <sup>2</sup>	2024	4,047,224,293	17.45	70,624,064	99.46%	0.54%	0.24%
2021	2023	2,965,123,054	23.66	70,154,811	99.60%	0.40%	0.02%
2020	2022	2,862,420,960	23.85	69,086,001	99.55%	0.45%	0.00%
2019	2021	2,823,151,281	23.36	65,806,775	99.71%	0.29%	0.00%
2018	2020	2,783,344,546	23.36	68,647,221	99.35%	0.65%	0.00%
2017 <sup>2</sup>	2019	2,770,033,161	22.68	64,731,841	99.51%	0.49%	0.00%
2016	2018	2,647,816,872	22.98	60,662,534	99.34%	0.66%	0.00%
2015	2017	2,625,839,807	22.31	58,429,283	99.74%	0.26%	0.00%

<sup>1</sup> Subject to audit.

<sup>2</sup> Revaluation.

Source: Tax Collector and Assessor, Town of Stonington

## Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Net Assessed Value <sup>1</sup>	Percent of Net Taxable Grand List	Estimated Taxes Due <sup>2</sup>
Eversource (formerly Connecticut Light & Power).....	Utility	\$ 59,607,180	1.44%	\$ 1,083,659
Senior Living By Masonicare <sup>3</sup> .....	Retirement Community	29,815,980	0.72%	217,150
Mystic CT Senior Property LLC (Stone Ridge & ROC Seniors)...	Retirement Community	23,929,200	0.58%	435,033
Mystic Apartment II LLC.....	Residential Rental	15,982,900	0.39%	290,569
DDH Hotel Mystic LLC (Mystic Hilton).....	Hotel	14,171,150	0.34%	257,632
Aquarion Water Company of CT.....	Utility	13,474,340	0.33%	244,964
VIII-HIII Whitehall Avenue LLC (Residence Inn).....	Hotel	12,464,390	0.30%	226,603
Mashantucket Pequot Tribe.....	Gaming	11,707,260	0.28%	212,838
Mystic Seaport Museum.....	Museum	11,527,980	0.28%	209,579
Resnikoff Joyce O Trustee (Olde Mystic Village).....	Retail	11,042,100	0.27%	200,745
<b>Total</b> .....		\$ 203,722,480	4.93%	\$ 3,378,772

<sup>1</sup> Based on October 1, 2024 Net Taxable Grand List of \$4,133,437,414.

<sup>2</sup> Based on the Town's mill rate established for the 2025-26 budget of 18.18.

<sup>3</sup> Taxed based on PILOT agreement, whereas Masonicare pays just the General Government mill rate (7.283).

Source: Town of Stonington, Assessor's Office.

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**V. Debt Summary**  
**Principal Amount of Indebtedness**  
**As of December 15, 2025**  
**(Pro Forma)**

<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Original Issue</b>	<b>Bonds Outstanding <sup>2</sup></b>	<b>Fiscal Year of Maturity</b>
<b><u>General Purpose</u></b>					
11/01/16	General Purpose .....	2.00-5.00	\$ 2,216,164	\$ 1,210,000	2037
05/19/21	General Purpose Refunding .....	3.00-5.00	3,607,000	2,551,000	2035
	<b>Sub-Total .....</b>		<b>\$ 5,823,164</b>	<b>\$ 3,761,000</b>	
<b><u>Schools</u></b>					
02/23/12	School Refunding .....	2.00-4.00	\$ 16,128,000	\$ 170,000	2027
11/01/16	School .....	2.00-5.00	15,003,836	8,250,000	2037
11/01/17	School .....	2.50-5.00	20,000,000	12,000,000	2038
10/31/18	School .....	3.00-5.00	7,000,000	4,550,000	2039
10/30/19	School .....	2.00-5.00	5,200,000	3,640,000	2040
	<b>Sub-Total .....</b>		<b>\$ 63,331,836</b>	<b>\$ 28,610,000</b>	
<b><u>Sewers <sup>1</sup></u></b>					
01/06/20	Sewer Refunding .....	3.00-5.00	\$ 6,525,000	\$ 3,915,000	2032
08/04/20	Sewer .....	1.60-4.00	10,000,000	7,500,000	2041
05/19/21	Sewer Refunding .....	3.00-5.00	3,903,000	2,829,000	2035
	<b>Sub-Total .....</b>		<b>\$ 20,428,000</b>	<b>\$ 14,244,000</b>	
	<b>Total Outstanding Bonds .....</b>		<b>\$ 89,583,000</b>	<b>\$ 46,615,000</b>	
<b><u>This Issue</u></b>					
12/15/25	General Purpose .....	<i>tbd</i>	\$ 4,967,000	\$ 4,967,000	2046
12/15/25	School .....	<i>tbd</i>	10,533,000	10,533,000	2046
	<b>Total This Issue .....</b>		<b>\$ 15,500,000</b>	<b>\$ 15,500,000</b>	
	<b>Grand Total .....</b>		<b>\$ 105,083,000</b>	<b>\$ 62,115,000</b>	

<sup>1</sup> Debt service partially supported by sewer benefit assessments.

<sup>2</sup> Excludes Capital Leases.

**Short Term Debt**  
**As of December 15, 2025**

As of December 15, 2025, the Town does not have any outstanding short-term debt.

**Other Long-Term Commitments**

The Town has entered into various capital lease arrangements. Please refer to the “Notes to Basic Financial Statements, Note III – Changes in Long-Term Obligations” in Appendix A herein for further information regarding the Town's capital leases.

**General Fund <sup>1</sup>**  
**Annual Long-Term Bonded Debt Service**  
**As of December 15, 2025**  
**(Pro Forma)**

Fiscal Year	Pro-forma						Total Principal	Cumulative Principal Retired (%)
	Principal	Interest	Total	This Issue				
				Gen. Purp.	School	Total		
2026 <sup>2</sup>	\$ 550,000	\$ 739,325	\$ 1,289,325	\$ -	\$ -	\$ -	\$ 550,000	0.9
2027	4,300,000	1,379,250	5,679,250	249,000	526,000	775,000	5,075,000	9.1
2028	4,150,000	1,210,875	5,360,875	249,000	526,000	775,000	4,925,000	17.0
2029	4,160,000	1,050,575	5,210,575	249,000	526,000	775,000	4,935,000	24.9
2030	4,165,000	899,563	5,064,563	249,000	526,000	775,000	4,940,000	32.9
2031	4,160,000	766,669	4,926,669	249,000	526,000	775,000	4,935,000	40.8
2032	4,150,000	648,013	4,798,013	249,000	526,000	775,000	4,925,000	48.8
2033	3,590,000	529,438	4,119,438	249,000	526,000	775,000	4,365,000	55.8
2034	3,590,000	427,369	4,017,369	248,000	527,000	775,000	4,365,000	62.8
2035	3,380,000	329,013	3,709,013	248,000	527,000	775,000	4,155,000	69.5
2036	2,970,000	240,098	3,210,098	248,000	527,000	775,000	3,745,000	75.5
2037	2,970,000	156,503	3,126,503	248,000	527,000	775,000	3,745,000	81.6
2038	2,110,000	85,115	2,195,115	248,000	527,000	775,000	2,885,000	86.2
2039	1,110,000	40,748	1,150,748	248,000	527,000	775,000	1,885,000	89.2
2040	760,000	17,938	777,938	248,000	527,000	775,000	1,535,000	91.7
2041	500,000	5,000	505,000	248,000	527,000	775,000	1,275,000	93.8
2042	-	-	-	248,000	527,000	775,000	775,000	95.0
2043	-	-	-	248,000	527,000	775,000	775,000	96.3
2044	-	-	-	248,000	527,000	775,000	775,000	97.5
2045	-	-	-	248,000	527,000	775,000	775,000	98.8
2046	-	-	-	248,000	527,000	775,000	775,000	100.0
<b>Total.....</b>	<b>\$ 46,615,000</b>	<b>\$ 8,525,492</b>	<b>\$ 55,140,492</b>	<b>\$ 4,967,000</b>	<b>\$ 10,533,000</b>	<b>\$ 15,500,000</b>	<b>\$ 62,115,000</b>	

<sup>1</sup> Excludes refunded bonds.

<sup>2</sup> Does not include \$4,215,000 of principal payments and \$818,253 of interest payments made between July 1, 2025 and December 15, 2025.

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### **Overlapping/Underlying Debt**

Overlapping/Underlying debt is defined as the proportionate share of debts of local government units located wholly or in part within the limits of the reporting government, which must be borne by property within each government unit.

The Town of Stonington has no overlapping debt. However, there are eleven political subdivisions and special taxing districts located within the Town. There are also other associations within the Town that do not have the power to levy taxes, and currently have no outstanding debt. The following entities have the power to issue debt or cause taxes to be levied on taxable property in the Town and have outstanding debt as follows:

<b>District or Association</b>	<b>Outstanding Bonds</b>	<b>Outstanding Notes</b>	<b>Authorized But Unissued Debt</b>
Borough of Stonington.....	\$ -	\$ -	\$ -
Latimer Point Fire District.....	-	-	-
Lord's Point Association.....	-	-	-
Mason's Island Fire District.....	-	-	-
Mystic Fire District <sup>1</sup> .....	-	156,851	-
Old Mystic Fire District .....	-	-	-
Pawcatuck Fire District.....	-	563,557	-
Quiambaug Fire District.....	-	-	-
Stonington Fire District.....	-	-	-
Wamphassuc Point Association.....	-	-	-
Wequetequoock Fire District.....	-	-	-
<b>Total Net Underlying Debt</b>			
<b>(applicable to the Town of Stonington) ....</b>	<b>\$ -</b>	<b>\$ 720,408</b>	<b>\$ -</b>

<sup>1</sup> The Mystic Fire District is a political subdivision located in the Towns of Stonington and Groton. The District has outstanding notes payable of \$156,851 as of June 30, 2025. The District's debt is prorated to each town according to the District's total October 1, 2024 Net Taxable Grand List of the District for each town. Accordingly, the Town of Stonington has 62.42% (\$97,900) and the Town of Groton has 37.58% (\$58,945) of the District's total debt prorated as underlying debt.

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**Debt Statement**  
**As of December 15, 2025**  
**(Pro-Forma)**

**Long-Term Debt:**

Public Improvement (Includes this issue).....	\$ 8,728,000
Schools (Includes this issue).....	39,143,000
Sewers .....	14,244,000
<b>Total Long-Term Debt.....</b>	<b>62,115,000</b>

**Short-Term Debt:**

Bond Anticipation Notes .....	-
<b>Total Direct Debt.....</b>	<b>62,115,000</b>
Less: Sewer Assessment Receivable (as of 6/30/2025) .....	-
<b>Total Net Direct Debt.....</b>	<b>62,115,000</b>
Plus: Underlying Debt (applicable to the Town of Stonington).....	608,699
<b>Total Overall Net Debt.....</b>	<b>\$ 62,723,699</b>

*Note: Excludes capital leases.*

**Current Debt Ratios**  
**As of December 15, 2025**  
**(Pro-Forma)**

Population <sup>1</sup> .....	18,381
Net Taxable Grand List (10/1/24) .....	\$4,133,437,414
Estimated Full Value (70%) .....	\$5,904,910,591
Equalized Net Taxable Grand List (10/1/22) <sup>2</sup> .....	\$5,775,487,595
Income per Capita (2023) <sup>1</sup> .....	\$68,036
Income per Capita (2010) <sup>1</sup> .....	\$42,184

<sup>1</sup> U.S. Department of Commerce Bureau of the Census.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$62,115,000</b>	<b>\$62,115,000</b>	<b>\$62,723,699</b>
Per Capita .....	\$ 3,379.30	\$ 3,379.30	\$ 3,412.42
Ratio to Net Taxable Grand List .....	1.50%	1.50%	1.52%
Ratio to Estimated Full Value .....	1.05%	1.05%	1.06%
Ratio to Equalized Grand List .....	1.08%	1.08%	1.09%
Debt per Capita to Income per Capita 2023 .....	4.97%	4.97%	5.02%
Debt per Capita to Income per Capita 2010 .....	8.01%	8.01%	8.09%

## ***Bond Authorization***

The Town 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. Under the Charter, bond and note issues are authorized by the Town Meeting upon the recommendation 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 starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for school and 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 which will cause aggregate indebtedness by class to exceed the following:

- General Purposes: 2.25 times annual receipts from taxation,
- School Purposes: 4.50 times annual receipts from taxation,
- Sewer Purposes: 3.75 times annual receipts from taxation,
- Urban Renewal Purposes: 3.25 times annual receipts from taxation,
- Unfunded Past Pension 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 and penalties) and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; 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. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

**Statement of Debt Limitation**

**As of December 15, 2025**

**(Pro-Forma)**

<b>Total Tax Collections</b> (including interest and lien fees) for the year ended June 30, 2025 <sup>1</sup> .....	\$ 71,243,137
<b>Total Tax Collections</b> (including interest and lien fees of borough and all other taxing districts within the Town ) for the year ended June 30, 2025 <sup>1</sup> .....	6,585,064
<b>Reimbursement for Revenue Loss On:</b>	
Tax relief for elderly freeze.....	-
<b>Base for Debt Limitation Computation</b> .....	<u>\$ 77,828,201</u>

<b>Debt Limitation:</b>	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Past Pension</b>
2 1/4 times base .....	\$ 175,113,452	\$ -	\$ -	\$ -	\$ -
4 1/2 times base .....	-	350,226,905	-	-	-
3 3/4 times base .....	-	-	291,855,754	-	-
3 1/4 times base .....	-	-	-	252,941,653	-
3 times base .....	-	-	-	-	233,484,603
<b>Total Debt Limitation</b> .....	<u>175,113,452</u>	<u>350,226,905</u>	<u>291,855,754</u>	<u>252,941,653</u>	<u>233,484,603</u>

**Indebtedness:**

<b>Outstanding Debt:</b> <sup>2</sup>					
Bonds .....	3,761,000	28,610,000	14,244,000	-	-
This Issue – Bonds.....	4,967,000	10,533,000	-	-	-
<b>Underlying Debt:</b> <sup>3</sup>					
Bonds & Serial Notes .....	563,557	-	-	-	-
Authorized & Unissued .....	-	-	-	-	-
Authorized & Unissued .....	-	1,850,011	-	-	-
<b>Total Indebtedness</b> .....	<u>9,291,557</u>	<u>40,993,011</u>	<u>14,244,000</u>	<u>-</u>	<u>-</u>
Less: Sewer Assessment Receivable..	-	-	-	-	-

**Total Net Indebtedness for Debt**

<b>Limitation Calculation</b> .....	\$ 9,291,557	\$ 40,993,011	\$ 14,244,000	\$ -	\$ -
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**Debt Limitation in Excess of**

<b>Indebtedness</b> .....	<u>\$ 165,821,895</u>	<u>\$ 309,233,894</u>	<u>\$ 277,611,754</u>	<u>\$ 252,941,653</u>	<u>\$ 233,484,603</u>
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<sup>1</sup> Subject to audit.

<sup>2</sup> Excludes capital leases.

<sup>3</sup> Includes any underlying debt of Old Mystic Fire District and Pawcatuck Fire District. Stonington's prorated share, or \$225,523, of the underlying debt of the Mystic Fire District's outstanding notes of \$783,611 is not included as allowed under Public Act 91-407.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$544,797,407.

**Authorized but Unissued Debt**

**As of December 15, 2025**

**(Pro Forma)**

<b>Project</b>	<b>Authorized</b>	<b>Est. or Rec'd</b>			<b>Debt Authorized but Unissued</b>			
		<b>Bonds Issued</b>	<b>Grants/ Paydowns</b>	<b>This Issue The Bonds</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Total</b>
West Vine St School, Deans Mill and Pawcatuck Middle School Projects....	\$ 69,000,000	\$ 47,203,836	\$ 19,946,153	\$ -	\$ -	\$ 1,850,011	\$ -	\$ 1,850,011
Town and School Infrastructure.....	15,500,000	-	-	15,500,000	-	-	-	-
<b>Totals</b> .....	<u>\$ 84,500,000</u>	<u>\$ 47,203,836</u>	<u>\$ 19,946,153</u>	<u>\$ 15,500,000</u>	<u>\$ -</u>	<u>\$ 1,850,011</u>	<u>\$ -</u>	<u>\$ 1,850,011</u>

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

**Principal Amount of Outstanding Debt  
Last Five Fiscal Years**

<b>Long-Term Debt</b> <sup>1</sup>	<b>2025</b> <sup>2</sup>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Bonds .....	\$ 50,836,074	\$ 56,165,000	\$ 61,720,000	\$ 67,085,000	\$ 72,060,000
<b>Short-Term Debt</b>					
Notes .....	-	-	-	-	-
<b>Total .....</b>	<b>\$ 50,836,074</b>	<b>\$ 56,165,000</b>	<b>\$ 61,720,000</b>	<b>\$ 67,085,000</b>	<b>\$ 72,060,000</b>

<sup>1</sup> Includes State of Connecticut Clean Water Fund Loans.

<sup>2</sup> Subject to audit.

Source: Town of Stonington Audit Reports, 2020-2024. 2025 from Finance Department.

**Ratios of Net Overall Long-Term Debt to Valuation, Population, and Income**

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Net Long-Term Direct Debt</b> <sup>1</sup>	<b>Ratio of Net Long-Term Debt to Assessed Value</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value</b>	<b>Net Long-Term Debt per Capita</b>	<b>Population</b> <sup>2</sup>	<b>Ratio of Net Long-Term Debt Per Capita to Per Capita Income</b> <sup>3</sup>
				<b>Value</b>	<b>Full Value</b>			<b>Income</b> <sup>3</sup>
2025	\$ 4,086,557,255	\$ 5,837,938,936	\$ 50,836,074	1.24%	0.87%	\$ 2,765.69	18,381	4.07%
2024	4,047,224,293	5,781,748,990	56,165,000	1.39%	0.97%	3,055.60	18,381	4.49%
2023	2,965,123,054	4,235,890,077	61,720,000	2.08%	1.46%	3,357.82	18,381	4.94%
2022	2,862,420,960	4,089,172,800	67,085,000	2.34%	1.64%	3,649.69	18,381	5.36%
2021	2,823,151,281	4,033,073,259	72,060,000	2.55%	1.79%	3,920.35	18,381	5.76%

<sup>1</sup> Total long term debt, including State of Connecticut 2% Clean Water Fund loans less State of Connecticut School Construction Grants due to the Town of Stonington over the life of the bond issues.

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

<sup>3</sup> U.S. Census Bureau, American Community Survey, 2019-2023: Money Income Per Capita \$68,036.

<sup>4</sup> Subject to audit.

**Ratio of Annual Debt Service Expenditures for Total Long-Term Debt to General Fund Expenditures Including Operating Transfers Out**

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Total Debt Service Expenditures To Total General Fund Expenditures</b>
2025 <sup>1</sup>	\$ 7,095,706	\$ 91,747,031	7.7%
2024	7,610,175	84,947,843	9.0%
2023	7,725,155	81,523,888	9.5%
2022	7,571,383	77,582,827	9.8%
2021	8,066,702	74,548,938	10.8%
2020	8,883,160	77,195,283	11.5%
2019	8,140,981	75,542,909	10.8%
2018	6,358,706	72,727,528	8.7%
2017	5,004,612	67,233,735	7.4%
2016	5,129,384	60,902,724	8.4%

<sup>1</sup> Subject to audit.

Source: Town of Stonington Audit Reports, 2016-2024. 2025 from Finance Department

## **VI. Financial Information**

### **Fiscal Year**

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

### **Accounting Policies and Basis of Accounting**

The financial statements of the Town of Stonington, 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. The Town has changed its financial reporting to comply with GASB Statement No. 34 beginning with its financial report for Fiscal Year ended June 30, 2004. Please refer to Appendix A "Notes to Basic Financial Statements" herein for compliance and implementation details.

