

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 11, 2025

NEW ISSUE: Book-Entry-Only

RATING: See "Rating" herein

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, as described under Appendix B- "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein. In the opinion of Bond Counsel, 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 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.



Town of Washington, Connecticut \$4,500,000 General Obligation Bonds, Issue of 2025 (Bank Qualified)

Dated: Date of Delivery

**Due: December 1, 2026-2040,
As shown below:**

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2026	\$ 300,000	. . %	. . %	937462	2034	\$ 300,000	. . %	. . %	937462
2027	300,000	. . %	. . %	937462	2035	300,000	. . %	. . %	937462
2028	300,000	. . %	. . %	937462	2036	300,000	. . %	. . %	937462
2029	300,000	. . %	. . %	937462	2037	300,000	. . %	. . %	937462
2030	300,000	. . %	. . %	937462	2038	300,000	. . %	. . %	937462
2031	300,000	. . %	. . %	937462	2039	300,000	. . %	. . %	937462
2032	300,000	. . %	. . %	937462	2040	300,000	. . %	. . %	937462
2033	300,000	. . %	. . %	937462					

The Bonds will be general obligations of the Town of Washington, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein. The Bonds will bear interest payable on June 1, 2026 and semiannually thereafter on December 1 and June 1 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

Electronic bids via PARITY® will be received for the Bonds until 11:30 A.M. (Eastern Time) on Wednesday, November 19, 2025 at the Office of Phoenix Advisors, 53 River Street, Milford, Connecticut 06460, as described in the Notice of Sale dated November 11, 2025. See Appendix D herein.

The Bonds are subject to optional redemption prior to maturity as herein provided. See "Optional Redemption" herein.

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

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about December 2, 2025.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

¹ 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.

No dealer, broker, salesperson or other person has been authorized by the Town of Washington, Connecticut (the “Town”) to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 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.

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

Bond Counsel is not passing on, and does not assume any responsibility for, the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein), and makes no representation that it has independently verified the same.

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

Date of Sale:	Wednesday, November 19, 2025 at 11:30 A.M. (Eastern Time).
Location of Sale:	Office of Phoenix Advisors, 53 River Street, Milford, Connecticut 06460.
Issuer:	Town of Washington, Connecticut (the “Town”).
Issue:	\$4,500,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
Dated Date:	Date of Delivery
Principal Due:	Principal due serially, December 1, 2026 through December 1, 2040, as detailed on the cover page of this Official Statement.
Interest Due:	Interest due June 1, 2026 and semiannually thereafter on December 1 and June 1 in each year until maturity.
Authorization and Purpose:	The Bond proceeds will be used to finance renovations to the Town’s emergency medical services station. (See “Authorization and Purpose” herein)
Redemption:	The Bonds are subject to optional redemption prior to maturity. See “Optional Redemption” herein.
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	Application for a rating on the Bonds had been made to Moody’s Ratings (“Moody’s”).
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bank Qualification:	The Bonds <u>shall</u> be designated by the Issuer as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will enter into a continuing disclosure agreement to provide or cause to be provided (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Shipman & Goodwin LLP, of Hartford, Connecticut.
Delivery and Payment:	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 2, 2025 against payment in Federal Funds.
Issuer Official:	Questions concerning the Town should be directed to Linda Kennedy Gomez, Finance Director, 2 Bryan Plaza, Washington Depot, Connecticut 06794, Telephone: (860) 868-2259.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Washington, Connecticut (the “Town”), in connection with the issuance and sale of \$4,500,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated November 11, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D hereto for the terms and conditions of the bidding.

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 statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. 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. 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 certifying bank, registrar, transfer and paying agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

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

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Shepaug River runs through the Town and has occasionally flooded due to storms. The Town prepared a detailed Hazard Mitigation Plan to mitigate and prevent damage from flooding, wind events, snow storms, wildfires and earthquakes. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances.

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 reduce the risk of a successful cyber security threat, the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town computers and computer servers are protected by this security software and firewalls. Town Staff are required to do regular cybersecurity lessons and the Town has a three system backup.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident, recovery from an earlier status for any enterprise application system is possible. 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 Town currently has a cybersecurity insurance policy. The results of any such attack could impact financial operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

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.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature on December 1 in each of the years as set forth on the cover page of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable on June 1, 2026 and semiannually thereafter on December 1 and June 1 in each year until maturity. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of May and November in each year, or the preceding business day if such fifteenth day is not a business day, 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, by such other means as DTC, the Paying Agent and the Town shall agree. The Bonds are subject to redemption prior to maturity as more fully described herein.

Optional Redemption

The Bonds maturing on or before December 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing on December 1, 2033 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after December 1, 2032 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 or prices (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
December 1, 2032 and thereafter.....	100%

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 twenty (20) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the DTC, is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or 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, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption (see “Book-Entry-Only Transfer System” herein for discussion of DTC and definitions of “DTC Participant”, “Indirect Participant” and Beneficial Owner”). Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amounts 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 interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations 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, or be the responsibility of 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 a bond resolution approved at a Town Meeting. The Bonds are being issued to provide financing for the following project:

<u>Project</u>	<u>Aggregate Amount Authorized</u>	<u>Maturing Notes Due: 12/2/25</u>	<u>This Issue: The Bonds</u>
Emergency Medical Services Station Renovations...	\$ 4,740,000	\$ 4,740,000	\$ 4,500,000
Total	\$ 4,740,000	\$ 4,740,000	\$ 4,500,000

Emergency medical service (ambulances and related emergency medical care) (“EMS”) is provided by the Washington Ambulance Association (“WAA”). The WAA is an independent non-profit ambulance service founded in 1942. The association serves the Town of Washington as well as neighboring communities upon request. WAA responds to more than 470 requests for emergency medical services per year. The WAA does not bill patients; it is staffed by volunteers and funded by donations from the community.