The new reporting model includes the following segments:

*Management's Discussion and Analysis* – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

*Government-wide financial statements* – consist 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 funds (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* – provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize a 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 "Notes to 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 Stonington.

### **Budget Procedures**

**A. Form of Budget.** Not later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, prepares and submits to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education submits its budget request by March 1. The First Selectman, after consultation with the Director of Finance and Board of Education or its agent, prescribes the format for budget presentation which includes, at a minimum, comparative statistics for the current and preceding fiscal year operations.

**B. Duties of the First Selectman on the Budget.** Not later than the fifteenth day of March, the First Selectman presents to the Board of Finance and the Board of Selectmen an itemized annual operating budget, including the Board of Education budget.

**C. Duties of the Board of Finance on the Budget.** The Board of Finance holds one or more public hearings no later than the first Monday of May at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance causes these estimates to be made available for review in the office of the Town Clerk. At least five days before the aforementioned public hearing, the Board of Finance publishes in a newspaper having a substantial circulation in the Town a notice of the public hearing and a summary of the proposed budget estimates which show the amount to be raised by taxation.

The Board of Finance has the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen days after holding the final such public hearing, the Board of Finance approves an operating budget and files the same with the Town Clerk for submission to the Annual Town Budget Meeting.

**D. Adoption of Budget.** A Town Meeting for consideration of the Budget is held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. The Meeting may be recessed as necessary to the next subsequent Monday. If any subsequent Meeting falls on a Monday which is a legal holiday, the Meeting is held on the following day. The Budget adoption procedure is as follows:

1. If the Budget has not been submitted or petitioned to a Referendum, the Budget as presented may be adopted by a majority vote of those present and voting thereon. If the Budget is rejected, it is returned to the Board of Finance who reconsiders the Budget and resubmits a Budget to the recessed Town Meeting which is held not more than three weeks after the rejection with at least five days published notice thereof.
2. The same steps and procedures, including published notices of meetings, are followed as outlined above until a Budget has been adopted.
3. Any resubmitted Budget may be submitted or petitioned to a Referendum.
4. In the event a budget has not been approved by June 15, the Board of Selectmen is empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance meets and sets the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.

**E. Adoption of Budget.** Upon approval of the Budget by vote of the Town Meeting or Referendum, the Budget is deemed to constitute the appropriation to each Department, or sub-Department thereof, and to each Office, Board, Agency and Commission of the Town.

**F. Expenditures Before Adoption of the Budget.** Expenditures prior to the final adoption of the Budget shall be in accordance with Section 7-405 of the General Statutes.

### **Annual Audit**

Pursuant to Connecticut Law, the Town is required 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 the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2024, the examination was conducted by PKF | O'Connor Davies LLP of Wethersfield, Connecticut.

### **Investment Policies and Practices**

The Town Charter and 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 notes and bonds, 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 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 of Stonington manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

The Town's investment policies and investments relative to the Town's retirement and deferred compensation funds are available upon request to the Director of Finance.

## ***Pension Plans***

The Town has two pension plans covering substantially all full-time employees and non-certified Board of Education employees. One plan covers employees of the police department (CMERS) and the other plan covers all other employees. The plan covering non-police Town employees is a defined benefit plan, however this plan was closed to new participants as of January 1, 2014. Employees hired subsequent to the plan closure date participate in a 401a defined contribution plan. The certified faculty and administrative personnel at the Board of Education participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Town does not contribute to this plan. Please refer to the "Notes to Basic Financial Statements, Note IV C. – Pension Plans" in Appendix A herein for further information regarding the Town's pension plans.

## ***Other Post-Employment Benefits (OPEB)***

The Town of Stonington does not provide benefits other than pension to its retirees; however, employees are allowed to remain on the Town's insurance at their own cost until Medicare eligible. The Town will be subject to the implicit rate subsidy. The Town of Stonington has set up a trust to account for the Annual Required Contributions; as of June 30, 2025, the balance in the trust is \$2,901,370. The Town has an actuarial valuation prepared every two years and funds the recommended amount.

The Town of Stonington has a defined contribution healthcare plan covering police officers which was established in July 2014. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses. The Town matches employee contributions of 2% of officers' base pay.

## ***Insurance***

Please refer to the "Notes to Basic Financial Statements, Note IV – Risk Management" in Appendix A herein for further information regarding the Town's insurance coverage.

## ***Risks Related to State Budget***

For fiscal year 2025, the Town has budgeted \$1,597,762 of State aid. The amount and timing of State aid is dependent on many factors, including the negotiation and adoption of the State's fiscal year 2025 budget and the timing of payments by the State to the Town. If the State ultimately provides less revenue to the Town in Fiscal Year 2025 than the amounts the Town has budgeted in Fiscal Year 2025, the Town may take various measures to address the reduction, including revenue enhancement, use of fund surplus and/or reduction of expenditures.

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**Statement of Revenues, Expenditures and Changes in Fund Balance  
Four Years (GAAP Basis), Estimated Actual and Adopted Budget (Budget Basis)**

	<i>Estimated</i>					
	<i>Budget</i> 2025-26 <sup>1</sup>	<i>Actual</i> 2024-25 <sup>1</sup>	<i>Actual</i> 2023-24	<i>Actual</i> 2022-23	<i>Actual</i> 2021-22	<i>Actual</i> 2020-21
<b>Revenues:</b>						
Property Taxes .....	\$ 75,237,156	\$ 71,765,215	\$ 71,307,445	\$ 70,878,416	\$ 69,207,276	\$ 66,693,136
Intergovernmental Revenues <sup>2</sup> .....	1,437,330	1,538,356	8,110,413	7,546,859	6,686,272	6,356,899
Charges for Services and Assessments.....	4,011,600	4,738,999	4,558,343	4,609,236	4,233,015	4,003,916
Income from Investments .....	1,070,000	1,098,971	-	-	-	-
Other Revenues .....	306,322	344,295	1,433,762	751,700	109,981	109,400
<b>Total Revenues .....</b>	<b>\$ 82,062,408</b>	<b>\$ 79,485,836</b>	<b>\$ 85,409,963</b>	<b>\$ 83,786,211</b>	<b>\$ 80,236,544</b>	<b>\$ 77,163,351</b>
<b>Expenditures:</b>						
General Government.....	\$ 10,482,360	\$ 8,961,496	\$ 8,661,526	\$ 7,805,377	\$ 7,679,948	\$ 7,493,300
Public Safety.....	8,021,208	7,682,965	7,255,608	6,815,779	6,465,864	5,872,375
Public Works.....	9,306,239	8,442,073	7,718,263	7,299,955	7,105,542	6,588,362
Highway Department.....	-	-	-	-	-	-
Sanitation and Waste Removal.....	-	-	-	-	-	-
Human Services.....	670,917	626,890	602,257	550,469	543,622	446,853
Social Services.....	391,793	380,000	398,505	388,158	378,495	365,000
Recreation.....	162,342	165,414	155,759	153,573	144,165	138,060
Libraries.....	489,982	471,575	449,000	449,000	446,500	446,500
Payments to Other Civic Divisions.....	416,933	291,847	287,260	208,084	251,583	267,828
Education <sup>2</sup> .....	45,663,594	43,469,106	47,607,727	44,872,407	43,895,406	41,353,389
Debt Service.....	6,488,578	7,095,706	7,610,175	7,725,155	7,571,383	8,066,702
Capital Outlay.....	718,462	8,120,412	-	-	-	-
<b>Total Expenditures .....</b>	<b>82,812,408</b>	<b>85,707,484</b>	<b>80,746,080</b>	<b>76,267,957</b>	<b>74,482,508</b>	<b>71,038,369</b>
<b>Revenues over (under) expenditures....</b>	<b>(750,000)</b>	<b>(6,221,648)</b>	<b>4,663,883</b>	<b>7,518,254</b>	<b>5,754,036</b>	<b>6,124,982</b>
<b>Other Financing Sources Uses:</b>						
Bond Premiums.....	-	-	-	-	-	-
Sale of Capital Assets.....	-	-	-	600	-	-
Use of Fund Balance.....	750,000	-	-	-	-	-
Operating Transfers in.....	-	-	-	8,149	111,384	31,794
Operating transfers (out).....	-	-	(4,201,763)	(5,255,931)	(3,100,319)	(3,510,569)
<b>Total other Financing Sources (uses) .....</b>	<b>750,000</b>	<b>-</b>	<b>(4,201,763)</b>	<b>(5,247,182)</b>	<b>(2,988,935)</b>	<b>(3,478,775)</b>
<b>Revenues and other financing sources over (under) expenditures and other financing uses .....</b>						
	\$ -	\$ (6,221,648)	\$ 462,120	\$ 2,271,072	\$ 2,765,101	\$ 2,646,207
<b>Fund Balance, July 1 .....</b>	<b>N/A</b>	<b>23,862,437</b>	<b>23,400,317</b>	<b>21,129,245</b>	<b>18,364,144</b>	<b>15,717,937</b>
<b>Fund Balance, June 30 .....</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 23,862,437</b>	<b>\$ 23,400,317</b>	<b>\$ 21,129,245</b>	<b>\$ 18,364,144</b>

<sup>1</sup> Budgetary basis. Subject to audit.

<sup>2</sup> Does not include State of Connecticut Teacher's requirement on-behalf contributions in fiscal year 2025 and fiscal year 2026.

**Analysis of General Fund Equity**

	<i>Estimated</i>					
	<i>Budget</i> 2025-26 <sup>1</sup>	<i>Actual</i> 2024-25 <sup>1</sup>	<i>Actual</i> 2023-24	<i>Actual</i> 2022-23	<i>Actual</i> 2021-22	<i>Actual</i> 2020-21
<b>Fund Balances</b>						
Nonspendable.....	N/A	\$ 15,000	\$ 8,355	\$ 36,679	\$ -	\$ -
Restricted.....	N/A	-	-	-	-	-
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	1,100,000	8,169,067	4,188,835	2,059,415	1,235,771
Unassigned.....	N/A	16,525,789	15,685,015	19,174,803	19,069,830	17,128,373
<b>Total Fund Equity .....</b>	<b>N/A</b>	<b>\$ 17,640,789</b>	<b>\$ 23,862,437</b>	<b>\$ 23,400,317</b>	<b>\$ 21,129,245</b>	<b>\$ 18,364,144</b>

<sup>1</sup> Budgetary basis. Subject to audit.

### Capital Improvement Program

The Town of Stonington prepares and approves a Capital Improvement Program (CIP) annually. The CIP is a long-term planning and policy document. Projects are evaluated and prioritized by the Town in terms of need, cost effectiveness, ability to generate economic benefit, and sources of funding. The Town maintains a Capital Reserve Fund which is funded annually. The CIP is approved at Town Meeting as part of the budget process.

<b>Proposed Projects</b>	<b>Fiscal Year</b>					<b>Total</b>
	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	
<b>Board of Education</b> .....	\$ 524,414	\$ 1,975,716	\$ 1,794,525	\$ 888,591	\$ 567,000	\$ 5,750,246
<b>General Government:</b>						
General Operations .....	126,133	317,000	227,000	97,000	97,000	864,133
Police Services .....	503,992	436,323	441,616	448,529	455,470	2,285,930
Planning Department .....	92,047	-	-	-	-	92,047
Finance Department .....	70,000	70,000	70,000	70,000	70,000	350,000
Highway .....	1,689,003	2,325,000	2,175,000	2,175,000	2,175,000	10,539,003
Sanitation and Waste Removal ..	188,373	10,000	-	-	-	198,373
General/Town Facilities .....	105,007	3,675,000	25,000	25,000	25,000	3,855,007
Outside Agencies .....	52,425	-	-	-	-	52,425
<b>Total General Government</b> .....	<b>2,826,980</b>	<b>6,833,323</b>	<b>2,938,616</b>	<b>2,815,529</b>	<b>2,822,470</b>	<b>18,236,918</b>
<b>Total Project Costs</b> .....	<b>\$ 3,351,394</b>	<b>\$ 8,809,039</b>	<b>\$ 4,733,141</b>	<b>\$ 3,704,120</b>	<b>\$ 3,389,470</b>	<b>\$ 23,987,164</b>
<b>Funding Sources</b>						
General Fund .....	\$ 718,462	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 10,718,462
General Obligation Bonds .....	-	-	-	-	-	-
Fund Balance .....	-	-	-	-	-	-
Other .....	2,632,932	6,309,039	2,233,141	1,204,120	889,470	13,268,702
<b>Total Funding Sources</b> .....	<b>\$ 3,351,394</b>	<b>\$ 8,809,039</b>	<b>\$ 4,733,141</b>	<b>\$ 3,704,120</b>	<b>\$ 3,389,470</b>	<b>\$ 23,987,164</b>

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## **VII. Legal and Other Information**

### ***Litigation***

The Town Attorney advises that the Town of Stonington, its agencies, boards, officers, and employees are defendants in several miscellaneous litigation matters. It is the opinion of the Town Attorney 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 have a materially adverse effect upon its financial position.

### ***Transcript and Closing Documents***

The original purchaser of the Bonds will be furnished the following documentation when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.

2. A Certificate on behalf of the Town signed by the First Selectman, Treasurer, and the Director of Finance which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted, the description 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. A receipt for the purchase price of the Bonds.

4. The approving opinion of Tobin, Carberry, O'Malley, Riley & Selinger, P.C. of New London, Connecticut, Bond Counsel in substantially the form attached hereto as Appendix B to this Official Statement.

5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.

6. The Issuer will provide to the winning bidder of the Bonds a reasonable number of copies of the Official Statement, prepared for this Bond issue at the Issuer's expense delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. If the Issuer's municipal advisor is provided with the necessary information from the winning bidders by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103 and may be examined 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. 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 of Stonington by the following officials:

**TOWN OF STONINGTON, CONNECTICUT**

By:

\_\_\_\_\_  
Danielle A. Chesebrough, *First Selectman*

By:

\_\_\_\_\_  
James Sullivan, *Director of Finance*

By:

\_\_\_\_\_  
Melanie Roberts, *Director Administrative Services*

Dated: December \_\_, 2025

## ***Appendix A***

### ***General Purpose Financial Statements***

The following includes the General Purpose Financial Statements of the Town of Stonington, Connecticut for the fiscal year ended June 30, 2024. The supplemental data, which was a part of that report, has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

## Independent Auditors' Report

**Board of Finance**  
**Town of Stonington, Connecticut**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

#### ***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.

**Board of Finance  
Town of Stonington, Connecticut**

Page 2

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 the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and trend information 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 October 16, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
October 16, 2025



# TOWN OF STONINGTON

152 Elm Street • Stonington, Connecticut 06378  
Tel: 860 535-5070 Fax: 860 535-0602

## Management's Discussion and Analysis For the Year Ended June 30, 2024

As management of the Town of Stonington, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements immediately following this section.

### **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 \$159,841,671 (net position). Of this amount, \$22,776,199 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position increased by \$6,148,175. The increase is due to the following:

#### Governmental fund activity:

➤ positive operations of the general fund of	\$ 462,120
➤ negative operations of the bonded capital projects fund of	(649,388)
➤ positive operations of the capital nonrecurring fund of	488,876
➤ negative operations of the planning and development grant fund of	(2,315,176)

#### Conversion to accrual basis on Exhibit E:

➤ net long-term debt activity of	5,958,945
➤ change in net pension liability of	727,825
➤ change in OPEB liability of	(1,336,564)
➤ positive operations of the internal service fund of	1,071,985

- The Town's governmental funds reported combined ending fund balances of \$48,227,238, a decrease of \$1,207,680 in comparison with the prior year. The change is due to the operating results of each fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,685,015, or 19.92% of total general fund budgetary expenditures and transfers out.
- Net capital assets increased in the current year by \$313,296 or 0.17%.
- The Town's total long-term debt decreased by \$5,958,945 or 9.52%.

**Overview of the basic financial statements**

This discussion and analysis is intended to serve as an introduction to the Town of Stonington'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 financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

**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.

Statement of net position	Presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health or position of the Town is improving or deteriorating.
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 occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public works, public safety, human services, social services, library, recreation and education.

**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**

Fund description	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.
Relationship to government-wide financial statements	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.
Reconciliations (Exhibit C page 2 and Exhibit E)	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.
Presentation (Exhibits C and D)	<b>Major funds:</b> 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 each major fund.

The major funds of the Town were as follows:

- General Fund
- Sewer Usage Fund
- Bonded Capital Projects Fund
- Capital Nonrecurring Fund

Presentation (Schedules 6 and 7)	Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining statements.
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**Proprietary funds**

The Town maintains two proprietary funds, both of which are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its self-insured medical benefits. The Town also maintains a self-insurance fund to partially self-insure the Town Dock against a catastrophic event. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary funds**

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

Fund description	The Town is the trustee, or fiduciary, for its employees' pension and OPEB plans.
Relationship to government-wide financial statements	We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.
Presentation (Exhibits I and J)	All of the Town's fiduciary activities are reported in separate financial statements

**Notes to financial statements**

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

Required supplementary information (RSI)	In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information
General fund budgetary comparisons	The budgetary comparison schedules are presented to demonstrate compliance with this budget.
Pension and other post-employment benefits	Progress in funding its obligation to provide pension and other post-employment benefits to its employees
Combining statements and schedules	The combining statements and schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.
Trend tables	Tables of up to 10 years of historical data for various financial and nonfinancial related information.

**Government-wide financial analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$159,841,671 at the close of the most recent fiscal year.

The largest portion of the net position of the Town (82.07%) reflects its net investment in capital assets, less any related debt and liabilities used to acquire those assets that are 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.

The analysis below focuses on the net position and changes in net position. Unrestricted net position at year-end totaled \$22,776,199. This is a decrease of \$928,514 from the prior year.

A small portion of the Town's net position, 3.68%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 14.39% and may be used to meet the Town's ongoing obligations to citizens and creditors.

**Statements of Net Position  
June 30**

	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 65,391,184	\$ 62,420,931
Capital assets (net)	184,597,618	184,284,322
Total assets	249,988,802	246,705,253
Deferred outflows of resources	6,688,858	6,635,431
Long-term liabilities	76,992,894	82,495,075
Other liabilities	14,584,220	11,460,216
Total liabilities	91,577,114	93,955,291
Deferred inflows of resources	5,258,875	5,691,897
Net position:		
Net investment in capital assets	131,181,451	125,356,831
Restricted	5,884,021	4,631,952
Unrestricted	22,776,199	23,704,713
Total net position	\$ 159,841,671	\$ 153,693,496

Net position may serve over time as a useful indicator of a Town's financial position. The Town's net position increased as detailed below:

**Statements of Changes in Net Position  
For the Years Ended June 30**

	<b>2024</b>	<b>2023</b>
Revenues:		
Program revenues:		
Charges for services	\$ 9,943,818	\$ 9,900,255
Operating grants and contributions	12,131,264	12,454,685
Capital grants and contributions	1,047,613	1,492,464
General revenues:		
Property taxes	71,398,215	70,824,168
Grants and contributions not restricted to specific programs	863,903	603,696
Income from investments	2,197,218	1,199,119
Other	60,528	71,129
	<u>97,642,559</u>	<u>96,545,516</u>
Total revenues		
Expenses:		
General government	7,704,664	7,479,973
Public works	15,072,816	15,734,612
Public safety	9,274,476	9,936,492
Human services	1,216,946	1,645,393
Social services	398,505	388,158
Recreation	587,273	492,168
Libraries	449,000	449,000
Education	55,381,680	51,938,427
Interest	1,409,024	1,364,601
	<u>91,494,384</u>	<u>89,428,824</u>
Total expenses		
Increase in net position	6,148,175	7,116,692
Net position - July 1	<u>153,693,496</u>	<u>146,576,804</u>
Net position - June 30	<u>\$ 159,841,671</u>	<u>\$ 153,693,496</u>
Percentage increase in net position	<u>4.00%</u>	

Revenues by percentage for the current and prior year were as follows:

	<b>2024</b>	<b>2023</b>
Property taxes	73.12%	73.36%
Grants and contributions	14.37%	15.08%
Charges for services	10.18%	10.25%
Income from investments/other	2.33%	1.31%
Total	<u>100.00%</u>	<u>100.00%</u>

Management's Discussion and Analysis

Significant revenue related changes are as follows:

Revenue category	Amount	Description	
Capital grants and contributions decreased by/ due to:	\$ (444,851)	Decrease in ARPA grant revenue of:	\$ (437,217)
Property taxes increased by/ due to:	574,047	Increase in budget of:	717,275
Income from investments increased by/ due to:	998,099	Primarily due to the continued higher interest rates in the current year.	

Governmental activity expenses totaled \$91,494,384 for the fiscal year, an increase of \$2,065,560. Of the total expenses, \$55,381,680 or 60.53% is related to education. Details for all categories are as follows:

**Expenses**

	<u>2024</u>	<u>2023</u>
General government	8.42%	8.36%
Public works	16.47%	17.59%
Public safety	10.14%	11.11%
Human services	1.33%	1.84%
Social services	0.44%	0.43%
Recreation	0.64%	0.55%
Libraries	0.49%	0.50%
Education	60.53%	58.09%
Interest	1.54%	1.53%
Total	<u>100.00%</u>	<u>100.00%</u>

The most significant fluctuations from the prior year were as follows:

Expense category	Amount	Description	
Public works expenses decreased by/ due to:	\$ (661,796)	Decrease in pension expense of:	\$ (573,727)
Public safety expenses decreased by/ due to:	(662,016)	Decrease in pension expense of:	(1,027,328)
Education expenses increased by/ due to:	3,443,253	Increase in budget of:	2,688,375
		Increase in ESSER grant expenditures of:	1,141,860
		Decrease in pension expense of:	(1,083,249)

**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 expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

The Town reports fund balance in 5 categories. The following are the categories and definitions:

- Nonspendable fund balance - not in spendable format such as inventories and prepaid expenses.
- Restricted fund balance - limitations imposed by external parties, grantors or by legislation.
- Committed fund balance - can only be spent for specific purposes as established by the government's highest level of decision-making authority or contractual obligations.
- Assigned fund balance - amounts that are intended for a specific purpose but do not meet the definition of restricted or committed (i.e., designated for subsequent year's budget).
- Unassigned fund balance - amounts available for any purpose.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$48,227,238, a decrease of \$1,207,680 in comparison with the prior year. \$15,578,100, or 32.30% of this total amount constitutes unassigned fund balance.

The components of fund balance were as follows:

Nonspendable	\$	8,355
Restricted		5,884,021
Committed		18,587,695
Assigned		8,169,067
Unassigned		<u>15,578,100</u>
Total		<u>\$ 48,227,238</u>

This increase is a result of the following activity:

**General Fund.** The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,685,015, while total fund balance reached \$23,862,437. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.92% of total general fund budgetary expenditures and transfers out, while total fund balance represents 30.30% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$462,120. The increase was primarily due to intergovernmental revenues in excess of the budget by \$599,182, charges for services exceeding the amount budgeted by \$737,350 and use of money and property revenues exceeding the amount budgeted by \$1,223,762. In addition, expenditures were underspent by a total of \$1,403,425. Details of the results of operations are discussed below under general fund budgetary highlights.

### **General fund budgetary highlights**

#### **Revenues:**

Revenues and other financing sources exceeded expenditures, and other financing uses by \$568,088 resulting in an increase in fund balance to \$23,579,570. Overall, revenues and other financing sources were \$835,337 less than anticipated. In addition, expenditures and other financing uses were \$1,403,425 less than anticipated.

The most significant budget variances were as follows:

#### **Revenues**

- Intergovernmental revenues were in excess of the budgeted amount due to unanticipated grants for municipal revenue sharing of \$272,103 and \$201,667 for a clean water grant.
- Charges for services were in excess of the budget amount due to building permits in excess of the budget by \$630,363 due to increased building activity and unbudgeted zoning fines for \$120,000.
- Income from investment was in excess of the budgeted amount due to conservative budgeting and the continued higher interest rates.

#### **Expenditures**

- General government was underspent by \$341,170 due to less than legal fees and payroll and benefits expenditures less than budgeted due to vacancies across various departments.
- Public works were \$387,289 under budget due to lower than budget costs for:
  - Gas and diesel fuel of \$58,590
  - Disposal fees of \$127,994
  - Unfiled engineer position of \$57,398
- Public safety was \$492,989 under budget due to a vacant captain position, regular officer positions, and a communication specialist during the year and lower than expected requirement contribution to the pension fund of \$252,677.

***Sewer Usage Fund.*** The fund accounts for the Town's sewer usage operations. During the year, revenues and transfers in exceeded expenditures by \$79,588. Charges for services increased by \$278,568 offset by expenditures increasing by \$113,519. Expenditures were comparable to the prior year. Net position at year end was \$922,445.

***Bonded Capital Projects Fund.*** The Bonded Capital Projects Fund accounts for financial resources to be used for major construction or acquisition of facilities. The fund's net change in fund balance was a decrease of \$649,388 primarily due to the timing of the funding and expenditures for projects.

***Capital Nonrecurring Fund.*** The Capital Nonrecurring Fund's net change in fund balance was an increase of \$488,876 due to current year transfers in of \$3,990,274 and the timing of the funding and expenditures for projects.

**Proprietary funds**

The medical self-insurance internal service fund and the Town dock self-insurance fund are the Town's only proprietary funds.

Unrestricted net position for the medical self-insurance fund at year end was \$4,749,923, an increase of \$871,414 from the prior year. This was due to medical claims expense being lower than anticipated partially due to open positions in the public safety and other departments.

Unrestricted net position for the dock fund at year end was \$1,415,537, an increase from the prior year of \$200,571. This was due to current year funding of \$165,483 and income from investments of \$35,088 and no current year expenses.

**Capital assets and debt administration**

**Capital assets**

The Town's capital assets (net of accumulated depreciation/amortization) by type are detailed in the table below.

**Capital Assets - Net  
June 30**

<u>Category</u>	<u>2024</u>	<u>2023</u>
Land	\$ 12,709,836	\$ 12,709,836
Construction in progress	6,307,939	2,269,251
Intangible right-to-use assets	327,710	571,666
Land and building improvements	21,356,636	22,584,923
Buildings	86,735,788	88,314,598
Machinery and equipment	4,434,438	3,113,486
Infrastructure	51,234,530	53,215,220
Vehicles	1,490,741	1,505,342
<b>Total</b>	<b><u>\$ 184,597,618</u></b>	<b><u>\$ 184,284,322</u></b>
Dollar change	<u>\$ 313,296</u>	
Percentage change	<u>0.17%</u>	

The significant capital asset additions consisted of the following:

<b>Asset category</b>	<b>Description</b>	<b>Amount</b>
Construction in progress	Pawcatuck sidewalk improvements	\$ 935,781
	Town hall HVAC improvements	1,885,924
	High Ridge Road improvements	638,086
Buildings	Public works salt shed	967,566
Machinery and equipment	Computers and related IT equipment	483,462
	Middle School boiler	243,658
	Sewer interceptor improvements	266,336
Vehicles	Police vehicles	179,560
	Public works vehicles	120,834

Additional information on the Town's capital assets can be found in Note III D.

**Long-term debt**

The Town had total long-term debt outstanding as detailed in the table below. All debt is backed by the full faith and credit of the Town. The Town maintains an "Aa1" credit rating from Moody's Investor Service, and a rating from Standard and Poor's of AAA.

**Outstanding Long-Term Debt  
June 30**

<b>Category</b>	<b>2024</b>	<b>2023</b>
General obligation bonds	\$ 56,165,000	\$ 61,720,000
Notes payable	150,913	292,332
Leases payable	21,727	34,257
Subscriptions payable	291,716	541,712
Totals	<u>\$ 56,629,356</u>	<u>\$ 62,588,301</u>
Dollar change	<u>\$ (5,958,945)</u>	
Percentage change	<u>(9.52%)</u>	

The decrease in long-term debt was primarily due to scheduled principal payments on outstanding long-term debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$534,240,728, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III F.

**Economic factors and next year's budgets and rates**

The 2024-2025 general fund adopted budget totaled \$86,618,567. The following economic factors currently affect the Town and were considered in developing the 2024-2025 fiscal year budget:

- At June 2024, the unemployment rate for the Town was 2.5% as compared to the state's average unemployment rate of 3.9% and a national unemployment rate of 4.1%. This is lower than 2.9% for the prior year.

**Requests for information**

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, James P. Sullivan, CPA, Town of Stonington, 152 Elm Street, Stonington, CT 06378.

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**Basic  
Financial  
Statements**

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**Town of Stonington, Connecticut**

**Governmental Activities**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Assets</u>
Current assets:	
Cash	\$ 21,746,720
Investments	36,833,515
Receivables (net):	
Property taxes	333,855
Assessments/user charges	1,103,542
Intergovernmental	2,555,862
Leases	79,751
Other	599,838
Prepaid	8,355
Other	13,548
	<hr/>
Total current assets	63,274,986
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	51,107
Investments	685,765
	<hr/>
Total restricted assets	736,872
Receivables (net):	
Property taxes	102,769
Assessments/user charges	156,541
Leases	910,875
Loans	209,141
	<hr/>
Total receivables (net)	1,379,326
Capital assets (net of accumulated depreciation/amortization):	
Land	12,709,836
Construction in progress	6,307,939
Intangible right-to-use assets	327,710
Land and building improvements	21,356,636
Buildings	86,735,788
Machinery and equipment	4,434,438
Infrastructure	51,234,530
Vehicles	1,490,741
	<hr/>
Total capital assets (net of accumulated depreciation/amortization)	184,597,618
Total noncurrent assets	186,713,816
	<hr/>
Total assets	249,988,802
	<hr/>
	<u>Deferred Outflows of Resources</u>
Pension related	4,838,900
OPEB related	1,849,958
	<hr/>
Total deferred outflows of resources	6,688,858
	<hr/>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Activities  
Statement of Net Position  
June 30, 2024

<u>Liabilities</u>	
Current liabilities:	
Accounts payable	\$ 6,213,691
Accrued payroll and related liabilities	502,960
Accrued interest payable	446,228
Unearned revenue	321,368
Overpayments	8,558
Claims payable	572,718
Long-term debt	5,716,339
Compensated absences	550,358
Landfill postclosure costs	25,000
Net OPEB liability	227,000
	<hr/>
Total current liabilities	14,584,220
	<hr/>
Noncurrent liabilities:	
Performance bonds and customer deposits	736,872
Long-term debt and related liabilities	54,177,367
Compensated absences	1,651,074
Heart and hypertension	319,245
Net pension liability	17,744,957
Net OPEB liability	2,363,379
	<hr/>
Total noncurrent liabilities	76,992,894
	<hr/>
Total liabilities	91,577,114
	<hr/>
<u>Deferred Inflows of Resources</u>	
Deferred charge on refunding	819,360
Pension related	722,085
OPEB related	2,771,818
Lease related	945,612
	<hr/>
Total deferred inflows of resources	5,258,875
	<hr/>
<u>Net Position</u>	
Net investment in capital assets	131,181,451
Restricted for:	
ARPA projects	933,218
Public safety programs	14,894
Highway department	902,099
Sanitation and waste removal	2,897,356
Human services programs	61,890
Housing rehabilitation programs	222,306
Cafeteria operations	631,078
Education	221,180
Unrestricted	22,776,199
	<hr/>
Total net position	\$ 159,841,671
	<hr/> <hr/>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Activities  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 7,704,664	\$ 1,311,262	\$ 182,064	\$ -	\$ (6,211,338)
Public works	15,072,816	6,689,722	448,537	970,704	(6,963,853)
Public safety	9,274,476	369,167	148,646	-	(8,756,663)
Human services	1,216,946	-	162,278	-	(1,054,668)
Social services	398,505	-	-	-	(398,505)
Recreation	587,273	406,912	34,539	-	(145,822)
Libraries	449,000	-	-	-	(449,000)
Education	55,381,680	1,166,755	11,155,200	76,909	(42,982,816)
Interest	1,409,024	-	-	-	(1,409,024)
<b>Total</b>	<b>\$ 91,494,384</b>	<b>\$ 9,943,818</b>	<b>\$ 12,131,264</b>	<b>\$ 1,047,613</b>	<b>(68,371,689)</b>
		General revenues:			
		Property taxes			71,398,215
		Grants and contributions not restricted to specific programs			863,903
		Income from investments			2,197,218
		Other			60,528
		Total general revenues			<u>74,519,864</u>
		Change in net position			6,148,175
		Net position - July 1, 2023			<u>153,693,496</u>
		Net position - June 30, 2024			<u>\$ 159,841,671</u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Funds  
Balance Sheet  
June 30, 2024

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	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 2,861,004	\$ 1,269,509	\$ -	\$ 5,684,396	\$ 5,735,464	\$ 15,550,373
Restricted cash	36,164	14,943	-	-	-	51,107
Investments	36,617,518	-	-	-	215,997	36,833,515
Restricted investments	675,072	10,693	-	-	-	685,765
Receivables (net):						
Property taxes	448,421	-	-	-	-	448,421
Loans	-	-	-	-	209,141	209,141
Assessments/use charges	-	1,258,426	-	-	1,657	1,260,083
Intergovernmental	229,254	-	3,550	598,257	1,724,801	2,555,862
Leases	744,718	-	-	-	245,908	990,626
Other	435,075	633	-	3,781	72,688	512,177
Due from other funds	845,265	-	8,157,386	176,000	3,697,293	12,875,944
Prepays	8,355	-	-	-	-	8,355
Other	13,548	-	-	-	-	13,548
<b>Total assets</b>	<b>\$ 42,914,394</b>	<b>\$ 2,554,204</b>	<b>\$ 8,160,936</b>	<b>\$ 6,462,434</b>	<b>\$ 11,902,949</b>	<b>\$ 71,994,917</b>
<u>Liabilities</u>						
Accounts payable	\$ 4,202,139	\$ 335,482	\$ 123,271	\$ 617,495	\$ 936,022	\$ 6,214,409
Accrued payroll and related liabilities	502,960	-	-	-	-	502,960
Due to other funds	12,464,466	12,215	-	-	852,715	13,329,396
Unearned revenue	13,615	-	-	160,432	147,321	321,368
Overpayments	8,558	-	-	-	-	8,558
Performance bonds and customer deposits	711,236	25,636	-	-	-	736,872
<b>Total liabilities</b>	<b>17,902,974</b>	<b>373,333</b>	<b>123,271</b>	<b>777,927</b>	<b>1,936,058</b>	<b>21,113,563</b>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	448,421	-	-	-	-	448,421
Assessments/use charges	-	1,258,426	-	-	1,657	1,260,083
Lease related	700,562	-	-	-	245,050	945,612
<b>Total deferred inflows of resources</b>	<b>1,148,983</b>	<b>1,258,426</b>	<b>-</b>	<b>-</b>	<b>246,707</b>	<b>2,654,116</b>
<u>Fund Balances</u>						
Nonspendable	8,355	-	-	-	-	8,355
Restricted	-	922,445	-	-	4,961,576	5,884,021
Committed	-	-	8,037,665	5,684,507	4,865,523	18,587,695
Assigned	8,169,067	-	-	-	-	8,169,067
Unassigned	15,685,015	-	-	-	(106,915)	15,578,100
<b>Total fund balances</b>	<b>23,862,437</b>	<b>922,445</b>	<b>8,037,665</b>	<b>5,684,507</b>	<b>9,720,184</b>	<b>48,227,238</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 42,914,394</b>	<b>\$ 2,554,204</b>	<b>\$ 8,160,936</b>	<b>\$ 6,462,434</b>	<b>\$ 11,902,949</b>	<b>\$ 71,994,917</b>

(Continued)

The notes to financial statements are an integral part of this statement.

**Town of Stonington, Connecticut**

**Reconciliation of Fund Balances to Net Position  
of Governmental Activities  
June 30, 2024**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, Page 1)	<u>\$ 48,227,238</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets (net)	184,284,322
Current year additions (net of construction in progress decreases)	7,499,217
Depreciation/amortization expense	<u>(7,185,921)</u>
Total	<u>184,597,618</u>
Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:	
Property tax interest and lien accrual	49,203
Allowance for doubtful accounts	(61,000)
Deferred outflows related to pensions	4,838,900
Deferred outflows related to OPEB	<u>1,849,958</u>
Total	<u>6,677,061</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property tax and sewer assessments receivable-accrual basis change	<u>1,708,504</u>
Internal service funds are used by management for risk financing activities:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>6,165,460</u>
Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(446,228)
Bonds and notes payable	(56,315,913)
Leases	(21,727)
Subscriptions	(291,716)
Premium	(3,264,350)
Compensated absences	(2,201,432)
Landfill postclosure costs	(25,000)
Heart and hypertension	(319,245)
Net pension liability	(17,744,957)
Net OPEB liability	(2,590,379)
Deferred charge on refunding	(819,360)
Deferred inflows related to pensions	(722,085)
Deferred inflows related to OPEB	<u>(2,771,818)</u>
Total	<u>(87,534,210)</u>
Net position (Exhibit A)	<u>\$ 159,841,671</u>
	(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2024**

	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 71,307,445	\$ -	\$ -	\$ -	\$ -	\$ 71,307,445
Intergovernmental	8,110,413	-	-	675,166	5,218,294	14,003,873
Charges for services	4,558,343	3,198,878	-	48,166	2,284,875	10,090,262
Use of money and property	1,433,762	-	-	211,530	444,716	2,090,008
Contributions	-	-	-	-	38,907	38,907
Settlements	-	-	-	-	60,528	60,528
<b>Total revenues</b>	<b>85,409,963</b>	<b>3,198,878</b>	<b>-</b>	<b>934,862</b>	<b>8,047,320</b>	<b>97,591,023</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	8,661,526	-	-	12,560	22,734	8,696,820
Public works	7,718,263	3,234,209	-	-	387,432	11,339,904
Public safety	7,255,608	-	-	-	473,494	7,729,102
Human services	602,257	-	-	-	322,794	925,051
Social services	398,505	-	-	-	-	398,505
Libraries	449,000	-	-	-	-	449,000
Recreation	155,759	-	-	-	431,514	587,273
Other civic divisions	287,260	-	-	-	-	287,260
Education	47,607,727	-	-	-	5,446,866	53,054,593
Debt service	7,610,175	-	-	-	-	7,610,175
Capital outlay	-	35,081	649,388	4,423,700	2,612,851	7,721,020
<b>Total expenditures</b>	<b>80,746,080</b>	<b>3,269,290</b>	<b>649,388</b>	<b>4,436,260</b>	<b>9,697,685</b>	<b>98,798,703</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,663,883</b>	<b>(70,412)</b>	<b>(649,388)</b>	<b>(3,501,398)</b>	<b>(1,650,365)</b>	<b>(1,207,680)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	150,000	-	3,990,274	61,489	4,201,763
Transfers out	(4,201,763)	-	-	-	-	(4,201,763)
<b>Net other financing sources (uses)</b>	<b>(4,201,763)</b>	<b>150,000</b>	<b>-</b>	<b>3,990,274</b>	<b>61,489</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>462,120</b>	<b>79,588</b>	<b>(649,388)</b>	<b>488,876</b>	<b>(1,588,876)</b>	<b>(1,207,680)</b>
Fund balances - July 1, 2023	23,400,317	842,857	8,687,053	5,195,631	11,309,060	49,434,918
Fund balances - June 30, 2024	\$ 23,862,437	\$ 922,445	\$ 8,037,665	\$ 5,684,507	\$ 9,720,184	\$ 48,227,238

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The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$(1,207,680)</u>
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/amortization expense.	
Capital outlay	7,499,217
Depreciation/amortization expense	<u>(7,185,921)</u>
Total	<u>313,296</u>

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

Change in property tax and sewer assessments receivable - accrual basis change	(50,125)
Change in property tax interest and lien revenue	<u>(5,549)</u>
Total	<u>(55,674)</u>

The issuance of long-term debt (e.g., bonds, notes) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Principal payments:	
Bonds	5,555,000
Notes payable	141,419
Leases	12,530
Subscriptions	<u>249,996</u>
Total	<u>5,958,945</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024

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:

Change in/amortization of:	
Accrued interest payable	\$ 130,012
Premium	299,622
Compensated absences	(5,345)
Landfill post closure costs	25,000
Heart and hypertension	(172,035)
Net pension liability	727,825
Net OPEB liability	(1,336,564)
Deferred charge on refunding	75,098
Deferred outflows of resources related to pension	(1,062,695)
Deferred outflows of resources related to OPEB	1,116,122
Deferred inflows of resources related to pension	(96,288)
Deferred inflows of resources related to OPEB	366,551
	<hr/>
Total	67,303
	<hr/>

Internal service funds are used by management for risk financing activities:

The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	1,071,985
	<hr/>

Change in net position (Exhibit B)	<u>\$ 6,148,175</u>
------------------------------------	---------------------

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Proprietary Funds  
Statement of Net Position  
June 30, 2024

	<u>Internal Service Funds</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 6,196,347
Accounts receivable	87,661
Due from other funds	<u>453,452</u>
Total current assets	<u>6,737,460</u>
<u>Liabilities</u>	
Current liabilities:	
Claims payable	<u>572,000</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 6,165,460</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Stonington, Connecticut

**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2024**

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	<u>\$ 9,127,655</u>
Operating expenses:	
Claims	6,789,155
Administration and insurance	<u>1,373,725</u>
Total operating expenses	<u>8,162,880</u>
Operating income (loss)	964,775
Nonoperating revenues:	
Income from investments	<u>107,210</u>
Change in net position	1,071,985
Net position - July 1, 2023	<u>5,093,475</u>
Net position - June 30, 2024	<u><u>\$ 6,165,460</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Stonington, Connecticut

**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received for premiums	\$ 9,283,481
Cash paid for claims	(6,636,155)
Cash paid for administration and insurance	<u>(1,374,443)</u>
Net cash from (used in) operating activities	1,272,883
Cash flows from (used in) investing activities:	
Income from investments	<u>107,210</u>
Net increase (decrease) in cash	1,380,093
Cash - July 1, 2023	<u>4,816,254</u>
Cash - June 30, 2024	<u><u>\$ 6,196,347</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 964,775
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	296,635
Due from other funds	(140,809)
Increase (decrease) in:	
Accounts payable	(718)
Claims payable	<u>153,000</u>
Net cash from (used in) operating activities	<u><u>\$ 1,272,883</u></u>

The notes to financial statements are an integral part of this statement.