The association is staffed by approximately thirty (30) certified Emergency Medical Technicians (“EMTs”) and has two ambulances. It currently operates from the Washington Depot fire facility, which it shares with the Washington Volunteer Fire Department and that organization’s equipment. The two emergency services organizations have outgrown the single building that they have shared since 1994.

Currently, WAA has roughly 380 square feet of office space and a small storage area in the building attic. Both services require space for required training, as well as additional certification classes, resulting in a very difficult and often conflicting building use schedule. The aging population continues to grow in Washington creating greater call volume for ambulances. As demand for services continues to increase, space requirements will continue to be pressed.

In 2021, the Town identified a building that would be suitable for housing the WAA. After receiving private donations of more than \$1.3 million, the Town purchased the building in 2022 for \$1.0 million and set aside the remainder of the donations for necessary renovations. The new headquarters will be located at 92 Bee Brook Road, almost directly across the road from the Washington Depot fire facility.

Plans for renovations were prepared with the assistance of EMS professionals, building experts, and an experienced architectural firm. The Town instructed the planners to consider both current needs and requirements up to 30 years in the future.

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and 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-only 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 S&P Global Ratings highest rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds 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 the Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 its 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 Bonds 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, 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 its 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 Bonds at any time by giving reasonable notice to the Town or its Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

DTC Practices

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

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 Bond 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 will issue fully registered Bond 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 the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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 bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order 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 may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, 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 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 will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement for the Bonds.

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management. The Town will provide, to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ongoing disclosure in the form of the Comprehensive Annual Financial Report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, as specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.

Rating

Application for a rating on the Bonds had been made to Moody's Ratings ("Moody's"). The Town furnished to Moody's certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of Moody's and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's should be contacted directly for its rating on the Bonds and the explanation of such rating.

The Town expects to furnish to Moody's information and materials that it may request. However, the Town may issue short-term or other debt for which a rating is not requested.

Generally, a rating agency bases its rating on the information and materials furnished to it and on its own investigations, studies and assumptions. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds or notes, including the Bonds.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

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SECTION II – THE ISSUER



Description of the Municipality

The Town of Washington was incorporated in 1789. Located in Litchfield County in Connecticut's northwest quadrant, Washington's land area totals 38.7 square miles. Intersecting Washington are Connecticut State Routes 202, 109, 47 and 45. Washington is approximately 16 miles from Danbury and 18 miles from Waterbury from which major urban centers are accessible.

Washington's economy was formerly based on agriculture, which remains an important component to this day. Small commercial and retail establishments are located in Washington Depot, Washington Green, New Preston, Marbledale and Woodville sections of town. Washington is also the location of several private educational academies and preparatory schools including The Frederick Gunn School, Rumsey Hall, Glenholme and Washington Montessori. It is estimated that these schools serve over 725 students with a combined professional and administrative staff totaling 300.

Today, Washington is best known as an attractive, high wealth residential community. Its rural setting and proximity to cultural and recreational amenities have also spurred the development of a number of inns, bed and breakfasts and upscale restaurants.

Wealth indicators such as per capita and median family income significantly exceed statewide figures. The Town's per capita income in 2023 was \$72,851 compared to \$54,409 for the State of Connecticut according to the U.S. Bureau of Census, American Community Survey, 2019-2023 estimates. The 2023 median owner-occupied home sales price was \$606,900 versus \$343,200 for the State of Connecticut. On average, Washington's residents have higher educational attainment and are more likely to be employed in an executive, managerial or professional capacity than Connecticut residents taken as a whole.

Form of Government

The Town of Washington operates under the Town Meeting form of government. The Town Meeting serves as the legislative body of the Town and approves the annual budget and bond/note authorizations. Budget preparation and spending proposals are the responsibility of an elected nine (9) member Board of Finance. Administrative matters are handled by an elected three (3) member Board of Selectmen. The First Selectman serves as the chief executive of the Town and is an ex-officio member of all town boards, commissions and committees. Along with Bridgewater and Roxbury, Washington is a member of Regional School District Number 12.

Principal Municipal Officials

Office	Name	Manner of Selection
First Selectman	James L. Brinton	Elected
Selectman	Jay Hubelbank	Elected
Selectman	Dean Sarjeant	Elected
Finance Director.....	Linda Kennedy Gomez	Appointed
Town Clerk	Mildred Johnson	Appointed
Tax Collector	Donna W. Alex	Elected
Treasurer	Ashley N. Judson	Elected
Assessor	Cory Iacino	Appointed
Board of Finance Chairman ¹	Barbara Brown, Vice Chair	Elected

¹ The previous Board of Finance Chairman resigned, the Vice-Chair assumed the position until the November 4, 2025 election.

Summary of Municipal Services

Police Protection

Police protective and investigative services are provided by a resident state trooper assisted by three (3) appointed Constables. Washington is a member of the Emergency Telephone Network (911) in order to provide a quicker response to various emergencies via the Litchfield County Dispatch Service at the State Police Barracks - Troop L in Litchfield.

Fire Protection and Ambulance Service

Fire protection is provided by a Volunteer Fire Department operating from two facilities located in the Washington Depot and New Preston areas. The department has twelve pieces of firefighting apparatus and is staffed by approximately sixty volunteers.

Emergency medical service is provided by the Washington Ambulance Association. The Association is staffed by approximately thirty certified Emergency Medical Technicians (EMTs) and currently operates from the Washington Depot fire facility.

Public Works

The Highway Department is responsible for road maintenance and repair, plowing, sanding and maintenance and repair of drainage facilities. The Town owns and maintains approximately 90 miles of roads.

Solid Waste

The following summarizes certain provisions of the Town's solid waste service contract and related agreements (the "Agreements"). This summary is qualified in its entirety by reference to the documents themselves.