**Town of Stonington, Connecticut**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2024**

	<u>Pension and OPEB Trust Funds</u>
<u>Assets</u>	
Cash	\$ 160,257
Contributions receivable	<u>1,265</u>
Investments:	
Mutual funds:	
Money market	1,996,508
Bond	13,883,349
Equity	24,439,420
Certificates of deposit	741,408
Exchange traded funds	2,060,049
Equities	1,212,905
Municipal bonds	200,196
Corporate bonds	1,227,159
U.S. government agency obligations	<u>124,308</u>
Total investments	<u>45,885,302</u>
Total assets	<u>46,046,824</u>
<u>Net Position</u>	
Restricted for:	
Pensions	40,487,848
OPEB	<u>5,558,976</u>
Total net position	<u><u>\$ 46,046,824</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Stonington, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	Pension and OPEB Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,373,727
TRB subsidy	77,137
Employee	214,105
	1,664,969
Total contributions	1,664,969
Investment income (loss):	
Net change in fair value of investments	3,360,838
Interest and dividends	1,303,599
	4,664,437
Total investment income (loss)	4,664,437
Less investment expense	62,429
	4,602,008
Net investment income (loss)	4,602,008
Total additions	6,266,977
Deductions:	
Benefits	3,067,639
Administration	74,495
	3,142,134
Total deductions	3,142,134
Change in net position	3,124,843
Net position - July 1, 2023	42,921,981
Net position - June 30, 2024	\$ 46,046,824

The notes to financial statements are an integral part of this statement.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024**History and organization**

The Town of Stonington, Connecticut ("Town") is located in the southeastern corner of Connecticut, bordering Rhode Island to the east, Long Island Sound to the south and Groton, Ledyard and North Stonington to the west and north. The Town, which covers 42.7 square miles, was settled in 1649. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 7, 1989. The Town provides the following services as authorized by its charter: public safety, public works (streets and highways), sanitation, culture and recreation, planning, zoning, public health and social services, sewers and education encompassing grades Pre-K through 12.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

**I. Summary of significant accounting policies****A. 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. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 are reported as separate columns in the fund financial statements.

**B. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. 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, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Sewer Usage Fund	Accounts for the Town's sewer use operations.
Bonded Capital Projects Fund	Accounts for financial resources to be used for major construction or acquisition of facilities.
Capital Nonrecurring Fund	Accounts for activities associated with major capital improvements and equipment.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Capital Projects Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Internal Service Fund	Accounts for risk financing activities for medical insurance benefits and for general liability and property claims related to the Town dock as allowed by GASB Statement No. 10.
Pension Trust Funds	Accounts for the activities of the Stonington Retirement System, which accumulates resources for pension benefit payments to qualified employees.
OPEB Trust Funds	Accounts for the activities of the Town OPEB Plan and Police OPEB Plan, which accumulate resources for OPEB benefits.

## Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Stonington Pension and OPEB plans, the Connecticut Municipal Employees Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**C. Assets, liabilities, deferred outflows/inflows of resources and equity****1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

**b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

State Treasurer’s Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension and OPEB funds are regulated by an approved investment policy, which is reviewed annually by the pension board. The Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension and OPEB fund assets. Investments for the Town are reported at fair value. The investment guidelines are as follows:

Asset Class	Target Allocation	
	Pension	OPEB
Equities	60.00%	40.00%
Fixed income	33.50%	58.00%
Real estate	5.00%	-
Cash	1.50%	2.00%
Total	100.00%	100.00%

c. Methods used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity’s complete failure. 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.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's policy follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables

a. Interfunds

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 non-current portion of interfund loans).

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2.00% to 22.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicles taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Loan receivables consist of housing rehabilitation loans. The Town provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

**c. Leases receivable**

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgments related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**3. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and sewer customer deposits. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. Deposits are required to set up sewer user accounts and are temporarily restricted until returned to the customer.

**4. Capital assets**

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost as detailed below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Type	Years	Capitalization Threshold
Intangible right-to-use leased assets	Lease term	\$ 20,000
Intangible right-to-use subscription assets	Subscription term	20,000
Land and building improvements	20	10,000
Buildings	45	10,000
Machinery and equipment	10	10,000
Vehicles	10	10,000
Infrastructure	20-70	100,000

**5. 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share, and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the new or old debt whichever is shorter.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

Advance tax collections, if any, represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

## Town of Stonington, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2024****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), sewer assessment and use charges. These amounts are recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated absences**

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The vesting method, using historical data, was used to calculate the liability.

**7. Long-term liabilities**

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the governmental activities' 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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.

**8. Lease and subscription liabilities**

The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/subscription agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

9. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net investment in capital assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded
Restricted net position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations)
Unrestricted net position	This category presents the net position of the Town which is not classified in the preceding two categories

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

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Selectman and the Board of Finance
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or by a properly approved purchase order
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit

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, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

**10. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

**11. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**II. Stewardship, compliance and accountability****A. Capital projects authorizations**

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

The following is a summary of certain capital projects:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Waste water treatment facilities improvements	\$ 28,325,000	\$ 21,141,084	\$ 7,183,916
Road improvements	3,500,000	3,452,485	47,515
Various school renovations	69,000,000	66,009,869	2,990,131
Mystic River boathouse park	2,216,164	2,172,579	43,585
Athletic fields and facilities	2,700,000	2,676,221	23,779
Totals	<u>\$ 105,741,164</u>	<u>\$ 95,452,238</u>	<u>\$ 10,288,926</u>

**III. Detailed notes****A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance including certificates of deposit classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 60,035,025</u>
Uninsured and uncollateralized	\$ 5,313,942
Uninsured and collateral held by pledging bank's trust department not in the Town's name	<u>13,657,257</u>
Total amount subject to custodial credit risk	<u>\$ 18,971,199</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**A. Cash and investments (continued)**

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

**2. Investments**

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	6-10 Years	Over 10
Mutual funds:						
Money market	\$ 1,996,508	\$ -	\$ 1,996,508	\$ -	\$ -	\$ -
Bond	13,883,349	-	-	3,601,446	10,281,903	-
Equity	24,439,420	24,439,420	-	-	-	-
Certificates of deposit	37,574,923	-	37,574,923	-	-	-
Exchange traded funds	2,060,049	2,060,049	-	-	-	-
Pooled fixed income	685,765	-	685,765	-	-	-
Equities	1,212,905	1,212,905	-	-	-	-
Municipal bonds	200,196	-	24,580	122,815	16,394	36,407
Corporate bonds	1,227,159	-	74,437	294,358	858,364	-
U.S. government agency obligations	124,308	-	34,475	43,552	24,091	22,190
<b>Total</b>	<b>83,404,582</b>	<b>\$ 27,712,374</b>	<b>\$ 40,390,688</b>	<b>\$ 4,062,171</b>	<b>\$ 11,180,752</b>	<b>\$ 58,597</b>
Less fiduciary funds	(45,885,302)					
Other funds	<u>\$ 37,519,280</u>					

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**A. Cash and investments (continued)**

b. The Town had the following recurring fair value measurements:

Investments by fair value level	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2
Mutual funds:			
Money market	\$ 1,996,508	\$ 1,996,508	\$ -
Bond	13,883,349	13,883,349	-
Equity	24,439,420	24,439,420	-
Exchange traded funds	2,060,049	2,060,049	-
Equities	1,212,905	1,212,905	-
Municipal bonds	200,196	-	200,196
Corporate bonds	1,227,159	-	1,227,159
U.S. government agency obligations	124,308	124,308	-
Total investments by fair value level	<u>45,143,894</u>	<u>\$ 43,716,539</u>	<u>\$ 1,427,355</u>
<u>Other Investments</u>			
Certificates of deposit	37,574,923		
Pooled fixed income	<u>685,765</u>		
Total other investments	<u>38,260,688</u>		
Total investments	<u>\$ 83,404,582</u>		

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

The market approach was used to determine the value of bonds.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**A. Cash and investments (continued)**

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					Totals
	AAA	AA	A	BBB	Unrated	
Mutual funds:						
Money market	\$ -	\$ -	\$ -	\$ -	\$ 1,996,508	\$ 1,996,508
Bond	-	-	-	-	13,883,349	13,883,349
Pooled fixed	685,765	-	-	-	-	685,765
Municipal bonds	-	200,196	-	-	-	200,196
Corporate bonds	-	-	753,405	473,754	-	1,227,159
U.S. government agency obligations	-	100,108	-	-	24,200	124,308
<b>Total</b>	<b>\$ 685,765</b>	<b>\$ 300,304</b>	<b>\$ 753,405</b>	<b>\$ 473,754</b>	<b>\$ 15,904,057</b>	<b>\$ 18,117,285</b>

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Equities	\$ 1,212,905	\$ 500,000	\$ 712,905
Municipal bonds	200,196	-	200,196
Corporate bonds	1,227,159	500,000	727,159
U.S. government agency obligations	124,308	-	124,308
<b>Total</b>	<b>\$ 2,764,568</b>	<b>\$1,000,000</b>	<b>\$ 1,764,568</b>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables and the related allowances for uncollectible accounts are presented below:

	Property taxes			Loans	Police outside services
	Taxes	Interest and lien fees	Total		
Current portion	\$ 314,753	\$ 19,102	\$ 333,855	\$ -	\$ 69,218
Long-term portion	133,668	30,101	163,769	213,641	-
Less allowance for uncollectibles	(50,000)	(11,000)	(61,000)	(4,500)	(2,000)
Net long-term portion	83,668	19,101	102,769	209,141	
Total gross/net	<u>\$ 448,421</u>	<u>\$ 49,203</u>	<u>\$ 497,624</u>	<u>\$ 209,141</u>	<u>\$ 67,218</u>

	Sewer usage				
	Use	Interest and lien fees	Total	Sewer Assessment	Total
Current portion	\$ 1,102,268	\$ 1,274	\$ 1,103,542	\$ -	\$ 1,103,542
Long-term portion	174,610	1,274	175,884	1,657	177,541
Less allowance for uncollectibles	(21,000)	-	(21,000)	-	(21,000)
Net long-term portion	153,610	1,274	154,884	1,657	156,541
Total receivable	<u>\$ 1,255,878</u>	<u>\$ 2,548</u>	<u>\$ 1,258,426</u>	<u>\$ 1,657</u>	<u>\$ 1,260,083</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**B. Receivables (continued)****2. Leases receivable**

Description	Number of Agreements	Original Term (Years)	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Cell tower	1	4	\$ 445,836	\$ 414,912	\$ 58,804	\$ 10,093
Building	1	16	41,764	40,602	2,711	889
Land	1	19	503,026	490,098	14,647	10,353
Total			990,626	<u>\$ 945,612</u>	<u>\$ 76,162</u>	<u>\$ 21,335</u>
		Less current portion	<u>(79,751)</u>			
		Long-term portion	<u>\$ 910,875</u>			

**C. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due to
General fund:			
Sewer usage fund	N/A	\$ 12,215	\$ -
Bonded capital projects fund	N/A	-	8,157,386
Capital nonrecurring fund	N/A	-	176,000
Shellfish fund	N/A	351	-
Town aid road fund	N/A	-	917,269
Dog license fund	N/A	-	8,009
Youth service activity fund	N/A	1,900	-
Planning and development grant fund	N/A	-	284,873
Recreation commission fund	N/A	22,243	-
Human services grant fund	N/A	-	66,067
Education grants fund	N/A	766,323	-
Miscellaneous fund	N/A	42,233	-
Stonington harbor management fund	N/A	-	83,788
Mystic harbor management fund	N/A	-	95,498
Pre K-5 school construction fund	N/A	-	2,222,124
Town medical fund	N/A	-	287,969
Town dock fund	N/A	-	165,483
Total general fund		<u>845,265</u>	<u>12,464,466</u>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due to</u>
Sewer usage fund	General fund	\$ -	\$ 12,215
Bonded capital projects fund	General fund	8,157,386	-
Capital nonrecurring fund	General fund	176,000	-
Other governmental funds:			
Shellfish fund	General fund	-	351
Town aid road fund	General fund	917,269	-
Dog license fund	General fund	8,009	-
Youth service activity fund	General fund	-	1,900
Youth service activity fund	Human services grant fund	3,134	-
Youth service activity fund	Recreation commission fund	-	16,531
Planning and development grant fund	General fund	284,873	-
Recreation commission fund	General fund	-	22,243
Recreation commission fund	Youth service activity fund	16,531	-
Human services grant fund	General fund	66,067	-
Human services grant fund	Youth service activity fund	-	3,134
Education grants fund	General fund	-	766,323
Miscellaneous fund	General fund	-	42,233
Stonington harbor management fund	General fund	83,788	-
Mystic harbor management fund	General fund	95,498	-
Pre K-5 school construction fund	General fund	2,222,124	-
Total other governmental funds		<u>3,697,293</u>	<u>852,715</u>
Total governmental funds		<u>12,875,944</u>	<u>13,329,396</u>
Internal service fund:			
Town medical fund	General fund	287,969	-
Town dock fund	General fund	165,483	-
Total internal service fund		<u>453,452</u>	<u>-</u>
Total		<u>\$13,329,396</u>	<u>\$13,329,396</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund:			
Sewer usage fund	N/A	\$ -	\$ 150,000
Capital nonrecurring fund	N/A	-	3,990,274
Miscellaneous fund	N/A	-	61,489
		<u>-</u>	<u>4,201,763</u>
Total general fund		<u>-</u>	<u>4,201,763</u>
Sewer usage fund	General fund	<u>150,000</u>	<u>-</u>
Capital nonrecurring fund	General fund	<u>3,990,274</u>	<u>-</u>
Other governmental funds:			
Miscellaneous fund	General fund	<u>61,489</u>	<u>-</u>
Total governmental funds		<u>\$ 4,201,763</u>	<u>\$ 4,201,763</u>

Transfers are used to account for the financing by the general fund of various programs and activities in other funds as well as sewer assessment contributions to the general fund.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated/amortized:				
Land	\$ 12,709,836	\$ -	\$ -	\$ 12,709,836
Construction in progress	2,269,251	5,308,075	1,269,387	6,307,939
Total capital assets, not being depreciated/ amortized	<u>14,979,087</u>	<u>5,308,075</u>	<u>1,269,387</u>	<u>19,017,775</u>
Capital assets, being depreciated/amortized:				
Intangible right-to-use assets	875,543	-	-	875,543
Land and building improvements	31,199,156	67,366	-	31,266,522
Buildings	132,608,505	967,566	-	133,576,071
Machinery and equipment	10,875,842	2,016,393	-	12,892,235
Infrastructure	100,931,093	60,707	-	100,991,800
Vehicles	5,786,501	348,497	-	6,134,998
Total capital assets, being depreciated/ amortized	<u>282,276,640</u>	<u>3,460,529</u>	<u>-</u>	<u>285,737,169</u>
Total capital assets	<u>297,255,727</u>	<u>8,768,604</u>	<u>1,269,387</u>	<u>304,754,944</u>
Less accumulated depreciation/ amortization for:				
Intangible right-to-use assets	303,877	243,956	-	547,833
Land and building improvements	8,614,233	1,295,653	-	9,909,886
Buildings	44,293,907	2,546,376	-	46,840,283
Machinery and equipment	7,762,356	695,441	-	8,457,797
Infrastructure	47,715,873	2,041,397	-	49,757,270
Vehicles	4,281,159	363,098	-	4,644,257
Total accumulated depreciation/amortization	<u>112,971,405</u>	<u>7,185,921</u>	<u>-</u>	<u>120,157,326</u>
Total capital assets, being depreciated/ amortized, net	<u>169,305,235</u>	<u>(3,725,392)</u>	<u>-</u>	<u>165,579,843</u>
Capital assets, net	<u>\$ 184,284,322</u>	<u>\$ 1,582,683</u>	<u>\$ 1,269,387</u>	<u>\$ 184,597,618</u>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**D. Capital assets (continued)**

Intangible right-to-use assets by category are as follows:

<u>Asset Category</u>	<u>Capital Asset</u>	<u>Accumulated Amortization</u>
Intangible right-to-use machinery and equipment	\$ 96,105	\$ 59,921
Intangible right-to-use subscription assets	<u>779,438</u>	<u>487,912</u>
Total	<u>\$875,543</u>	<u>\$ 547,833</u>

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

General government	\$1,670,285
Public works	2,009,181
Public safety	554,242
Human services	22,365
Education	<u>2,929,848</u>
Total	<u>\$7,185,921</u>

**E. Construction commitments**

The Town had the following construction commitments:

HVAC improvements	\$ 77,498
Drainage improvements	356,710
Road rehabilitation projects	290,464
Bridge improvements	1,453,622
Boiler replacement	<u>72,404</u>
Total	<u>\$ 2,250,699</u>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**F. Changes in long-term liabilities**

Bonds, notes, leases, and subscriptions are direct obligations and pledge the full faith and credit of the Town.

**1. Summary of changes**

The following is a summary of changes in long-term liabilities during the fiscal year:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
<b>Bonds:</b>										
<b>General purpose:</b>										
Refunding bond	\$ 1,192,000	02/23/12	09/01/24	2.25%-4.00%	\$ 207,926	\$ -	\$ 107,000	\$ 100,926	\$ 100,926	\$ -
Mystic River Park	2,216,164	11/01/16	11/01/36	2.00%-5.00%	1,540,000	-	110,000	1,430,000	110,000	1,320,000
Refunding bond	3,607,000	05/19/21	06/30/35	3.00%-5.00%	3,417,000	-	283,000	3,134,000	290,000	2,844,000
<b>Total general purpose</b>	<b>7,015,164</b>				<b>5,164,926</b>	<b>-</b>	<b>500,000</b>	<b>4,664,926</b>	<b>500,926</b>	<b>4,164,000</b>
<b>School:</b>										
Refunding bond	16,128,000	02/23/12	09/01/26	2.00%-4.00%	3,342,074	-	1,378,000	1,964,074	1,133,000	831,074
Pre K-5 school project	15,003,836	11/01/16	11/01/36	2.00%-5.00%	10,500,000	-	750,000	9,750,000	750,000	9,000,000
Pre K-5 school project	20,000,000	11/01/17	11/01/38	2.50%-5.00%	15,000,000	-	1,000,000	14,000,000	1,000,000	13,000,000
Pre K-5 school project	7,000,000	10/18/18	10/15/38	3.50%-5.00%	5,600,000	-	350,000	5,250,000	350,000	4,900,000
Pre K-5 school project	5,200,000	10/17/19	10/15/39	2.00%-5.00%	4,420,000	-	260,000	4,160,000	260,000	3,900,000
<b>Total school</b>	<b>63,331,836</b>				<b>38,862,074</b>	<b>-</b>	<b>3,738,000</b>	<b>35,124,074</b>	<b>3,493,000</b>	<b>31,631,074</b>
<b>Sewer:</b>										
Refunding bond	6,525,000	12/05/19	04/01/32	3.00%-5.00%	4,985,000	-	530,000	4,455,000	540,000	3,915,000
Improvement bond	10,000,000	07/23/20	08/01/40	1.60%-4.00%	9,000,000	-	500,000	8,500,000	500,000	8,000,000
Refunding bond	3,903,000	05/19/21	06/30/35	3.00%-5.00%	3,708,000	-	287,000	3,421,000	295,000	3,126,000
<b>Total sewer</b>	<b>20,428,000</b>				<b>17,693,000</b>	<b>-</b>	<b>1,317,000</b>	<b>16,376,000</b>	<b>1,335,000</b>	<b>15,041,000</b>
<b>Total bonds</b>	<b>90,775,000</b>				<b>61,720,000</b>	<b>-</b>	<b>5,555,000</b>	<b>56,165,000</b>	<b>5,328,926</b>	<b>50,836,074</b>

**Town of Stonington, Connecticut**  
**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**F. Changes in long-term liabilities (continued)**

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
<u>Notes - direct borrowings:</u>										
Lighting project note	\$ 565,674	06/30/21	06/30/25	0.00%	\$ 292,332	\$ -	\$ 141,419	\$ 150,913	\$ 150,913	\$ -
Total bonds and notes	91,340,674				62,012,332	-	5,696,419	56,315,913	5,479,839	50,836,074
Leases payable	76,999				34,257	-	12,530	21,727	8,266	13,461
Subscriptions payable	779,437				541,712	-	249,996	291,716	228,234	63,482
Total long-term debt	<u>\$ 92,197,110</u>				62,588,301	-	5,958,945	56,629,356	5,716,339	50,913,017
Premium					3,563,972	-	299,622	3,264,350	-	3,264,350
Total long-term debt and related liabilities					66,152,273	-	6,258,567	59,893,706	5,716,339	54,177,367
Compensated absences (net change)					2,196,087	5,345	-	2,201,432	550,358	1,651,074
Landfill postclosure costs					50,000	-	25,000	25,000	25,000	-
Heart and hypertension					147,210	172,035	-	319,245	-	319,245
Net pension liability					18,472,782	9,318,962	10,046,787	17,744,957	-	17,744,957
Net OPEB liability					1,253,815	1,784,749	448,185	2,590,379	227,000	2,363,379
Total long-term liabilities					<u>\$ 88,272,167</u>	<u>\$ 11,281,091</u>	<u>\$ 16,778,539</u>	<u>\$ 82,774,719</u>	<u>\$ 6,518,697</u>	<u>\$ 76,256,022</u>

All long-term liabilities are generally liquidated by the general fund.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

2. The following is a summary of bonds and notes payable principal and interest payments to maturity:

Fiscal Year End June 30	Bonds			Notes
	Principal	Interest	Total	Principal
2025	\$ 5,328,926	\$ 1,759,156	\$ 7,088,082	\$ 150,913
2026	4,765,000	1,557,578	6,322,578	-
2027	4,306,074	1,379,250	5,685,324	-
2028	4,150,000	1,210,875	5,360,875	-
2029	4,160,000	1,050,575	5,210,575	-
2030	4,165,000	899,563	5,064,563	-
2031	4,160,000	766,669	4,926,669	-
2032	4,150,000	648,012	4,798,012	-
2033	3,590,000	529,437	4,119,437	-
2034	3,590,000	427,369	4,017,369	-
2035	3,380,000	329,013	3,709,013	-
2036	2,970,000	240,098	3,210,098	-
2037	2,970,000	156,503	3,126,503	-
2038	2,110,000	85,115	2,195,115	-
2039	1,110,000	40,748	1,150,748	-
2040	760,000	17,938	777,938	-
2041	500,000	5,000	505,000	-
Totals	<u>\$ 56,165,000</u>	<u>\$ 11,102,899</u>	<u>\$ 67,267,899</u>	<u>\$ 150,913</u>

3. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$150,913 are secured with collateral of the equipment purchased.

4. Statutory debt limitations

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

Category	Debt Limitation	Net Indebtedness	Balance
General purpose	\$ 171,720,234	\$ 5,601,938	\$ 166,118,296
Schools	343,440,468	35,124,074	308,316,394
Sewers	286,200,390	16,376,000	269,824,390
Urban renewal	248,040,338	-	248,040,338
Pension deficit	228,960,312	-	228,960,312

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation:

\$ 534,240,728

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

5. Overlapping debt

A summary of the overlapping debt is as follows:

Mystic Fire District	\$ 236,995
Pawcatuck Fire District	<u>700,017</u>
Total	<u>\$ 937,012</u>

6. Authorized/unissued bonds

The amount of authorized unissued bonds for improvements to the Town's school building renovations is \$1,850,011.

7. Heart and hypertension

Under Connecticut General Statutes, the Town is obligated to pay for certain former public safety employees' job related medical costs for the remainder of the employee's life. The liability represents an actuarially based estimate of future costs.

8. Landfill closure and post closure care costs

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs and estimated repairs and maintenance for the next year at are \$25,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

9. Leases

Lease agreements are summarized as follows:

<u>Description</u>	<u>Number of Agreements</u>	<u>Original Term (years)</u>	<u>Interest Rate*</u>	<u>Original Amount</u>	<u>Balance</u>
Town copiers	5	1-5	2.00%-4.50%	\$ 63,105	\$ 13,405
Town mail machines	2	5	2.00%	<u>13,894</u>	<u>8,322</u>
Totals				<u>\$ 76,999</u>	<u>\$ 21,727</u>

\* All interest rates have been imputed based on the Town's estimated incremental borrowing rate as there were no interest rates specified in the agreement.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**F. Changes in long-term liabilities (continued)**

The following is a summary of lease payable principal and interest payments to maturity:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2025	\$ 8,266	\$ 707
2026	5,949	469
2027	5,796	272
2028	<u>1,716</u>	<u>77</u>
Totals	<u>\$ 21,727</u>	<u>\$ 1,525</u>

**10. Subscription arrangements**

Subscription arrangements are summarized as follows:

<u>Description</u>	<u>Number of Agreements</u>	<u>Original Term (years)</u>	<u>Interest Rate*</u>	<u>Original Amount</u>	<u>Balance</u>
Police body camera software	1	3	4.50%	\$ 252,322	\$ 87,836
Phone system	1	3	4.50%	182,372	63,485
Building permitting software	1	2	4.50%	60,316	-
Security software	1	5	4.50%	85,600	53,602
IT software	3	4	4.50%	173,657	78,031
Internet services	1	3	4.50%	<u>25,170</u>	<u>8,762</u>
Total				<u>\$ 779,437</u>	<u>\$ 291,716</u>

\*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the agreement.

The following is a summary of subscription payable principal and interest payments to maturity:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2025	\$ 228,234	\$ 13,127
2026	44,823	2,857
2027	<u>18,659</u>	<u>840</u>
Totals	<u>\$ 291,716</u>	<u>\$ 16,824</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**G. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>						
Prepays	\$ 8,355	\$ -	\$ -	\$ -	\$ -	\$ 8,355
<b>Restricted:</b>						
ARPA projects	-	-	-	-	933,218	933,218
Public safety programs	-	-	-	-	14,894	14,894
Highway department	-	-	-	-	902,099	902,099
Sanitation and waste removal *	-	922,445	-	-	1,974,911	2,897,356
Human services programs	-	-	-	-	61,890	61,890
Housing rehabilitation programs	-	-	-	-	222,306	222,306
Cafeteria operations *	-	-	-	-	631,078	631,078
Education	-	-	-	-	221,180	221,180
<b>Total restricted</b>	<b>-</b>	<b>922,445</b>	<b>-</b>	<b>-</b>	<b>4,961,576</b>	<b>5,884,021</b>
<b>Committed:</b>						
General government programs	-	-	-	-	1,491,469	1,491,469
Public safety	-	-	-	-	24,443	24,443
Sanitation and waste removal	-	-	-	-	33,079	33,079
Human services	-	-	-	-	95,124	95,124
Recreation	-	-	-	-	488,341	488,341
Education	-	-	-	-	438,090	438,090
Construction contracts	-	-	-	2,173,201	77,498	2,250,699
Approved projects	-	-	-	3,511,306	-	3,511,306
School construction	-	-	8,037,665	-	2,217,479	10,255,144
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>8,037,665</b>	<b>5,684,507</b>	<b>4,865,523</b>	<b>18,587,695</b>
<b>Assigned:</b>						
Subsequent year's budget	7,886,200	-	-	-	-	7,886,200
General government programs	205,983	-	-	-	-	205,983
Public works programs	37,246	-	-	-	-	37,246
Education programs	39,638	-	-	-	-	39,638
<b>Total assigned</b>	<b>8,169,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,169,067</b>
<b>Unassigned</b>	<b>15,685,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106,915)</b>	<b>15,578,100</b>
<b>Total</b>	<b>\$ 23,862,437</b>	<b>\$ 922,445</b>	<b>\$ 8,037,665</b>	<b>\$ 5,684,507</b>	<b>\$ 9,720,184</b>	<b>\$ 48,227,238</b>

General Fund encumbrances totaled: \$ 282,867

\*The amount of net position restricted by enabling legislation totaled: \$ 3,528,434

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

IV. Other information

A. Risk management

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town established an internal service fund to account for and finance the retained risk of loss for Town employees’ medical benefits. A third party administers the plan for which the fund pays a fee. The self-insurance fund provides coverage for all eligible Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$100,000 for hospital and major medical.

Only the Town participates in this health insurance program and payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30 which require that a liability for estimated claims incurred but not reported be recorded.

The Town has also established an internal service fund to account for the general liability and property damage claims for the Town Dock.

The internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines and damage awards, the process used to compute the claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims including the effects of specific incremental claim adjustment expenditures, salvage and subrogation; allocated claim adjustment expenditures are not included.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>Medical Insurance</u>				
2022-2023	\$ 704,000	\$ 5,808,937	\$ 6,093,937	\$ 419,000
2023-2024	419,000	6,789,155	6,636,155	572,000

The Town is a member in Connecticut Interlocal Risk Management Association (“CIRMA”). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member’s obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

## Town of Stonington, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2024****A. Risk management (continued)**

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

The Town is also 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 insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town purchases commercial insurance for all other risks of loss including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past 3 years and there have not been any significant reductions in insurance coverage from amounts held in prior years.

**B. Commitments and litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts if any to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

**C. Tax abatements**

An economic development tax abatement program was enacted pursuant to Section 12-65b of the Connecticut General Statutes to attract new businesses to the Town and encourage the expansion of existing businesses to strengthen the Town's tax base.

Personal property is also not included in the program.

The economic development tax abatement amount is based upon the total cost of improvements to real property. The form of the adjustment or reduction in the assessed value of that portion of the real property is comprised of the qualifying new construction or expansion will qualify for a 7-year phase-in.

There are currently 4 companies participating in the economic development tax abatement program.

The amount of the tax abatement under these programs was approximately \$301,932.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

V. Pensions and other post-employment benefit (“OPEB”) plans

A. Town pension plans

1. Plan description

a. Plan administration

The Town contributes to two single employer defined benefit Public Employee Retirement Systems (“PERS”), the Town of Stonington Noncontributory Pension Program and the Town of Stonington Contributory Pension Program. The plans are administered by a Selectmen appointed five-member retirement board. The responsibility for the holding and investment of plan assets lies with the trustee appointed by the Selectmen. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. All full time employees including the First Selectman, Town Clerk and Tax Collector, but excluding police officers, teachers and other elected officials are eligible to participate. The PERS is closed to employees hired after September 15, 2013. These plans do not issue separate stand-alone financial reports.

b. Plan membership

The memberships in the plan as of the date indicated are comprised of the following:

Valuation date: July 1, 2023	
Active members	80
Terminated employees entitled to benefits	46
Retirees, disabled employees, and beneficiaries receiving benefits	<u>185</u>
Total	<u><u>311</u></u>

2. Benefit provisions

	Noncontributory	Contributory
Normal retirement	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

3. Contributions

	Noncontributory	Contributory
Normal retirement	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits	Normal retirement is the earlier of the member having reached his 62 <sup>nd</sup> birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits
Benefit calculation	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.50% of such member's final average earnings multiplied by such member's years of credited service. Final average earnings are determined by the member's 60	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.75% of such member's final average earnings multiplied by such member's years of credited service
Vesting service	50% vested after 10 years of service, fully vested after 15 years of service	50% vested after 5 years of service, fully vested after 10 years of service
Contributions	Participants are not required to contribute	Participants are required to contribute 3.00% of their pensionable wages

The Town's contributions are based upon the actuarially determined amount.

4. Investments

a. Investment policy and rate of return

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Town of Stonington Pension Board by a majority vote of its members. It is the policy of the Town of Stonington Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Board periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments expenses and expected contributions from the Town.

Best estimates of arithmetic real rates of return for each major asset class are included in the pension plan's target asset allocation.

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

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

The Pension Board adopted an asset allocation policy which is a blend of higher risk, lower risk and liquid assets. These blends translate into the following allocation:

Asset Class	Target Allocation	Long-Term Expected Real Rate
Large cap	24.00%	4.10%
Small cap	11.00%	3.90%
Developed international equities	17.00%	6.30%
Emerging international equities	8.00%	8.20%
U.S. bonds	23.00%	2.40%
U.S. bonds - dynamic	7.00%	3.00%
High Yield	2.00%	4.50%
Global fixed income	1.50%	2.50%
Broad real assets	5.00%	4.20%
Cash	1.50%	2.00%
Total/weighted average	100.00%	4.27%
Long-term inflation expectation		2.40%
Long-term expected nominal return		6.67%

**Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments (net of pension plan investment expense) was:

11.18%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**b. Concentrations**

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

A. Town pension plans (continued)

5. Net pension liability

The Town’s net pension liability was measured at June 30, 2024. The components of the net pension liability were as follows:

Total pension liability	\$ 47,652,681
Plan fiduciary net position	<u>40,487,848</u>
Net pension liability	<u>\$ 7,164,833</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.96%</u>

6. Actuarial methods and significant assumptions

The net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2023
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.375%
Inflation	2.40%
Salary increases	2.40% - 5.90%
Cost of living adjustments	None
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021

7. Changes from prior year

a. Changes in assumptions

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**A. Town pension plans (continued)****8. Discount rate**

The discount rate used to measure the total pension liability was 6.375%. 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 difference between actuarially determined contribution rates and the member rate.

Based on the plan's current net pension liability and current contribution policy the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely.

**9. Changes in net pension liability**

The Town's net pension liability was measured at June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date as noted below:

<u>Valuation Date: July 1, 2023</u>	<u>Increase (Decrease)</u>		
<u>Employees' Retirement Plan</u>	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at July 1, 2023	\$ 46,481,980	\$37,872,546	\$ 8,609,434
Service cost	479,150	-	479,150
Interest	2,906,687	-	2,906,687
Differences between expected and actual experience	559,802	-	559,802
Contributions - employer	-	1,102,668	(1,102,668)
Contributions - member	-	142,434	(142,434)
Net investment income	-	4,193,488	(4,193,488)
Benefit payments, including refunds of member contributions	(2,774,938)	(2,774,938)	-
Administrative expenses	-	(48,350)	48,350
Net change	1,170,701	2,615,302	(1,444,601)
Balance at June 30, 2024	<u>\$ 47,652,681</u>	<u>\$40,487,848</u>	<u>\$ 7,164,833</u>

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**A. Town pension plans (continued)****10. Sensitivity of the net pension liability to changes in the discount rate**

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

<u>Net pension liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town plan	<u>6.375%</u>	<u>\$ 12,099,994</u>	<u>\$ 7,164,833</u>	<u>\$ 2,955,689</u>

**11. Deferred outflows and inflows of resources and pension expense**

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 209,926	\$ -	\$ 209,926
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>340,178</u>	<u>(340,178)</u>
Total	<u>\$ 209,926</u>	<u>\$ 340,178</u>	<u>\$ (130,252)</u>

Pension Expense

The Plan recognized pension expense of: \$ 1,576,553

Actual investment earnings below (or above) projected earnings are amortized over 5.0 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was 1.6 years.

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

<u>Year Ending June 30,</u>	
2025	\$ (179,196)
2026	1,014,989
2027	(600,318)
2028	<u>(365,727)</u>
Total	<u>\$ (130,252)</u>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**B. Connecticut municipal employees’ retirement system**

**1. Plan description**

The Connecticut Municipal Employees’ Retirement System (“MERS”) is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

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

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

**2. Benefit provisions**

<b>Normal retirement</b>	
General employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers’ compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year’s breakpoint plus 2.00% of average final compensation in excess of the year’s breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

B. Connecticut municipal employees' retirement system (continued)

Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. Contributions

**Employer**

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

**Employees**

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

B. Connecticut municipal employees' retirement system (continued)

4. Pension liabilities, deferred outflows of resources and deferred inflows of resources and pension expense

The Town reported the following relative to the plan:

Measurement date	June 30, 2023
Valuation date	June 30, 2023
Police officers and firefighters without social security sub plan	
Proportionate share of the collective net pension liability	\$10,580,124
Town percentage of total plan participating employers payroll based upon 2023 expected payroll	2.135826%
Increase (decrease) from prior year	0.002712%

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ 698,550	\$ -	\$ 698,550
Change in assumptions	1,252,509	-	1,252,509
Change in proportional share	22,064	310,068	(288,004)
Differences between expected and actual experience	1,588,528	71,839	1,516,689
Town contributions subsequent to measurement date	<u>1,067,323</u>	<u>-</u>	<u>1,067,323</u>
Total	<u>\$ 4,628,974</u>	<u>\$ 381,907</u>	4,247,067
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year			<u>(1,067,323)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 3,179,744</u>
<u>Pension Expense</u>			
The Plan recognized pension expense of:			<u>\$ 1,104,486</u>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**B. Connecticut municipal employees' retirement system (continued)**

Actual investment earnings below (or above) projected earnings are amortized over 5.00 years. Changes in proportional share and differences between expected and actual results are amortized over the average remaining service period of active and inactive employees which was 5.26 years.