The Town and ten other central Connecticut municipalities (the "Participating Municipalities") entered into a Municipal Solid Waste Delivery and Disposal Contract (the "Service Contract") with Ogden Martin Systems of Bristol, Inc. (the "Company"). The Company designed, constructed and operates a mass-burn solid waste, resource recovery, and electric generation facility located in the City of Bristol (the "Facility"). The Facility was funded by the proceeds of \$73,520,000 Series 1985 Connecticut Development Authority Bonds (the "CDA Bonds") loaned to the Company by the Connecticut Development Authority.

Under the Service Contract the Town is required to deliver or cause-to be delivered to the Facility acceptable solid waste generated within the Town's boundaries up to its minimum commitment of 2,600 tons per year and to pay a uniform per ton disposal service fee (the "Municipal Disposal Fee"). The Municipal Disposal Fee as of July 1, 2025 is \$77.48 per ton. The aggregate minimum commitment of the eleven Participating Municipalities is 153,300 tons per year. The Town's commitment to pay Municipal Disposal Fees is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the eleven Participating Municipalities is not met by the total deliveries of all the eleven Participating Municipalities or by other solid waste delivered to the Facility in any year, the Town must pay the Municipal Disposal Fee for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

The Municipal Disposal Fee is a fee charged for each ton of acceptable solid waste delivered to the Facility by each Participating Municipality based upon the cost of 1) debt service on the CDA Bonds; 2) operating and maintenance expenses; and 3) other costs including taxes, insurance and utilities minus 90% of all energy revenues and recovered ferrous metal credit.

Sewage

Sewage treatment in Washington is provided by individual septic systems serviced by local septic waste haulers. Septage is not accepted at the Town landfill. Washington has adopted a "Sewer Avoidance Policy" as part of its overall Plan of Development.

Recycling

Washington is a member of a regional authority known as the Tunxis Recycling Operating Committee and implemented a curbside recycling program in 1991. Recyclables are transported from the Town landfill to an intermediate processing center in Berlin, Connecticut. The current tipping fee is \$101.35 /ton.

Water

Approximately 90% of Washington is served by private wells. Two small private utilities provide water to approximately 150 customers in the Washington Depot, Washington Green and New Preston sections of Town.

Utilities and Other Services

Telephone service is provided by Frontier Telephone Company and Spectrum. The Town also receives electric service from Eversource.

Parks and Recreation

There are a variety of recreational opportunities focused around town and state-owned parks and the area's many lakes, rivers, ponds and trails. A Parks and Recreation Commission organizes more structured recreational activities. A full time Facilities Director with staff oversees maintenance of the various Town owned facilities. Steep Rock Association, a private land trust owns approximately 22% of the Town's acreage which is enjoyed by the public.

Public Library

The Gunn Memorial Library offers a wide variety of reading and research materials to area residents. The library is supported primarily by volunteer gifts and contributions. In 2024-2025, the Town's operating budget contributed \$202,566 towards the operation of Gunn Library, Inc.

Social and Health Services

Social service needs are addressed through a Social Services Department which assists the financially needy and the Washington Municipal Agent and Senior Center which provides for the specialized needs of the elderly.

Major health needs are addressed at hospitals located in New Milford, Torrington and Sharon. Other needs are addressed by local practitioners and private organizations such as the Visiting Nurses Association.

Planning

Washington's Planning Commission was formed in 1955 to coordinate rebuilding efforts after severe flooding. The first Plan of Conservation and Development was adopted in 1963 and has been updated since then, most recently in 2014.

The current Plan identifies Town resources and establishes growth objectives in light of an overall goal of preserving Washington's rural heritage and attractiveness as a residential community. Specific goals include adoption of a sewer avoidance policy and the development of appropriate levels of affordable housing.

Regional issues are addressed through Washington's participation in the Northwest Hills Council of Governments. Issues specific to the appropriate utilization of Lake Waramaug are addressed by the Lake Waramaug Authority and the Lake Waramaug Interlocal Commission and Task Force.

Educational System

Washington is a member of Shepaug Valley Regional School District Number 12 of the State of Connecticut. The District was established in 1967 under the provisions of Part III of Chapter 164 of the General Statutes of Connecticut upon the approval of the voters of the Towns of Bridgewater, Roxbury and Washington.

The affairs of the District are administered by a regional Board of Education made up of thirteen members. Board members are elected every four years, with no more than a bare majority in any one election.

The District is comprised of three elementary schools and the Shepaug Valley Regional School which houses the middle and high schools. Estimated 2025-26 enrollment is 812. The District provides educational facilities for grades K through 12 as well as special education programs. Staff and curricula development are on-going priorities. Computer instruction is offered at all levels as well as advanced programs in the languages, humanities and sciences. Participation in extracurricular activities is encouraged as part of the overall educational program. The State Board of Education recently named the Shepaug Middle/High School as an Innovative School-Rural Classification. Of the graduating class of 2025, 90% of the students were accepted to post high school education.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of pupils. The percentage participation by each member town for Fiscal Year 2026 is estimated as follows: Bridgewater 26.67%, Roxbury 29.23%, and Washington 44.10%. Payments are made to the District on a monthly basis in accordance with projected cash flow requirements developed by the school administration.

Section 10-51a of the Connecticut General Statutes provides that if a member town fails to include in its annual budget the amount necessary to pay its proportionate share of the annual District budget, a petition may be filed with the Superior Court to determine the amount of the alleged deficiency. If such a deficiency is found to exist, the Superior Court shall order the town to provide a sum equal to such deficiency, together with a sum of money equal to twenty-five percent thereof. The amount of the deficiency shall then be paid by the town to the Regional School District; the additional sum of twenty-five percent shall be kept in a separate account by such town and shall be applied toward payment of such town's share of the annual budget of the Regional School District in the following year. If the annual tax rate of such town has been fixed, the sums shall be provided by the town from any available cash surplus, from any contingent fund, from borrowing or from any combination thereof.

The withdrawal of a town from the District or the dissolution of the District would not affect the obligation of the withdrawing town or the District to the holders of any outstanding indebtedness issued prior to such withdrawal or dissolution.