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

Year Ending June 30,	
2025	\$ 828,191
2026	704,886
2027	1,245,391
2028	305,228
2029	<u>96,048</u>
Total	<u>\$ 3,179,744</u>

**5. Actuarial assumptions**

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.00-9.50%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%.
Mortality rates	<p><u>Employees</u>: Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB.</p> <p><u>Police and Fire</u>: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB.</p> <p><u>Disabled</u>: For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.</p>

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2022.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**B. Connecticut municipal employees' retirement system (continued)****Long-term expected rate of return**

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.

The target asset allocation and 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 Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
Total	<u>100.00%</u>	

**6. Discount rate**

The discount rate used to measure the collective total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**B. Connecticut municipal employees' retirement system (continued)**

**7. Sensitivity of the collective net pension liability to changes in the discount rate**

The following presents the Town's proportional share of the collective net pension liability of MERS, calculated using the discount rate, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>7.00%</u>	<u>\$14,920,918</u>	<u>\$10,580,124</u>	<u>\$ 7,006,280</u>

**8. Plan fiduciary net position**

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

**9. Future plan changes**

On June 7, 2023, House Bill 6930, an Act Concerning the Development of Best Practices for Governance Structures of Municipal Retirement Plans, was passed by the Connecticut Legislature

The following is a summarization of future changes in benefit provisions.

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

Beginning July 1, 2025, the benefit formula multiplier will increase to 2.2% (1.7% for social security covered eligible participants) based on the following eligibility:

- General Employees: Beginning for service at age 60 with at least 30 years of service.
- Police and Fire: Beginning for service at age 55 with at least 27 years of service.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**B. Connecticut municipal employees’ retirement system (continued)**

Beginning July 1, 2025, a Deferred Retirement Option Plan (DROP), capped at five years of participation in the program, will be offered based on the following eligibility:

- General Employees: at age 60 with 30 years of service OR at age 62 with five (5) years of service.
- Police and Fire: at age 55 with 25 years of service; at age 57 with five (5) years of service; or at any age with 30 years of service.
- Upon entering DROP, the member contribution rate is reduced to half. After 24 months of DROP participation, the member contribution rate is reduced to 0%.
- Beginning annually at the 2nd anniversary of the member’s DROP entry, the DROP account is credited with interest at a not to exceed 4%. Interest is also credited at the 3rd, 4th, and 5th anniversary date of DROP entry.
- Pension amount will not increase with annual COLAs while participating in DROP. Once member exits DROP, future COLAs will be determined based on the provisions in effect at the time the member entered the DROP.

**C. Connecticut state teachers’ retirement system**

**1. Plan description**

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

**2. Benefit provisions**

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
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% 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. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the collective net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>65,091,170</u>
Total	<u>\$ 65,091,170</u>
The Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 6,039,547</u>

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

5. Actuarial assumptions

The collective total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases are as follows:

Teachers who retired prior to September 1, 1992	Pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum
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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%
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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

There were no changes in assumptions from the prior measurement date.

**Long-term expected 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.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**C. Connecticut state teachers' retirement system (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

**6. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

**7. Sensitivity of the collective net pension liability to changes in the discount rate**

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

**8. Plan fiduciary net position**

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

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**D. Total pension plans**

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Town	\$ 7,164,833	\$ 209,926	\$ 340,178	\$ 1,576,553
MERS	<u>10,580,124</u>	<u>4,628,974</u>	<u>381,907</u>	<u>1,104,486</u>
Total	<u>\$ 17,744,957</u>	<u>\$ 4,838,900</u>	<u>\$ 722,085</u>	<u>\$ 2,681,039</u>

**E. Other post-employment benefit plan**

**1. Plan description**

**a. Plan administration**

The Town administers a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (“OPEB”) for certain full-time employees. Management of the plan is vested in the Board of Finance. The plan does not issue stand-alone financial reports.

**b. Plan membership**

The memberships in the Plan as of the date indicated are comprised of the following:

Valuation date July 1, 2023	
Active members	469
Retirees, disabled employees, and beneficiaries receiving benefits	<u>23</u>
Total	<u>492</u>

**2. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Benefits are provided by a third-party insurer and the full cost of benefits is covered by the plan.

**3. Contributions**

The Town’s contributions are actuarially determined on an annual basis using the entry age normal method. The Town’s total contribution to the plan was \$276,525. There are no required employee contributions. Retired employees are required to contribute 100% of the premium.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**E. Other post-employment benefit plan (continued)****4. Investments****a. Investment policy and rate of return**

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Best estimates of geometric means real rates of return for each major asset class are included in the OPEB plan's target asset allocation are summarized in the preceding table.

The long-term expected rate of return on OPEB 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 OPEB 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 following was the Board's adopted asset allocation policy and long-term expected real rate of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	34.00%	4.52%
International equity	6.00%	5.08%
Intermediate corporate	29.00%	2.44%
High-yield bonds	29.00%	3.92%
Cash	2.00%	0.99%
Total/weighted average	<u>100.00%</u>	<u>3.71%</u>
Long-term inflation expectation		<u>2.40%</u>
Long-term expected nominal return		<u>6.11%</u>

**Annual money-weighted rate of return**

The annual money-weight rate of return on pension 7.13%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**b. Concentrations**

There were no investments in any one organization that represents 5.00% or more of the OPEB plan's net position.

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

E. Other post-employment benefit plan (continued)

5. Net OPEB liability

The Town's net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability were as follows:

Total OPEB liability	\$ 5,171,633
Plan fiduciary net position	<u>2,581,254</u>
Net OPEB liability	<u>\$ 2,590,379</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>49.91%</u>

6. Actuarial methods and significant assumptions

The net OPEB liability was determined based upon the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2023
Actuarial cost method	Entry Age Normal
Asset valuation method	5 year smoothing
Discount rate	6.25%
Salary increases	2.40%
Inflation	2.40%
Healthcare cost trend rates:	
Initial medical trend rate	7.00%
Ultimate medical trend rate	4.40%
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate rates for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2021

7. Changes from prior year

a. Changes in assumptions

Description	From	To
Healthcare cost trend rate: Initial medical trend rate	6.50%	7.00%

b. Changes in benefit terms

There were no changes in benefit terms.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**E. Other post-employment benefit plan (continued)****8. Discount rate**

The discount rate used to measure the total OPEB liability was 6.25% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**9. Changes in the net OPEB liability**

The Town's OPEB liability was measured at June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated as noted below.

Valuation Date: July 1, 2023	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2023	\$ 3,616,659	\$ 2,362,844	\$ 1,253,815
Service cost	70,294	-	70,294
Interest	239,631	-	239,631
Differences between expected and actual experience	1,139,087	-	1,139,087
Changes in assumptions	332,487	-	332,487
Contributions - employer	-	199,388	(199,388)
Contributions - TRB subsidy	-	77,137	(77,137)
Net investment income	-	171,660	(171,660)
Benefit payments, including refunds of member contributions	(226,525)	(226,525)	-
Administrative expenses	-	(3,250)	3,250
Net change	1,554,974	218,410	1,336,564
Balance at June 30, 2024	\$ 5,171,633	\$ 2,581,254	\$ 2,590,379

**10. Sensitivity of the net OPEB liability to changes in the discount rate**

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

OPEB Liability	Discount Rate	1% Decrease	Discount Rate	1% Increase
Town OPEB Plan	6.25%	\$ 3,068,348	\$ 2,590,379	\$ 2,169,349

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

E. Other post-employment benefit plan (continued)

11. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

<u>OPEB Liability</u>	<u>Trend Rate</u>	<u>1%</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>7.00% - 4.40%</u>	<u>\$ 2,082,812</u>	<u>\$ 2,590,379</u>	<u>\$ 3,181,062</u>

12. OPEB expense and deferred outflows and inflows of resources related to OPEB

The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 872,279	\$ 2,771,818	\$ (1,899,539)
Changes in assumptions	623,027	-	623,027
Net difference between projected and actual earnings on OPEB plan investments	<u>354,652</u>	<u>-</u>	<u>354,652</u>
Total	<u>\$ 1,849,958</u>	<u>\$ 2,771,818</u>	<u>\$ (921,860)</u>
<u>OPEB Expense</u>			
The Plan recognized OPEB expense of:			<u>\$ 53,279</u>

Changes in assumptions and differences between expected and actual experience are amortized over 13.0 years. Actual investment earnings below (or above) projected earnings are amortized over 5.0 years.

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

<u>Year Ending June 30,</u>	
2025	\$ (102,519)
2026	(75,235)
2027	(174,362)
2028	(188,048)
2029	(223,704)
Thereafter	<u>(157,992)</u>
Total	<u>\$ (921,860)</u>

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

**F. Retiree health care defined contribution plan**

The Town has a defined contribution healthcare plan covering police officers that was established in July 2017. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00% of base pay with an equivalent Town match. Upon normal retirement the participant's account balance shall be a minimum of \$32,000. If the account balance is less than \$32,000 the Town shall make contributions necessary to bring the account balance to \$32,000. Total Town and employee contributions for the year were \$71,671 and \$71,671 respectively.

**G. Connecticut state teachers' retirement board retiree health insurance plan**

**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t 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).

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits to retired teachers and administrators of public schools. Eligibility is as follows:

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	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service

Town of Stonington, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2024

G. Connecticut state teachers’ retirement board retiree health insurance plan (continued)

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer.

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost
Members who has attained the normal retirement age to participate in Medicare but is not eligible for Part A of Medicare without cost	A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System’s funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Employer (school districts)**

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

**Employees/retirees**

Employees: Each active member is required to contribute 1.25% of their pensionable wages

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

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

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>6,098,149</u>
Total	<u>\$ 6,098,149</u>
The Town recognized OPEB expense and revenue on-behalf amounts for contributions to the plan by the State of:	<u>\$ 82,186</u>

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

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****5. Actuarial assumptions**

The collective total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Investment rate of return	3.00%
Discount rate	3.64%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2028

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The discount rate was increased from 3.53% to 3.64% to reflect the change in the Municipal Bond Index rate.

**Long-term expected rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents (treasuries). The expected 10-year geometric rate of return is 0.77%. The long-term real rate of return as of June 30, 2023 was 3.25%.

**6. Discount rate**

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. 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 annual State contributions will equal the most recent 5-year average of state contributions.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate**

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

**8. Plan fiduciary net position**

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as an OPEB trust fund.

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**H. Pension and other post-employment benefit plan statements**

Pension and OPEB Trust Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2024

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
<u>Assets</u>				
Cash	\$ -	\$ 64,546	\$ 95,711	\$ 160,257
Contributions receivable	1,265	-	-	1,265
Investments:				
Mutual funds:				
Money market	1,996,508	-	-	1,996,508
Bond	13,883,349	-	-	13,883,349
Equity	24,279,066	62,918	97,436	24,439,420
Certificates of deposit	327,660	216,979	196,769	741,408
Exchange traded funds	-	1,051,763	1,008,286	2,060,049
Equities	-	485,391	727,514	1,212,905
Municipal bonds	-	127,255	72,941	200,196
Corporate bonds	-	518,729	708,430	1,227,159
U.S. government agency obligations	-	53,673	70,635	124,308
Total investments	40,486,583	2,516,708	2,882,011	45,885,302
Total assets	40,487,848	2,581,254	2,977,722	46,046,824
<u>Net Position</u>				
Restricted for:				
Pension benefits	40,487,848	-	-	40,487,848
OPEB benefits	-	2,581,254	2,977,722	5,558,976
Total net position	\$ 40,487,848	\$ 2,581,254	\$ 2,977,722	\$ 46,046,824

## Town of Stonington, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**H. Pension and other post-employment benefit plan statements (continued)**

Pension and OPEB Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
Additions:				
Contributions:				
Employer	\$ 1,102,668	\$ 199,388	\$ 71,671	\$ 1,373,727
TRB subsidy	-	77,137	-	77,137
Employee	142,434	-	71,671	214,105
Total contributions	<u>1,245,102</u>	<u>276,525</u>	<u>143,342</u>	<u>1,664,969</u>
Investment income (loss):				
Net change in fair value of investments	3,102,063	109,656	149,119	3,360,838
Interest and dividends	1,133,177	82,681	87,741	1,303,599
Total investment income (loss)	4,235,240	192,337	236,860	4,664,437
Less investment expense	<u>41,752</u>	<u>20,677</u>	<u>-</u>	<u>62,429</u>
Net investment income (loss)	<u>4,193,488</u>	<u>171,660</u>	<u>236,860</u>	<u>4,602,008</u>
Total additions	<u>5,438,590</u>	<u>448,185</u>	<u>380,202</u>	<u>6,266,977</u>
Deductions:				
Benefits	2,774,938	226,525	66,176	3,067,639
Administration	48,350	3,250	22,895	74,495
Total deductions	<u>2,823,288</u>	<u>229,775</u>	<u>89,071</u>	<u>3,142,134</u>
Change in net position	2,615,302	218,410	291,131	3,124,843
Net position - July 1, 2023	<u>37,872,546</u>	<u>2,362,844</u>	<u>2,686,591</u>	<u>42,921,981</u>
Net position - June 30, 2024	<u>\$ 40,487,848</u>	<u>\$ 2,581,254</u>	<u>\$ 2,977,722</u>	<u>\$ 46,046,824</u>

**VI. Recently issued GASB pronouncements**

**GASB Statement No. 101**, "Compensated Absences" provides guidance on the accounting and financial reporting for compensated absences. The Statement updates the recognition and measurement guidance for the compensated absences liability. The Statement is effective for the year fiscal year ending June 30, 2025.

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# Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<hr/>	
<u>Pension Plans</u> Employees Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u> OPEB State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources -**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
<b>Property taxes:</b>					
Current levy	\$ 69,722,713	\$ -	\$ 69,722,713	\$ 70,133,885	\$ 411,172
Prior year taxes	275,000	-	275,000	427,305	152,305
Motor vehicle supplement	525,000	-	525,000	430,187	(94,813)
Interest and lien fees	160,000	-	160,000	245,458	85,458
Telephone access line	40,000	-	40,000	70,610	30,610
<b>Total property taxes</b>	<b>70,722,713</b>	<b>-</b>	<b>70,722,713</b>	<b>71,307,445</b>	<b>584,732</b>
<b>Intergovernmental:</b>					
<b>State grants for education:</b>					
Education cost sharing grant	952,402	-	952,402	1,059,528	107,126
Nonpublic health services	5,000	-	5,000	10,889	5,889
<b>Total state grants for education</b>	<b>957,402</b>	<b>-</b>	<b>957,402</b>	<b>1,070,417</b>	<b>113,015</b>
<b>State grants for reimbursement on revenue loss:</b>					
Reimbursement disabled	1,600	-	1,600	1,445	(155)
Veterans' exemption	15,000	-	15,000	11,069	(3,931)
Grants for municipal projects	100,332	-	100,332	100,332	-
PILOT- state owned property	20,172	-	20,172	22,189	2,017
Municipal revenue sharing	-	-	-	272,103	272,103
Municipal stabilization grant	218,992	-	218,992	218,992	-
Grant proceeds - state	-	-	-	201,667	201,667
Grant proceeds - federal	-	-	-	6,106	6,106
Mashantucket Pequot grant	30,000	-	30,000	30,000	-
<b>Total state grants for reimbursement on revenue loss</b>	<b>386,096</b>	<b>-</b>	<b>386,096</b>	<b>863,903</b>	<b>477,807</b>
<b>State grants for other purposes:</b>					
Parking ticket surcharge	6,000	-	6,000	10,630	4,630
Youth services	30,000	-	30,000	34,539	4,539
Civil preparedness	10,000	-	10,000	9,191	(809)
<b>Total state grants for other purposes</b>	<b>46,000</b>	<b>-</b>	<b>46,000</b>	<b>54,360</b>	<b>8,360</b>
<b>Total intergovernmental</b>	<b>1,389,498</b>	<b>-</b>	<b>1,389,498</b>	<b>1,988,680</b>	<b>599,182</b>
<b>Charges for services:</b>					
Town hall bags	610,000	-	610,000	723,545	113,545
Solid waste disposal fees	1,358,700	-	1,358,700	1,266,009	(92,691)
Landfill recycling	60,000	-	60,000	46,508	(13,492)
Tipping fees	160,000	-	160,000	166,672	6,672
Building rental/miscellaneous	3,800	-	3,800	12,581	8,781
Tuition other town	20,000	-	20,000	-	(20,000)
Miscellaneous revenue	50,000	-	50,000	11,438	(38,562)
Accident reports	1,500	-	1,500	2,076	576
Data processing revenue	33,000	-	33,000	40,607	7,607
In lieu of taxes housing authority	4,500	-	4,500	92	(4,408)
Payment in lieu of taxes	187,843	-	187,843	222,596	34,753
GIS revenues	250	-	250	69	(181)
Animal control facility	1,200	-	1,200	1,200	-
Vehicle use outside jobs	95,000	-	95,000	52,835	(42,165)
Admin / miscellaneous fees	15,000	-	15,000	12,448	(2,552)
<b>Total charges for services</b>	<b>2,600,793</b>	<b>-</b>	<b>2,600,793</b>	<b>2,558,676</b>	<b>(42,117)</b>

(Continued)

See Notes to Required Supplementary Information.

**Town of Stonington, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources -**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Licenses and permits:					
Building permits	\$ 450,000	\$ -	\$ 450,000	\$ 1,080,363	\$ 630,363
Conveyance taxes	475,000	-	475,000	505,897	30,897
Town clerk's fees	225,000	-	225,000	176,744	(48,256)
Alarm registration	5,000	-	5,000	3,240	(1,760)
Wetlands permits	3,500	-	3,500	910	(2,590)
P & Z and zoning board fees	55,000	-	55,000	106,938	51,938
Zoning fines	-	-	-	120,000	120,000
<b>Total licenses and permits</b>	<b>1,213,500</b>	<b>-</b>	<b>1,213,500</b>	<b>1,994,092</b>	<b>780,592</b>
Fines and forfeits:					
Parking fines	5,000	-	5,000	5,575	575
Alarm penalties	1,700	-	1,700	-	(1,700)
<b>Total fines and forfeits</b>	<b>6,700</b>	<b>-</b>	<b>6,700</b>	<b>5,575</b>	<b>(1,125)</b>
<b>Total charges for services</b>	<b>3,820,993</b>	<b>-</b>	<b>3,820,993</b>	<b>4,558,343</b>	<b>737,350</b>
Use of money and property:					
Interest income	150,000	-	150,000	1,361,946	1,211,946
Rental	60,000	-	60,000	71,816	11,816
<b>Total use of money and property</b>	<b>210,000</b>	<b>-</b>	<b>210,000</b>	<b>1,433,762</b>	<b>1,223,762</b>
<b>Total revenues</b>	<b>76,143,204</b>	<b>-</b>	<b>76,143,204</b>	<b>79,288,230</b>	<b>3,145,026</b>
Other financing sources:					
Appropriation of fund balance	3,800,000	-	3,800,000	-	(3,800,000)
Cancellation of prior year encumbrances	10,000	-	10,000	35,637	25,637
Transfers in:					
Capital nonrecurring fund	206,000	-	206,000	-	(206,000)
<b>Other financing sources (uses)</b>	<b>4,016,000</b>	<b>-</b>	<b>4,016,000</b>	<b>35,637</b>	<b>(3,980,363)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 80,159,204</b>	<b>\$ -</b>	<b>\$ 80,159,204</b>	<b>\$ 79,323,867</b>	<b>\$ (835,337)</b>

(Concluded)

Town of Stonington, Connecticut

Required Supplementary Information

General Fund

Schedule of Expenditures and Other Financing Uses -  
Budget and Actual  
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Office of selectman	\$ 284,106	\$ (9,100)	\$ 275,006	\$ 266,118	\$ 8,888
Programs and agencies	104,529	-	104,529	103,743	786
Waterfront commission	2,300	-	2,300	1,561	739
Pawcatuck river harbor management	500	-	500	-	500
Shellfish commission	50	-	50	-	50
Economic development commission	15,000	-	15,000	14,113	887
Committee to study needs and use of					
Town buildings	2	-	2	-	2
Beautification committee	10,000	-	10,000	10,000	-
Charter revision committee	2	6,600	6,602	6,588	14
Emergency management	13,614	63,355	76,969	71,764	5,205
Elections	153,390	-	153,390	112,738	40,652
Town clerk	252,642	-	252,642	230,379	22,263
Town meeting and referenda	8,200	-	8,200	3,986	4,214
Administration	402,850	-	402,850	387,449	15,401
Information systems	471,225	-	471,225	470,964	261
Human resources	4,181,603	(49,500)	4,132,103	3,993,033	139,070
Health officer, sanitation and EMS	139,861	-	139,861	139,861	-
Community development	-	9,500	9,500	9,500	-
Assessor's office	443,507	-	443,507	437,526	5,981
Board of assessment appeals	5,175	-	5,175	5,175	-
Finance office	490,654	350	491,004	490,981	23
Office of the treasurer	5,475	-	5,475	4,977	498
Office of the tax collector	271,464	-	271,464	252,207	19,257
Board of finance	207,205	(350)	206,855	195,151	11,704
Risk management	788,122	-	788,122	782,370	5,752
Planning office	558,712	-	558,712	513,609	45,103
Planning and zoning commission	34,100	(360)	33,740	24,928	8,812
Zoning board of appeals	9,775	360	10,135	10,135	-
Conservation commission	6,800	-	6,800	4,935	1,865
Inland wetlands commission	4,500	-	4,500	1,260	3,240
Climate change task force	3	-	3	-	3
<b>Total general government</b>	<b>8,865,366</b>	<b>20,855</b>	<b>8,886,221</b>	<b>8,545,051</b>	<b>341,170</b>
Public works:					
Highway department	3,366,246	(290,500)	3,075,746	2,970,967	104,779
Sanitation and waste removal	3,501,331	-	3,501,331	3,381,961	119,370
Engineering services	264,059	-	264,059	204,244	59,815
Operation and maintenance Town					
building/property	886,398	5,000	891,398	801,395	90,003
Building official	307,435	-	307,435	299,199	8,236
Water pollution control authority	102,829	-	102,829	97,743	5,086
<b>Total public works:</b>	<b>8,428,298</b>	<b>(285,500)</b>	<b>8,142,798</b>	<b>7,755,509</b>	<b>387,289</b>
Public safety:					
Department of public safety	7,501,440	(63,355)	7,438,085	6,945,097	492,988
Ambulances	310,512	-	310,512	310,511	1
<b>Total public safety</b>	<b>7,811,952</b>	<b>(63,355)</b>	<b>7,748,597</b>	<b>7,255,608</b>	<b>492,989</b>

(Continued)

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses -  
Budget and Actual  
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Human services:					
Office of human services	\$ 631,708	\$ (2,110)	\$ 629,598	\$ 602,257	\$ 27,341
Social services:					
Commission on aging	8,500	5	8,505	8,505	-
Outside agencies	391,500	2,500	394,000	390,000	4,000
Total social services	400,000	2,505	402,505	398,505	4,000
Recreation	153,658	2,105	155,763	155,759	4
Library	449,000	-	449,000	449,000	-
Payments to other civic divisions	287,260	-	287,260	287,260	-
Education	41,641,074	-	41,641,074	41,494,892	146,182
Debt service	7,614,625	-	7,614,625	7,610,175	4,450
Total expenditures	76,282,941	(325,500)	75,957,441	74,554,016	1,403,425
Other financing uses:					
Transfers out:					
Capital nonrecurring fund	3,664,774	325,500	3,990,274	3,990,274	-
Sewer usage fund	150,000	-	150,000	150,000	-
Miscellaneous fund	61,489	-	61,489	61,489	-
Total other financing uses	3,876,263	325,500	4,201,763	4,201,763	-
Total expenditures and other financing uses	\$ 80,159,204	\$ -	\$ 80,159,204	\$ 78,755,779	\$ 1,403,425

(Concluded)

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting  
For the Year Ended June 30, 2024

Only the General Fund has a legally adopted annual budget. The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

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

1. The Town does not recognize as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.

**Reconciliation to Exhibit D**

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 79,288,230	\$ 74,554,016
Prior year encumbrances liquidated in the current year	-	263,189
Encumbrances outstanding at year end charged to budgetary expenditures	-	(192,858)
State Teachers' pension on behalf amount	6,039,547	6,039,547
State Teachers' OPEB on behalf amount	<u>82,186</u>	<u>82,186</u>
GAAP Basis - Exhibit D	<u>\$ 85,409,963</u>	<u>\$ 80,746,080</u>

Formal budgetary integration is employed as a management control device during the year.

No later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, shall prepare and submit to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education shall submit its budget

No later than March 15<sup>th</sup>, the First Selectman shall present to the Board of Finance an itemized annual operating budget, including the Board of Education budget.

The Board of Finance shall hold one (1) or more public hearings no later than the first Monday of May, at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance shall cause said estimates to be made available for review in the office of the Town Clerk. At least five (5) days before the aforementioned public hearing, the Board of Finance shall cause to be published in a newspaper having a substantial circulation in the Town, a notice of such public hearing and a summary of said proposed budget estimates which show the amount to be raised by taxation.

(Continued)

**Town of Stonington, Connecticut**

**Notes to Required Supplementary Information**

**Budgets and Budgetary Accounting  
For the Year Ended June 30, 2024**

The Board of Finance shall have the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen (15) days after holding the final such public hearing, the Board of Finance shall approve an operating budget and file the same with the Town Clerk for submission to the Annual Town Budget Meeting. There shall be a Town Meeting for the consideration of the budget to be held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. Said meeting may be recessed as necessary. The budget adoption procedure shall be the following:

If the budget has not been submitted or petitioned to a Referendum, the budget as presented may be adopted by a majority vote of those present and voting thereon.

If the budget is rejected, it shall be returned to the Board of Finance who shall reconsider the budget and resubmit a budget to the recessed Town Meeting to be held no more than three (3) weeks after said rejection with at least (5) days published notice thereof.

The same steps and procedures, including published notices of meetings, shall be followed as outlined above until a budget has been adopted.

Any resubmitted budget may be submitted or petitioned to a referendum.

In the event a budget has not been approved by June 15, the Board of Selectmen shall be empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance shall meet and set the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Management may not authorize any additional appropriations. The Board of Selectmen and the Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval.

(Concluded)

Town of Stonington, Connecticut  
Required Supplementary Information

Employees' Pension Plan  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Changes in Net Pension Liability and Related Ratios</u></b>										
Total pension liability:										
Service cost	\$ 479,150	\$ 546,859	\$ 588,877	\$ 624,334	\$ 671,928	\$ 657,076	\$ 716,716	\$ 785,169	\$ 807,690	\$ 784,165
Interest	2,906,687	2,761,740	2,574,854	2,597,102	2,593,883	2,534,914	2,460,694	2,299,512	2,223,435	2,337,106
Change of benefit terms	-	1,410,023	-	-	-	-	-	-	-	783,451
Differences between expected and actual experience	559,802	345,001	2,139,031	(516,973)	(911,581)	(326,759)	(278,195)	106,186	(365,705)	(504,935)
Change of assumptions	-	-	92,208	(159,814)	386,031	516,186	-	915,592	-	(253,207)
Benefit payments, including refunds of member contributions	(2,774,938)	(2,671,149)	(2,179,229)	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)
Net change in total pension liability	1,170,701	2,392,474	3,215,741	571,800	930,647	1,595,965	1,203,140	2,500,857	1,236,440	1,793,213
Total pension liability - July 1	46,481,980	44,089,506	40,873,765	40,301,965	39,371,318	37,775,353	36,572,213	34,071,356	32,834,916	31,041,703
Total pension liability - June 30 (a)	<u>\$ 47,652,681</u>	<u>\$ 46,481,980</u>	<u>\$ 44,089,506</u>	<u>\$ 40,873,765</u>	<u>\$ 40,301,965</u>	<u>\$ 39,371,318</u>	<u>\$ 37,775,353</u>	<u>\$ 36,572,213</u>	<u>\$ 34,071,356</u>	<u>\$ 32,834,916</u>
Plan fiduciary net position:										
Contributions - employer	\$ 1,102,668	\$ 1,077,059	\$ 909,492	\$ 952,427	\$ 992,018	\$ 974,686	\$ 1,009,822	\$ 997,631	\$ 1,029,505	\$ 1,103,588
Contributions - member	142,434	156,908	156,700	179,431	185,121	207,951	206,501	205,299	216,143	219,235
Net investment income (loss)	4,193,488	3,417,523	(5,403,164)	9,214,203	179,820	1,736,708	2,234,636	3,137,730	(79,775)	233,513
Benefit payments, including refunds of member contributions	(2,774,938)	(2,671,149)	(2,179,229)	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)
Administration expenses	(48,350)	(47,858)	(52,684)	(52,493)	(47,405)	(46,881)	(44,181)	(37,332)	(34,399)	(32,251)
Net change in plan fiduciary net position	2,615,302	1,932,483	(6,568,885)	8,320,719	(500,060)	1,087,012	1,710,703	2,697,726	(297,506)	170,718
Plan fiduciary net position - July 1	37,872,546	35,940,063	42,508,948	34,188,229	34,688,289	33,601,277	31,890,574	29,192,848	29,490,354	29,319,636
Plan fiduciary net position - June 30 (b)	<u>\$ 40,487,848</u>	<u>\$ 37,872,546</u>	<u>\$ 35,940,063</u>	<u>\$ 42,508,948</u>	<u>\$ 34,188,229</u>	<u>\$ 34,688,289</u>	<u>\$ 33,601,277</u>	<u>\$ 31,890,574</u>	<u>\$ 29,192,848</u>	<u>\$ 29,490,354</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 7,164,833</u>	<u>\$ 8,609,434</u>	<u>\$ 8,149,443</u>	<u>\$ (1,635,183)</u>	<u>\$ 6,113,736</u>	<u>\$ 4,683,029</u>	<u>\$ 4,174,076</u>	<u>\$ 4,681,639</u>	<u>\$ 4,878,508</u>	<u>\$ 3,344,562</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.96%</u>	<u>81.48%</u>	<u>81.52%</u>	<u>104.00%</u>	<u>84.83%</u>	<u>88.11%</u>	<u>88.95%</u>	<u>87.20%</u>	<u>85.68%</u>	<u>89.81%</u>
Covered payroll	<u>\$ 5,253,087</u>	<u>\$ 5,855,774</u>	<u>\$ 6,440,687</u>	<u>\$ 6,801,329</u>	<u>\$ 6,910,565</u>	<u>\$ 7,474,353</u>	<u>\$ 7,665,442</u>	<u>\$ 8,441,906</u>	<u>\$ 8,535,124</u>	<u>\$ 9,007,063</u>
Net pension liability (asset) as a percentage of covered payroll	<u>136.39%</u>	<u>147.02%</u>	<u>126.53%</u>	<u>(24.04%)</u>	<u>88.47%</u>	<u>62.65%</u>	<u>54.45%</u>	<u>55.46%</u>	<u>57.16%</u>	<u>37.13%</u>
<b><u>Schedule of Investment Returns</u></b>										
Annual money weighted rate of return, net of investment expense	<u>11.18%</u>	<u>9.56%</u>	<u>(12.77%)</u>	<u>26.91%</u>	<u>0.52%</u>	<u>5.20%</u>	<u>7.07%</u>	<u>10.89%</u>	<u>(0.28%)</u>	<u>0.83%</u>

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See Notes to Required Supplementary Information.

## Town of Stonington, Connecticut

## Required Supplementary Information

Employees' Pension Plan  
Schedule of Contributions  
Last Ten 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>
Actuarially determined contributions	\$ 1,102,668	\$ 1,077,059	\$ 909,492	\$ 951,997	\$ 988,377	\$ 952,476	\$ 1,015,388	\$ 927,734	\$ 1,044,301	\$ 1,083,331
Contributions in relation to the actuarially determined contribution	<u>1,102,668</u>	<u>1,077,059</u>	<u>909,492</u>	<u>952,427</u>	<u>992,018</u>	<u>974,686</u>	<u>1,009,822</u>	<u>997,631</u>	<u>1,029,505</u>	<u>1,103,588</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 3,641</u>	<u>\$ 22,210</u>	<u>\$ (5,566)</u>	<u>\$ 69,897</u>	<u>\$ (14,796)</u>	<u>\$ 20,257</u>
Covered payroll	<u>\$5,253,087</u>	<u>\$5,855,774</u>	<u>\$6,440,687</u>	<u>\$6,801,329</u>	<u>\$6,910,565</u>	<u>\$7,474,353</u>	<u>\$7,665,442</u>	<u>\$8,441,906</u>	<u>\$8,535,124</u>	<u>\$9,007,063</u>
Contributions as a percentage of covered payroll	<u>20.99%</u>	<u>18.39%</u>	<u>14.12%</u>	<u>14.00%</u>	<u>14.36%</u>	<u>13.04%</u>	<u>13.17%</u>	<u>11.82%</u>	<u>12.06%</u>	<u>12.25%</u>

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Employees' Pension Plan  
Schedule of Contributions  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	Ad hoc cost-of-living increase effective July 1, 2022	None	None	None	None	None	None	None	Ad hoc cost-of-living increase effective July 1, 2014
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	1.25%
Salary increases	2.40%-5.90%, average, including inflation	2.75%-6.25%, average, including inflation	2.75%-6.25%, average, including inflation	2.75%-6.25%, average, including inflation	2.75%-4.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation			
Investment rate of return (net)	6.375%	6.375%	6.375%	6.375%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%
Mortality rate	Pub-2010 projected with Scale MP-2021	Pub-2010 projected with Scale MP-2021	Pub-2010 projected with Scale MP-2021	Pub-2010 projected with Scale MP-2020	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2017	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2014	RP-2000 projected to the valuation date with Scale AA

## Town of Stonington, Connecticut

## Required Supplementary Information

Connecticut Municipal Employees' Retirement System  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Proportionate Share of the Collective Net Pension Liability</u></b>										
Town's proportion of the collective net pension liability for the police officers and firefighters without social security sub plan	2.135826%	2.133114%	2.156970%	2.451724%	2.386865%	2.447326%	2.242232%	2.242232%	2.376509%	2.464900%
Town's proportionate share of the collective net pension (asset) liability	\$ 10,580,124	\$ 9,863,348	\$ 5,075,912	\$ 8,322,442	\$ 7,758,184	\$ 6,667,922	\$ (1,721,274)	\$ (1,262,985)	\$ (1,999,744)	\$ (2,353,578)
Town's covered payroll	\$ 4,307,483	\$ 3,909,935	\$ 3,916,036	\$ 4,164,606	\$ 4,065,329	\$ 4,101,836	\$ 3,428,033	\$ 3,428,033	\$ 3,351,915	\$ 3,067,938
Town's proportionate share of the collective net pension (asset) liability as a percentage of its covered payroll	245.62%	252.26%	129.62%	199.84%	190.84%	162.56%	(50.21)%	(36.84)%	(59.66)%	(76.72)%
Total plan fiduciary net position as a percentage of the collective total pension liability	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%
<b><u>Schedule of Contributions</u></b>										
Contractually required contribution	\$ 983,557	\$ 919,940	\$ 861,034	\$ 637,052	\$ 652,779	\$ 513,519	\$ 474,553	\$ 527,564	\$ 494,982	\$ 457,302
Contributions in relation to the contractually required contribution	983,557	919,940	861,034	637,052	652,779	513,519	474,553	527,564	494,982	457,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 3,985,239	\$ 3,706,446	\$ 3,649,996	\$ 2,906,259	\$ 3,147,440	\$ 3,033,190	\$ 2,803,030	\$ 3,521,789	\$ 3,304,286	\$ 2,856,352
Contributions as a percentage of covered payroll	24.68%	24.82%	23.59%	21.92%	20.74%	16.93%	16.93%	14.98%	14.98%	16.01%

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System  
Schedule of Contributions  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Changes of benefit terms	None	None	None								
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	
Actuarial methods and assumptions used to determine contribution rates:											
Actuarial cost method	Entry age	Entry age	Entry age								
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed								
Remaining amortization period	18 years	18 years	19 years	19 years	21 years	21 years	23 years	23 years	25 years	25 years	
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing								
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%	
Salary increases	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation						
Cost-of-living adjustments	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	After January 1, 2002, 2.50% minimum Prior to January 1, 2002, 2.50% up to age 65. 3.25% afterwards	
Social security wage base	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%	
Mortality rate	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table set forward one year for males and set back one year for females

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System  
Last Ten 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>
<b><u>Schedule of Proportionate Share of the Collective Net Pension Liability</u></b>										
Town's proportion of the collective net pension liability	<u>0.00%</u>									
Town's proportionate share of the collective net pension liability	<u>\$ -</u>									
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>65,091,170</u>	<u>71,130,662</u>	<u>58,756,339</u>	<u>74,186,503</u>	<u>68,011,051</u>	<u>52,440,472</u>	<u>56,047,411</u>	<u>59,130,448</u>	<u>45,293,369</u>	<u>41,864,643</u>
Total	<u>\$65,091,170</u>	<u>\$71,130,662</u>	<u>\$58,756,339</u>	<u>\$74,186,503</u>	<u>\$68,011,051</u>	<u>\$52,440,472</u>	<u>\$56,047,411</u>	<u>\$59,130,448</u>	<u>\$45,293,369</u>	<u>\$41,864,643</u>
Town's covered payroll	<u>(2)</u>									
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>									
Plan fiduciary net position as a percentage of the collective total pension liability	<u>58.39%</u>	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<b><u>Schedule of Contributions</u></b>										
Contractually required contribution (1)	<u>\$ -</u>									
Contributions in relation to the contractually required contribution	<u>-</u>									
Contribution deficiency (excess)	<u>\$ -</u>									
Town's covered payroll	<u>(2)</u>									
Contributions as a percentage of covered payroll	<u>0.00%</u>									

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System  
Schedule of Contributions  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

## Town of Stonington, Connecticut

## Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan  
Last Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in Net OPEB Liability and Related Ratios</u></b>								
Total OPEB liability:								
Service cost	\$ 70,294	\$ 67,332	\$ 77,672	\$ 74,541	\$ 139,505	\$ 133,370	\$ 150,317	\$ 143,707
Interest	239,631	241,501	319,760	309,907	313,629	307,635	412,772	401,263
Differences between expected and actual experience	1,139,087	(165,666)	(1,862,449)	(261,405)	(345,172)	116,397	(1,927,076)	-
Changes in assumptions	332,487	-	220,139	-	168,470	-	111,053	-
Benefit payments, including refunds of member contributions	(226,525)	(127,062)	(129,352)	(63,498)	(472,348)	(463,033)	(363,114)	(371,649)
Net change in total OPEB liability	1,554,974	16,105	(1,374,230)	59,545	(195,916)	94,369	(1,616,048)	173,321
Total OPEB liability - July 1	3,616,659	3,600,554	4,974,784	4,915,239	5,111,155	5,016,786	6,632,834	6,459,513
Total OPEB liability - June 30 (a)	<u>\$ 5,171,633</u>	<u>\$ 3,616,659</u>	<u>\$ 3,600,554</u>	<u>\$ 4,974,784</u>	<u>\$ 4,915,239</u>	<u>\$ 5,111,155</u>	<u>\$ 5,016,786</u>	<u>\$ 6,632,834</u>
Plan fiduciary net position:								
Contributions - employer	\$ 199,388	\$ 152,928	\$ 182,872	\$ 241,770	\$ 635,767	\$ 623,096	\$ 403,013	\$ 461,649
Contributions - TRB subsidy	77,137	79,134	51,480	57,719	60,581	39,468	66,101	-
Net investment income (loss)	171,660	87,123	(218,991)	257,179	48,980	58,257	39,373	67,145
Benefit payments, including refunds of member contributions	(226,525)	(127,062)	(129,352)	(63,498)	(472,348)	(463,033)	(363,114)	(371,649)
Administration expenses	(3,250)	(2,950)	(18,090)	(6,175)	(14,260)	(16,500)	(8,590)	(2,000)
Net change in plan fiduciary net position	218,410	189,173	(132,081)	486,995	258,720	241,288	136,783	155,145
Plan fiduciary net position - July 1	2,362,844	2,173,671	2,305,752	1,818,757	1,560,037	1,318,749	1,181,966	1,026,821
Plan fiduciary net position - June 30 (b)	<u>\$ 2,581,254</u>	<u>\$ 2,362,844</u>	<u>\$ 2,173,671</u>	<u>\$ 2,305,752</u>	<u>\$ 1,818,757</u>	<u>\$ 1,560,037</u>	<u>\$ 1,318,749</u>	<u>\$ 1,181,966</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 2,590,379</u>	<u>\$ 1,253,815</u>	<u>\$ 1,426,883</u>	<u>\$ 2,669,032</u>	<u>\$ 3,096,482</u>	<u>\$ 3,551,118</u>	<u>\$ 3,698,037</u>	<u>\$ 5,450,868</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>49.91%</u>	<u>65.33%</u>	<u>60.37%</u>	<u>46.35%</u>	<u>37.00%</u>	<u>30.52%</u>	<u>26.29%</u>	<u>17.82%</u>
Covered payroll	<u>\$ 34,962,738</u>	<u>\$ 31,732,761</u>	<u>\$ 30,989,024</u>	<u>\$ 29,333,841</u>	<u>\$ 28,590,488</u>	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>
Net OPEB liability as a percentage of covered payroll	<u>7.41%</u>	<u>3.95%</u>	<u>4.60%</u>	<u>9.10%</u>	<u>10.83%</u>	<u>11.84%</u>	<u>12.65%</u>	<u>21.54%</u>
<b><u>Schedule of Investment Returns</u></b>								
Annual money weighted rate of return, net of investment expense	<u>7.13%</u>	<u>3.25%</u>	<u>(13.74%)</u>	<u>14.10%</u>	<u>2.91%</u>	<u>5.31%</u>	<u>3.04%</u>	<u>7.45%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

See Notes to Required Supplementary Information.