Regional School District Number 12 School Facilities

Regional School District Number 12 has two elementary schools, a middle school, and one high school. Enrollment in the District system as of October 1, 2025 was 812 students with a design capacity of 1,585.

School	Grades	Date of Construction (Latest Additions)	Number of Classrooms	10/1/2025 Enrollment	Operating Capacity
Booth Free School	K-5	1909 (1989)	6	88	175
Burnham School	K-5	1929 (1989)	6	74	175
Washington Primary	PK-5	1909 (1989)	12	164	325
Shepaug Valley Middle / High School	6-12	1972 (2020)	46	486	910
Total			70	812	1,585

Source: Regional School District Number 12.

School Enrollments

School Year	Pre-K-5	6-8	9-12	Total ¹
Historical				
2016-17	298	157	252	707
2017-18	266	160	262	688
2018-19	264	158	260	682
2019-20	269	160	272	701
2020-21	247	150	291	688
2021-22	287	156	320	763
2022-23	307	160	337	804
2023-24	296	146	355	797
2024-25	311	134	353	798
2025-26	326	133	353	812
Projected				
2026-27	314	158	311	783
2027-28	319	177	315	811
2028-29	323	181	312	816
2029-30	325	173	320	818
2030-31	341	151	341	833

Source: Director of Finance, Regional School District Number 12.

Note: Includes special education students.

Average Daily Membership

	2025-26	2024-25	2023-24	2022-23	2021-22
Bridgewater.....	156	140	130	140	137
Roxbury.....	171	170	176	170	174
Washington.....	258	256	264	285	285
Total	585	566	570	595	596

Source: Director of Finance, Regional School District Number 12.

Municipal Employees

	2024-25	2023-24	2022-23	2021-22	2020-21
Municipal Employees	28	28	27	26	24

Source: Director of Finance, Regional School District Number 12.

Municipal Employees Bargaining Organizations

Bargaining Unit	Organization	Number of Members	Contract Expiration Date
Teachers	Shepaug Valley Education Association	102	6/30/2026
Custodial/Cafeteria ...	Shepaug Valley Custodial and Cafeteria Employees, Local 1303, Council #4, AFSCME, AFL-CIO	14	6/30/2027
Clerical	Shepaug Valley Clerical Employees, Local 1303, Council #4, AFSCME, AFL-CIO	41	6/30/2027
Administrators	Shepaug Valley Administrators Association	7	6/30/2027
Nurses	Connecticut Health Care Associates, National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO	4	6/30/2027
Total		168	

Source: Director of Finance, Regional School District Number 12.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel’s decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. 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. For binding arbitration of all other municipal employee contracts, there is an irrebuttable presumption that 15% of the municipal employer’s budget reserve is of the cost of any item subject to arbitration. In the light of the employer’s financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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SECTION III – DEMOGRAPHIC AND ECONOMIC INFORMATION

Population and Density

Year	Actual		Density ²
	Population ¹	% Increase	
2023 ³	3,648	0.1%	94.3
2020	3,646	1.9%	94.2
2010	3,577	-2.2%	92.4
2000	3,657	-6.4%	94.5
1990	3,905	6.8%	100.9
1980	3,657	17.2%	94.5

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 38.7 square miles.

³ American Community Survey 2019-2023.

Age Distribution of the Population

Age	Town of Washington		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	205	5.6%	181,240	5.0%
5 to 9 years	115	3.2	195,390	5.4
10 to 14 years	183	5.0	217,297	6.0
15 to 19 years	310	8.5	238,145	6.6
20 to 24 years	149	4.1	233,423	6.5
25 to 34 years	425	11.7	449,771	12.5
35 to 44 years	290	7.9	451,461	12.5
45 to 54 years	426	11.7	462,543	12.9
55 to 59 years	257	7.0	260,758	7.2
60 to 64 years	326	8.9	257,548	7.2
65 to 74 years	592	16.2	376,023	10.4
75 to 84 years	260	7.1	187,378	5.2
85 years and over	110	3.0	87,371	2.4
Total.....	3,648	100%	3,598,348	100%

Median Age (Years) 2023 43.3 41.2

Source: American Community Survey 2019-2023.

Income Levels

	Town of Washington	State of Connecticut
Per Capita Income, 2023.....	\$ 72,851	\$ 54,409
Median Family Income, 2023.....	\$ 110,000	\$ 120,011

Source: American Community Survey 2019-2023.

Income Distribution

Income	Town of Washington		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	48	5.1%	22,973	2.5%
10,000 - 14,999.....	6	0.6	12,547	1.4
15,000 - 24,999.....	49	5.2	29,893	3.3
25,000 - 34,999.....	89	9.5	35,598	3.9
35,000 - 49,999.....	86	9.1	61,793	6.7
50,000 - 74,999.....	84	8.9	108,046	11.8
75,000 - 99,999.....	78	8.3	108,216	11.8
100,000 - 149,999.....	127	13.5	185,242	20.2
150,000 - 199,999.....	57	6.1	128,574	14.0
200,000 and over.....	316	33.6	224,258	24.5
Total.....	940	100.0%	917,140	100.0%

Source: American Community Survey 2019-2023.

Educational Attainment

Years of School Completed – Age 25 and Over

	Town of Washington		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	79	2.9%	101,530	4.0%
9th to 12th grade.....	75	2.8	118,019	4.7
High School graduate.....	521	19.4	647,094	25.5
Some college, no degree.....	260	9.7	410,591	16.2
Associate's degree	214	8.0	193,216	7.6
Bachelor's degree.....	825	30.7	581,935	23.0
Graduate or professional degree.....	712	26.5	480,468	19.0
Total.....	2,686	100.0%	2,532,853	100.0%
Total high school graduate or higher (%).....		94.3%		91.3%
Total bachelor's degree or higher (%).....		57.2%		41.9%

Source: American Community Survey 2019-2023.