## Town of Stonington, Connecticut

## Required Supplementary Information

Other Post-Employment Benefits (OPEB) Plan  
Schedule of Contributions  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 293,959	\$ 292,466	\$ 412,296	\$ 410,428	\$ 463,294	\$ 458,274	\$ 453,445	\$ 446,489	\$ 431,821	\$ 412,037
Contributions in relation to the actuarially determined contribution	199,388	152,928	182,872	241,770	635,767	623,096	469,114	461,649	349,443	327,071
Contribution excess (deficiency)	\$ (94,571)	\$ (139,538)	\$ (229,424)	\$ (168,658)	\$ 172,473	\$ 164,822	\$ 15,669	\$ 15,160	\$ (82,378)	\$ (84,966)
Covered payroll	\$ 34,962,738	\$ 31,732,761	\$ 30,989,024	\$ 29,333,841	\$ 28,590,488	\$ 29,988,630	\$ 29,228,684	\$ 25,305,169	\$ 28,389,610	\$ 28,389,610
Contributions as a percentage of covered payroll	0.57%	0.48%	0.59%	0.82%	2.22%	2.08%	1.60%	1.82%	1.23%	1.15%

N/A - Not available

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan  
Schedule of Contributions  
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Healthcare inflation rate - initial	6.50%	6.50%	6.50%	6.50%	7.00%	7.00%	6.26%	6.26%	6.80%	6.80%
Healthcare inflation rate - ultimate	4.40%	4.40%	4.40%	4.60%	4.60%	4.60%	4.60%	4.60%	4.70%	4.70%
Investment rate of return (net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	7.50%	7.50%
Mortality rate	Pub-2010 projected with Scale MP-2021	Pub-2010 projected with Scale MP-2021	RP-2014 projected with Scale MP-2019	RP-2014 projected with Scale MP-2019	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2000 Mortality projected with Scale BB	RP-2000 Mortality projected with Scale BB

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
Last Seven Years (3)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u></b>							
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	6,098,149	6,229,415	6,401,395	11,064,920	10,606,708	10,483,150	14,425,979
Total	<u>\$ 6,098,149</u>	<u>\$ 6,229,415</u>	<u>\$ 6,401,395</u>	<u>\$ 11,064,920</u>	<u>\$ 10,606,708</u>	<u>\$ 10,483,150</u>	<u>\$ 14,425,979</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>11.92%</u>	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<b><u>Schedule of Contributions</u></b>							
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
 Schedule of Contributions  
 Last Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

***Appendix B***

***Form of Legal Opinion***

\_\_\_\_\_, 2025

Town of Stonington  
152 Elm Street  
Stonington, Connecticut 06378

RE: Town of Stonington, Connecticut \$15,500,000 General Obligation Bonds, Issue of 2025, dated December \_\_\_, 2025 (the "Bonds")

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Stonington, Connecticut (the "Town"), an Arbitrage and Use of Proceeds Certificate of the Town dated \_\_\_, 2025 (the "Arbitrage and Use of Proceeds Certificate") and other proofs submitted to us relative to the issuance and sale of Town of Stonington, Connecticut \$15,500,000 General Obligation Bonds, Issue of 2025 maturing on December 15 in each of the following years in the principal amounts and bearing interest payable semiannually on June 15 and December 15 in each year, commencing June 15, 2026 until maturity, at rates per annum, set forth as follows (the "Bonds"):

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>
2026	\$775,000	_____%	862029____	2036	\$775,000	_____%	862029____
2027	775,000	_____%	862029____	2037	775,000	_____%	862029____
2028	775,000	_____%	862029____	2038	775,000	_____%	862029____
2029	775,000	_____%	862029____	2039	775,000	_____%	862029____
2030	775,000	_____%	862029____	2040	775,000	_____%	862029____
2031	775,000	_____%	862029____	2041	775,000	_____%	862029____
2032	775,000	_____%	862029____	2042	775,000	_____%	862029____
2033	775,000	_____%	862029____	2043	775,000	_____%	862029____
2034	775,000	_____%	862029____	2044	775,000	_____%	862029____
2035	775,000	_____%	862029____	2045	775,000	_____%	862029____

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except as to our opinion set forth therein) or other offering material relating to the Bonds and we express no opinion relating thereto.

The Bonds are issued in fully registered form without interest coupons, in the name of Cede & Co. as registered owner and nominee of The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions which will maintain a book entry system for recording the ownership interest in the Bonds. Purchase of ownership interest in the Bonds is being made in book entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, such proceedings and proofs show lawful authority for the issuance and sale of said Bonds under authority of the Constitution and laws of the State of Connecticut and said Bonds are a valid and legally binding general obligation of the Town payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount, except as to certain 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.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at or subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes under the Code. The Town has covenanted in the Arbitrage and Use of Proceeds Certificate delivered with respect to the Bonds that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code; and (ii) such interest is not treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing 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 Arbitrage and Use of Proceeds Certificate, and (ii) compliance by the Town with the covenants and procedures contained in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds 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. We express no opinion regarding other state income tax consequences caused by ownership or disposition of the Bonds.

Other than the record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of said Bonds, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

The rights of owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and may be subject to the exercise of judicial discretion.

Very truly yours,

TOBIN, CARBERRY, O'MALLEY,  
RILEY & SELINGER, P.C.

***Appendix C***

***Form of Continuing Disclosure Agreement***

## **CONTINUING DISCLOSURE AGREEMENT FOR BONDS**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will execute a Continuing Disclosure Agreement, for the Bonds substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material 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 for Bonds:

### **Continuing Disclosure Agreement for Bonds**

**In connection with the issuance and sale of**

**TOWN OF STONINGTON, CONNECTICUT**

**\$15,500,000 General Obligation Bonds, Issue of 2025**

**Dated: December \_\_\_\_, 2025**

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of December \_\_, 2025 by the Town of Stonington, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of Town of Stonington, Connecticut, \$15,500,000 General Obligation Bonds, Issue of 2025 dated as of December \_\_, 2025 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

### **RECITALS:**

WHEREAS, the Issuer has heretofore authorized the issuance of \$15,500,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2025, dated as of December \_\_, 2025 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement dated December 4, 2025 describing the Bonds (the "Official Statement"); and

WHEREAS, the Issuer has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to its duly adopted resolutions authorizing the Bonds and pursuant to Section 3-20e of the General Statutes of Connecticut to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is being made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

**W I T N E S S E T H:**

**Section 1. Definitions.**

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Fiscal Year End" shall mean the last day of the Issuer's fiscal year, currently June 30.

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

"Official Statement" means the final official statement of the Issuer dated December 4, 2025, as defined in paragraph (f)(3) of the Rule, prepared in connection with the Bonds.

"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 on the United States, or any successor thereto.

**Section 2. Annual Financial Information.**

- (a) The Issuer agrees to provide or cause to be filed with the MSRB, 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) Audited financial statements as of and for each year ending on its Fiscal Year End for the general fund, capital projects funds, special revenue funds, enterprise funds, trust or agency funds, and the general long-term obligations account group prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and
  - (ii) The following financial information and operating data to the extent customarily prepared by the Issuer and publicly available and 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) amount of the annual property tax levy, percentage collected and amount 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 and total net direct debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
    - (F) total direct debt and total net direct debt of the Issuer per capita,

- (G) ratios of the total direct debt and total net direct debt of the Issuer to the Issuer's net taxable grand list,
  - (H) statement of statutory debt limitation and debt margins 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 End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.
  - (c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents previously filed with the MSRB. If the document to be referenced is a final official statement, it must be available from the MSRB. 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.
  - (e) Any filing under this Agreement shall be made by transmitting such filing to the MSRB in an electronic format as prescribed by the MSRB.

### **Section 3. Listed Events.**

The Issuer agrees to provide or cause to be filed, in a timely manner, not in excess of ten business days after the occurrence of the event, 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-exempt status of the Bonds;

- (g) modifications to rights of holders of the Bonds, if material;
- (h) bond calls, if material and tender offers;
- (i) Defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership of similar event of the Issuer;
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all the assets of 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; and
- (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 of the Issuer, any of which affect bondholders, 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.

Listed event (l) includes the note related thereto contained in the Rule. For the purposes of Listed Events (o) and (p), the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to file or cause to be filed, in a timely manner, 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 filed pursuant to this Agreement may be filed 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 Section 3 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is: Town of Stonington, 152 Elm Street, P.O. Box 352, Stonington, Connecticut 06378.

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. General.**

- (a) The Issuer shall have no obligation to provide or file 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 or filing 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 or file any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide or file further additional information, data or notices of the type so provided.
- (b) This Agreement shall be governed by the laws of the State of Connecticut.
- (c) 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 Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rules as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information filed 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 activities for the Issuer.

[signatures to follow]

TOWN OF STONINGTON

By: \_\_\_\_\_  
William Middleton  
First Selectman

By: \_\_\_\_\_  
James Sullivan  
Director of Finance

By: \_\_\_\_\_  
Melanie Roberts  
Director of Administrative Services

***Appendix D***  
***Notice of Sale***

**NOTICE OF SALE**

**TOWN OF STONINGTON, CONNECTICUT  
\$15,500,000  
GENERAL OBLIGATION BONDS ISSUE OF 2025**

(BOOK-ENTRY ONLY)

Electronic bids (as described herein) will be received by the TOWN OF STONINGTON, CONNECTICUT (the "Town") at the Stonington Town Hall, 152 Elm Street, Stonington, CT 06378, until **11:30 A.M. (E.S.T.) on**

**Thursday, December 4, 2025**

for the purchase of all, but not less than all, of the Town of Stonington, Connecticut, \$15,500,000 General Obligation Bonds, Issue of 2025 (the "Bonds"). Bids must be submitted via *PARITY*® in the manner specified below. (See "Bidding Procedures").

**The Bonds**

The Bonds will be dated December 15, 2025 and will be payable to the registered owner on December 15 in the year of their respective maturity, as further described in the Preliminary Official Statement for the Bonds dated November 26, 2025 (the "Preliminary Official Statement"). The Bonds will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable on June 15, 2026 and semiannually thereafter on December 15 and June 15 in each year until maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase.

The Bonds will mature on December 15 in the following amounts and years:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2026	\$775,000	. %	2036	\$775,000	. %
2027	775,000	. %	2037	775,000	. %
2028	775,000	. %	2038	775,000	. %
2029	775,000	. %	2039	775,000	. %
2030	775,000	. %	2040	775,000	. %
2031	775,000	. %	2041	775,000	. %
2032	775,000	. %	2042	775,000	. %
2033	775,000	. %	2043	775,000	. %
2034	775,000	. %	2044	775,000	. %
2035	775,000	. %	2045	775,000	. %

The Bonds maturing on or before December 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on December 15, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after December 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 price (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:

Redemption Date  
December 15, 2033 and thereafter

Redemption Price  
100.0%

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 bond certificates will be issued to The Depository Trust Company, New York, New York ("DTC"), 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 integral multiples thereto 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 winning bidder, 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 or such other name as may be requested by an authorized representative of DTC. Principal of and interest on the Bonds will be payable by the Town or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of 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 Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

### **Nature of Obligation**

The Bonds will be general obligations of the Town for payment of which the Town's full faith and credit will be pledged as discussed in more detail in the Preliminary Official Statement section entitled "Security and Remedies". The Bonds are payable, unless paid from other sources, 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.

### **Bank Qualification**

The Bonds SHALL 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, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

### **Bidding Procedures**

Any prospective bidder must submit its electronic bid through the facilities of *PARITY*®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to so subscribe.

An electronic bid made through the facilities of *PARITY*® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in the Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town, and upon acceptance by the Town shall bind the bidder to a legally valid, binding and enforceable contract to purchase the Bonds on the terms described in the bid and this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, *PARITY*®, the use of such facilities being the sole risk of the prospective bidder.

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

For purposes of the bidding process, the time as maintained by *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described in this Notice of Sale. All bids shall be deemed to incorporate the provisions of this Notice of Sale.

## **Bid Specifications/Basis of Award**

Proposals for the purchase of the Bonds must be submitted electronically, in accordance with the requirements prescribed herein. Each bid must be for the entire \$15,500,000 of the Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum; provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered. Unless all bids are rejected, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals.

True interest cost will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to December 15, 2025, the dated date of the Bonds, results in an amount equal to the purchase price of the Bonds, excluding interest accrued to the date of delivery of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 5:00 P.M. (E.D.T.) on December 4, 2025. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

By submitting a bid for the Bonds, the bidder represents and warrants to the Town that such bidder's bid for 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 Town will bind the bidder by a legal, valid and enforceable contract for the purchase of the Bonds on the terms described in this Notice of Sale.

## **Closing Documents and Legal Opinion**

The Bonds will be certified by U.S. Bank Trust Company, National Association, of Hartford, Connecticut. U.S. Bank Trust Company, National Association will act as Paying Agent and Registrar. The legality of the issue will be passed upon by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, Bond Counsel to the Town, and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with an Issuance and No Litigation Certificate, a Town Clerk Certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Bonds is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax. In rendering the legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Arbitrage and Use of Proceeds Certificate entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Arbitrage and Use of Proceeds Certificate. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, of Hartford, Connecticut, and will be available for examination upon request.

## Obligation to Deliver Issue Price Certificate

(a) The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town's municipal advisor identified herein and any notice or report to be provided to the Town may be provided to the Town's municipal advisor.

(b) The Town intends that the provisions of Treasury Regulation 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 requirements") because:

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

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the Town shall so advise the winning bidder. In such event, the Town may elect to treat (i) the first price at which ten percent (10%) of each maturity of the Bonds (the "10% test") is actually 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 the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"). The winning bidder shall advise the Town if the Bonds satisfy the 10% test as of the date and time of the award of the Bonds. The Town shall promptly advise the winning bidder, at or before the time of award of the Bonds, whether Bonds of a maturity that do not meet the 10% test, thereafter shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Town determines to apply the hold-the-offering-price rule to the Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

(d) If the competitive sale requirements are not satisfied, and the Town does not elect to apply the hold-the-offering-price rule, then until the 10% test has been satisfied as to the Bonds, the winning bidder agrees to promptly report to the Town the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds or until all Bonds have been sold to the public.

(e) If the competitive sale requirements are not satisfied and the Town elects to apply the hold-the-offering-price rule, by submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of the award at the offering price ("the initial offering price"), or at the corresponding yield, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public 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 10% of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Town when the underwriters have sold 10% of the Bonds to the public at prices that are no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business date after the sale date.

(f) The Town acknowledges that, in making the representation set for the above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Town further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds or all Bonds 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 retail 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 retail distribution agreement to (A) report the prices at which it sells to the public the Bonds until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds or all Bonds 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.

(h) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct

ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date that the Bonds are awarded by the Town to the winning bidder.

### **Continuing Disclosure**

The Town will enter into in a Continuing Disclosure Agreement for the Bonds in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

### **Settlement of the Bonds**

It is anticipated that the Bonds will be delivered to DTC in New York City on or about December 15, 2025. 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 winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. 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 thereto to accept delivery of and pay for the Bonds. The Town 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 by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 50 copies of the Official Statement prepared for the Bonds at the Town's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening. If the Town's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rate, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

### **Related Information**

For more information regarding this issue and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement containing financial information and pertinent information relating to the issuance, sale and security of the Bonds, may be obtained from the undersigned, or from Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, Connecticut 06460, (203) 878-4945.

TOWN OF STONINGTON, CONNECTICUT

By: \_\_\_\_\_  
James Sullivan  
Director of Finance

November 26, 2025

**\$15,500,000**  
**TOWN OF STONINGTON, CONNECTICUT**  
**GENERAL OBLIGATION BONDS**  
**CERTIFICATE WITH RESPECT TO "ISSUE PRICE"**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ("[SHORT NAME OF UNDERWRITER]") [(the "Representative") on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group")], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned, single maturity obligations (the "Bonds").

*Select appropriate provisions below*

1. *[Alternative 1-Competitive Sale Rule Applies]* **Reasonably Expected Initial Offering Price.**

(i) As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] [the Representative] is \$\_\_\_\_\_ (the "Expected Offering Price"). The Expected Offering Price is the price for the Bonds used by [SHORT NAME OF UNDERWRITER] [the Representative] in formulating its bid to purchase the Bonds. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] [the Representative] to purchase the Bonds.

(j) [SHORT NAME OF UNDERWRITER] [the Representative] was not given the opportunity to review other bids prior to submitting its bid

(k) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

1. *[Alternative 2-Bonds sold under General Rule]* **Sale of the Bonds.** As of the date of this certificate, the first price at which at least 10% of the Bonds was sold to the Public is \$\_\_\_\_\_.

1. *[Alternative 3-Hold the Offering Price Rule Applies]* **Hold the Offering Price of the Bonds.**

(1) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the initial offering price of \$\_\_\_\_\_ (the "Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(2) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) [it][they] would neither offer nor sell any of the Bonds to any person at a price that is higher than the Initial Offering Price during the Holding Period (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold the Bonds at a price that is higher than the respective Initial Offering Price for the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Town* means the Town of Stonington, Connecticut.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or with the same maturity date but different stated interest rates, would be treated as separate Maturities.

(c) *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 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is December 4, 2025.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Town (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 paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

[Use with Alternative 3

(e) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of the Bonds to the Public at prices that are no higher than the Initial Offering Price.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER] [THE REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Town with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Town from time to time relating to the Bonds.

Dated: [Closing Date]

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_