Major Employers

Employer	Type of Business	Approximate Number of Employees
Regional School District No. 12	Education K–12	197
Lake Waramaug Golf Course	Golf Courses	50-99
White Horse Country Pub	Restaurants	50-99
Frederick Gunn School	Schools-Preparatory	50-99
Mayflower Inn-Spa Auberge	Hotels & Motels	50-99
Washington Montessori School	School	50-99
G W Tavern	Restaurants	20-49
Momix	Dance Companies	20-49
Washington Supply Co.	Lumber	20-49
Sotheby's	Real Estate	20-49

Source: State of Connecticut, Department of Labor.

Labor Force Data

Period	Town of Washington		Percentage Unemployed		
	Employed	Unemployed	Town of Washington	Danbury Labor Market	State of Connecticut
	July 2025.....	1,978	1,927	51.0	3.6
Annual Average					
2024.....	2,075	52	2.4	3.1	3.5
2023.....	2,041	49	2.3	3.4	3.7
2022.....	2,029	56	2.7	3.5	4.1
2021.....	1,848	88	4.6	5.6	6.6
2020.....	1,915	93	4.7	6.5	7.3
2019.....	2,056	46	2.2	4.6	3.7
2018.....	2,012	51	2.5	5.3	4.4
2017.....	1,995	66	3.2	5.9	4.7
2016.....	1,997	67	3.2	6.5	5.3
2015.....	1,996	79	3.8	7.1	5.6

Source: State of Connecticut, Department of Labor.

Industry Classification

Sector	Town of Washington		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	115	6.1%	7,261	0.4%
Construction.....	113	6.0	112,821	6.1
Manufacturing.....	21	1.1	195,355	10.6
Wholesale trade.....	-	-	37,294	2.0
Retail trade.....	134	7.1	192,535	10.5
Transportation warehousing, and utilities.....	63	3.3	84,571	4.6
Information.....	65	3.4	36,631	2.0
Finance, insurance, real estate, and leasing.....	130	6.9	162,724	8.9
Professional, scientific, management, administrative, and waste management.....	284	15.1	223,982	12.2
Education, health and social services.....	637	33.8	490,839	26.7
Arts, entertainment, recreation, accommodation and food services.....	146	7.7	145,445	7.9
Other services (except public admin.).....	138	7.3	78,662	4.3
Public Administration.....	39	2.1	67,335	3.7
Total Labor Force, Employed.....	1,885	100.0%	1,835,455	100.0%

Source: American Community Survey 2019-2023.

**Commute to Work
16 years of age and over**

	Town of Washington		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	951	50.5%	1,271,480	70.6%
Car pools	125	6.6	138,268	7.7
Used public transportation	188	10.0	61,239	3.4
Walked	210	11.1	44,756	2.5
Used other means	42	2.2	26,695	1.5
Worked at home	369	19.6	258,466	14.4
Total.....	1,885	100.0%	1,800,904	100.0%

Source: American Community Survey 2019-2023.

Building Permits

Fiscal Year Ending 6/30	Total All Activity	
	No.	Value
2025	599	\$ 31,704,516
2024	619	40,294,955
2023	629	59,467,462
2022	766	62,652,416
2021	843	50,267,788
2020	629	41,008,127
2019	665	61,639,107
2018	661	39,289,613
2017	651	25,586,781
2016	671	41,499,371

Source: Town of Washington, Building Official.

Age Distribution of Housing

Year Built	Town of Washington		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	568	30.2%	313,434	20.4%
1940 to 1969.....	313	16.7	516,528	33.6
1970 to 1979.....	320	17.0	210,611	13.7
1980 to 1989.....	211	11.2	197,533	12.9
1990 to 1999.....	166	8.8	116,617	7.6
2000 to 2009.....	176	9.4	108,430	7.1
2010 or later.....	124	6.6	72,896	4.7
Total Housing Units	1,878	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Housing Units by Type of Structure

Housing Units	Town of Washington		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	1,745	92.9%	901,187	58.7%
1-unit, attached.....	84	4.5	95,202	6.2
2 units.....	12	0.6	118,295	7.7
3 or 4 units.....	9	0.5	126,755	8.3
5 to 9 units.....	28	1.5	76,750	5.0
10 to 19 units.....	-	-	55,290	3.6
20 or more units.....	-	-	150,986	9.8
Mobile home.....	-	-	10,967	0.7
Boat, RV, van, etc.....	-	-	617	0.0
Total Inventory.....	1,878	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Housing Unit Vacancy Rates

Housing Units	Town of Washington		State of Connecticut	
	Units	Percent	Units	Percent
Occupied Housing Units	1,395	74.3%	1,420,170	92.5%
Vacant Housing Units	483	25.7%	115,879	7.5%
Total Units	1,878	100.0%	1,536,049	100.0%

Homeowner Vacancy Rate	1.3%	0.9%
Rental Vacancy Rate	0.0%	4.6%

Source: American Community Survey 2019-2023.

Owner-Occupied Housing Units

Specified Owner-Occupied Units	Town of Washington		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	-	0.0%	22,174	2.4%
\$50,000 to \$99,000.....	6	0.6	15,116	1.6
\$100,000 to \$149,999.....	-	-	38,832	4.1
\$150,000 to \$199,000.....	-	-	77,152	8.2
\$200,000 to \$299,999.....	103	9.8	233,824	24.9
\$300,000 to \$499,999.....	354	33.7	319,703	34.0
\$500,000 to \$999,999.....	289	27.5	173,643	18.5
\$1,000,000 or more.....	298	28.4	59,468	6.3
Total.....	1,050	100.0%	939,912	100.0%

Median Value.....	\$606,900	\$343,200
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Source: American Community Survey 2019-2023.

SECTION IV – TAX BASE DATA

Property Tax Assessments

The Town of Washington completed its last statistical revaluation on the October 1, 2023 grand list. A physical revaluation will be required for the October 1, 2028 grand list.

The Assessor's Office is responsible for locating and appraising all real and personal property within the Town for inclusion onto the grand list. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year the Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

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 Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles that were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

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

Motor Vehicle Property Tax Rate

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 to October 1, 2020, inclusive, the mill rate for motor vehicles shall not exceed 45 mills, and (3) for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year 2025-2026 is 10.85.

Levy

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate and personal property taxes are billed in the following July and are due in two installments on July 1 and January 1, except motor vehicle taxes and real estate and personal property taxes under \$100 which are due in full on July 1. Motor vehicle supplemental bills are due on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle 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 a suspense account 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

Comparative Assessed Valuations Taxable Grand List (\$ in thousands)

Grand List of 10/1	Real Property (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List (000's)	Less Exemption	Net Taxable Grand List (000's)	Percent Change
2024	94.7	2.5	2.8	\$ 1,772,851	\$ 2,922	\$ 1,769,929	0.01
2023 ¹	94.1	2.4	3.5	1,772,000	2,208	1,769,792	36.19
2022	92.1	2.9	5.0	1,302,191	2,709	1,299,482	3.05
2021	92.7	2.6	4.7	1,263,793	2,751	1,261,042	2.01
2020	93.8	2.5	3.7	1,239,030	2,793	1,236,237	0.29
2019	94.2	2.3	3.5	1,235,212	2,537	1,232,675	1.32
2018 ¹	94.4	2.3	3.3	1,219,170	2,550	1,216,620	6.69
2017	94.1	2.3	3.6	1,142,802	2,450	1,140,352	1.38
2016	94.3	2.0	3.7	1,127,335	2,525	1,124,810	1.10
2015	94.3	2.1	3.6	1,114,923	2,321	1,112,602	1.43

¹ Revaluation.

Source: Assessor's Office, Town of Washington.

Major Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource.....	Electric Company	\$ 19,850,180	1.12%
Lobianca, Kenneth and Patricia.....	Real Estate	17,569,300	0.99%
MFINN2013, LLC.....	Health Spa	16,150,890	0.91%
Spring Hill Farms LLC.....	Vineyard	14,635,410	0.83%
MFSPA2013 LLC.....	Health Spa	10,116,400	0.57%
Perlman, Richard and Hanson, Ellen.....	Residential	9,037,700	0.51%
Riano, Brian & Eileen.....	Real Estate	8,812,580	0.50%
Canter, Pamela.....	Residential	7,597,610	0.43%
Arcadia 27 Turner Road LLC.....	Residential	7,479,220	0.42%
Mackesy, D. Scott and Jennifer T.....	Residential	7,306,250	0.41%
Total.....		\$ 118,555,540	6.70%

¹ Based on October 1, 2024 Net Taxable Grand List of \$1,769,929,000.

Source: Tax Assessor, Town of Washington.

Property Tax Levies and Collections

Fiscal Year Ending 6/30	Grand List of 10/1	Net Taxable Grand List (000s)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2025
2026 ¹	2024	\$ 1,769,929	10.85	\$ 19,092,735	<i>IN COLLECTION PROCESS</i>		
2025 ²	2023	1,769,792	10.85	18,991,370	99.6%	0.4%	0.4%
2024	2022	1,299,482	14.25	18,437,364	99.5%	0.5%	0.1%
2023	2021	1,261,042	14.25	17,984,623	99.4%	0.6%	0.0%
2022	2020	1,236,237	14.25	17,572,454	99.5%	0.5%	0.0%
2021	2019	1,232,675	14.25	17,437,958	99.4%	0.6%	0.0%
2020 ²	2018	1,216,620	14.25	17,211,032	99.8%	0.2%	0.0%
2019	2017	1,140,352	14.25	16,250,909	99.5%	0.5%	0.0%
2018	2016	1,124,810	14.25	16,049,565	99.7%	0.3%	0.0%
2017	2015	1,112,602	14.25	15,864,091	99.3%	0.7%	0.0%

¹ Subject to audit.

² Revaluation.

Sources: Tax Collector's Office, Town of Washington.

Property Taxes Receivable

Fiscal Year Ending 6/30	Current Year Levy Uncollected	Total Uncollected
2025 ¹	\$ 80,010	\$ 96,576
2024	94,561	107,978
2023	101,827	114,848
2022	93,786	107,618
2021	81,630	124,331
2020	104,309	148,324

¹ Subject to audit.

Source: Tax Collector, Town of Washington

SECTION V – DEBT SECTION

**Outstanding Bonded Debt
Pro Forma
As of December 2, 2025**

<i>Long-Term Debt</i>		<i>Amount of</i>	<i>Outstanding</i>	<i>Fiscal</i>
<i>Dated</i>	<i>Purpose</i>	<i>Original</i>	<i>After</i>	<i>Year</i>
		<i>Issue</i>	<i>This Issue</i>	<i>Maturity</i>
<i>Rate %</i>				
<u>This Issue</u>				
12/02/25	General Purpose	<i>ibid</i>	\$ 4,500,000	\$ 4,500,000 2041
Sub-Total This Issue.....			4,500,000	4,500,000
Total.....			\$ 4,500,000	\$ 4,500,000

**Outstanding Short-term Debt
Pro Forma
As of December 2, 2025**

As of December 2, 2025, the Town does not have any outstanding short-term debt.

**Annual Bonded Debt Maturity Schedule
Pro Forma
As of December 2, 2025**

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>This Issue:</i>	<i>Total</i>	<i>Cumulative</i>
<i>Ended 6/30</i>	<i>Payments</i>	<i>Payments</i>	<i>Payments</i>	<i>The Bonds</i>	<i>Principal</i>	<i>Principal</i>
						<i>Retired %</i>
2026	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
2027	-	-	-	300,000	300,000	6.67%
2028	-	-	-	300,000	300,000	13.33%
2029	-	-	-	300,000	300,000	20.00%
2030	-	-	-	300,000	300,000	26.67%
2031	-	-	-	300,000	300,000	33.33%
2032	-	-	-	300,000	300,000	40.00%
2033	-	-	-	300,000	300,000	46.67%
2034	-	-	-	300,000	300,000	53.33%
2035	-	-	-	300,000	300,000	60.00%
2036	-	-	-	300,000	300,000	66.67%
2037	-	-	-	300,000	300,000	73.33%
2038	-	-	-	300,000	300,000	80.00%
2039	-	-	-	300,000	300,000	86.67%
2040	-	-	-	300,000	300,000	93.33%
2041	-	-	-	300,000	300,000	100.00%
Total.....	\$ -	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000	

**THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF ITS DEBT OBLIGATIONS
EITHER AS TO PRINCIPAL OR INTEREST.**

**Overlapping Debt
Pro Forma
As of December 2, 2025**

The Town of Washington, along with the Town of Bridgewater and the Town of Roxbury, is a member of Regional School District Number 12 (the “District”). As of December 2, 2025, the District has \$10,755,000 of long-term debt outstanding. The Town’s portion is \$4,743,231. The Town of Washington will be responsible for 44.10% of this expected debt and the Town of Bridgewater and the Town of Roxbury are responsible for approximately 26.67% and 29.23%, respectively.

**Current Debt Statement
Pro Forma
As of December 2, 2025**

Long-Term Debt Outstanding:

General Purpose (<i>Includes This Issue</i>).....	\$ 4,500,000
Schools	-
Sewer	-
Water	-
Total Long-Term Debt	4,500,000
Short-Term Debt	-
Total Direct Debt	4,500,000
Less: School Construction Grants Receivable (As of June 30, 2025)	-
Total Direct Net Debt	4,500,000
Overlapping (Share of Regional School District #12 debt).....	4,743,231
Underlying Debt	-
Total Overall Net Debt	\$ 9,243,231

**Current Debt Ratios
Pro Forma
As of December 2, 2025**

Population.....	3,648
Net Taxable Grand List at 70% of Full Value (10/1/24)	\$ 1,769,929,000
Estimated Full Value	\$ 2,528,470,000
Equalized Net Taxable Grand List (10/1/23) ²	\$ 2,498,731,385
Money Income per Capita (2023) ¹	\$ 72,851

	Total Direct Debt: \$4,500,000	Total Overall Net Debt: \$9,243,231
Debt per Capita.....	\$1,233.55	\$2,533.78
Ratio to Net Taxable Grand List.....	0.25%	0.52%
Ratio to Estimated Full Value.....	0.18%	0.37%
Ratio to Equalized Net Taxable Grand List.....	0.18%	0.37%
Debt per Capita to Money Income per Capita.....	1.69%	3.48%

¹ American Community Survey 2019-2023.

² Office of Policy and Management, State of Connecticut.

Authority to Incur Debt

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes. The issuance of bonds and notes is authorized by Town Meeting or at a referendum upon the recommendation of the Board of Finance and the Board of Selectmen.

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 by no later than the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

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 annual receipts from taxation. Annual receipts from taxation (the "base,") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes 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.

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**Statement of Statutory Debt Limitation
Pro Forma
As of December 2, 2025**

Total Tax Collections (including interest and lien fees)

For the year ended June 30, 2025 ¹	\$ 19,040,025
Tax Relief for Elderly	20,000
Base for Debt Limitation Computation	\$ 19,060,025

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base	\$ 42,885,056	-	-	-	-
4 1/2 times base	-	\$ 85,770,113	-	-	-
3 3/4 times base	-	-	\$ 71,475,094	-	-
3 1/4 times base	-	-	-	\$ 61,945,081	-
3 times base	-	-	-	-	\$ 57,180,075
Total Debt Limitation	\$ 42,885,056	\$ 85,770,113	\$ 71,475,094	\$ 61,945,081	\$ 57,180,075

Indebtedness:

Bonds Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds (This Issue)	4,500,000	-	-	-	-
Net Overlapping Debt (Share of RSD #12 Debt)	-	4,743,231	-	-	-
Underlying Debt (Woodlake Tax District)	-	-	-	-	-
Debt Authorized But Unissued	-	-	-	-	-
Total Indebtedness	\$ 4,500,000	\$ 4,743,231	\$ -	\$ -	\$ -

Less:

State School Grants Receivable	-	-	-	-	-
Total Net Indebtedness	\$ 4,500,000	\$ 4,743,231	\$ -	\$ -	\$ -

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS	\$ 38,385,056	\$ 81,026,882	\$ 71,475,094	\$ 61,945,081	\$ 57,180,075
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¹ Subject to audit.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$133,420,175.

**Authorized but Unissued Debt
Pro Forma
As of December 2, 2025**

	Aggregate Amount	Maturing Notes	Authorized but Unissued
Project	Authorized	Due: 12/2/25 Paydowns	This Issue: The Bonds
Emergency Medical Services Station Renovations ...	\$ 4,740,000	\$ 4,740,000	\$ 240,000
Total	\$ 4,740,000	\$ 4,740,000	\$ 240,000

**Principal Amount of Outstanding General Fund Debt
Last Five Fiscal Years Ending June 30**

Fiscal Year Ended 6/30	Net		Net Long-Term Debt ² (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)		Population ³	Ratio of Net Long-Term Debt per Capita to Income ⁴ (%)	
	Assessed Value (000s)	Estimated Full Value ¹ (000s)		Assessed	Full		Net Long-Term Debt per Capita	Per Capita Income ⁴ (%)
2025 ⁵	\$ 1,769,792	\$ 2,528,275	\$ -	0.00%	0.00%	3,648	\$ -	0.00%
2024	1,299,482	1,856,403	-	0.00%	0.00%	3,648	-	0.00%
2023	1,261,042	1,801,489	-	0.00%	0.00%	3,648	-	0.00%
2022	1,236,237	1,766,053	-	0.00%	0.00%	3,648	-	0.00%
2021	1,232,675	1,760,964	-	0.00%	0.00%	3,648	-	0.00%

¹ Assessment Ratio: 70%.

² Long-Term debt less school building construction grants receivable.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey 2019-2023.

⁴ Money Income per Capita: American Community Survey 2019-2023 data: \$72,851 used for all calculations.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures
2025 ²	\$ 189,073	\$ 20,585,183	0.92%
2024	-	19,671,165	0.00%
2023	-	18,965,492	0.00%
2022	-	18,452,793	0.00%
2021	-	18,293,809	0.00%
2020	-	17,618,041	0.00%

¹ GAAP basis of accounting. Includes Transfers out.

² Subject to audit.

Source: Annual Audited Financial Statements.

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SECTION VI – FINANCIAL SECTION

Summary of Accounting Principles

The Town's fiscal year begins July 1 and ends June 30. The accounting policies of the Town of Washington conform to generally accepted accounting principles as applicable to governmental units, except as noted in the Auditor's Notes.

Refer to Note 1 of "Notes to Financial Statements" herein.

Annual Audit

The Town of Washington, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually.

The annual audits are conducted in compliance with Public Act 77-611, and contain the financial statements of the Town, the auditor's opinion thereon, in addition to specific comments and recommendations.

Budget and Bond Authorization Procedures

The budget for the General Fund is approved annually at a Town Meeting. The Town follows these procedures in the budget-making process:

- a) Department budget requests are compiled by the Board of Selectmen.
- b) The Board of Selectmen draws up and recommends a preliminary budget to the Board of Finance.
- c) The Board of Finance approves a final budget which is submitted at a public hearing not less than two weeks before the Annual Town Meeting.
- d) A Town Meeting is held for voter approval and budget adoption. The Board of Finance sets the mill rate immediately thereafter.

The Board of Finance is authorized to transfer budgeted amounts between departments within any fund. Any major revisions altering total expenditures must be approved at Town Meeting.

Under the Town Meeting form of government, special appropriations and the authorization of bonds and notes to defray such appropriations must be recommended by the Board of Finance and approved by a majority of those present and voting thereon at a Town Meeting at which electors, and certain non-resident property owners, can vote.

Risk Management

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters for which the Town carries insurance.

The Town of Washington is a member of the Connecticut Interlock Risk Management Agency ("CIRMA"), an unincorporated association of Connecticut local public agencies, formed by the Connecticut Conference of Municipalities ("CCM") for the purpose of establishing and administering an interlock risk management program pursuant to the provisions of Section 7-479a et. Seq. of the Connecticut General Statutes.

The Town is a member of CIRMAs workers' compensation pool, a risk sharing pool. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. Premiums are subject to adjustment from retrospective rating, and are recorded as expenditures in the year paid. The Town reports all of its risk management activities in the General Fund.

Compensated Absences

Eligible employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Under various agreements, employees may accumulate unused sick leave to be paid upon retirement. Sick leave and vacation leave expenditures are recognized in the fund financial statements in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for accrued vacation and sick leave earning is reported in the government-wide statements.

Pensions

The Town provides retirement benefits through a single employer defined contribution pension plan for all eligible employees not participating in the defined benefit pension plan. All eligible employees working a minimum of 1,500 hours during the year are eligible for inclusion in the plan. The participants become 100% vested after six years of service. The Town contributes an amount equal to 7% of each eligible employee’s base compensation. During the fiscal year ending June 30, 2025, the Town’s contributions totaled \$30,000.

Schedule of Employer Contributions

	2025¹	2024	2023	2022	2021
Actuarially Determined Contribution	\$ -	\$ 41,955	\$ -	\$ 13,629	\$ 63,302
Contributions in relation to the					
Actuarially Determined Contribution ...	30,000	50,000	40,000	70,000	125,000
Contribution (Deficiency) Excess	<u>\$ 30,000</u>	<u>\$ 8,045</u>	<u>\$ 40,000</u>	<u>\$ 56,371</u>	<u>\$ 61,698</u>
Covered Employee Payroll	\$ 330,828	\$ 321,192	\$ 423,603	\$ 434,950	\$ 582,604
Contributions as a Percentage					
of Covered Employee Payroll	9.07%	15.57%	9.44%	16.09%	21.46%

¹ Budgetary basis. Subject to audit.

Net Pension Liability

Total Pension Liability at June 30, 2024.....	\$ 4,162,395
Plan Fiduciary Net Position.....	<u>4,516,238</u>
Net Pension Liability (Asset).....	\$ (353,843)
Plan Fiduciary Net Position as % of	
Total Pension Liability.....	108.50%

The following presents the net pension liability as of June 30, 2024, calculated using the discount rate of 5.50% 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 (4.50%) of 1-percentage-point higher (6.50%) than the current rate:

	1% Decrease	Current	1% Increase
	(4.50%)	(5.50%)	(6.50%)
Net Pension Liability (Asset).....	\$ 32,867	\$ (353,843)	\$ (688,420)

More information regarding the Town’s pension can be found in Appendix A – “2024 Financial Statements, Notes to Financial Statements, Note 10”.

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Comparative Balance Sheets – General Fund

	<i>Estimated</i>				
	6/30/2025 ¹	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Assets					
Cash and Cash Equivalents	\$ 9,254,693	\$ 9,331,533	\$ 7,281,000	\$ 7,672,147	\$ 7,032,965
Investments	1,896,612	1,857,270	2,822,255	1,797,474	1,868,158
Property Taxes	124,864	124,864	127,267	120,983	144,279
Prepaid Insurance	-	-	-	9,310	-
Due From Other Funds	-	-	1,329	839	-
Lease and Accounts Receivable	252,015	251,857	238,214	240,979	-
Prepaid Costs	-	-	-	-	-
Contribution in Lieu Receivable	74,516	-	-	60,748	23,705
Other	-	-	-	-	-
Total Assets	11,602,700	11,565,524	10,470,065	9,902,480	9,069,107
Liabilities and Fund Balances					
Accounts Payable	340,866	339,200	201,567	348,465	263,088
Performance Bonds	71,114	79,114	94,289	97,319	86,184
Overpaid Property Taxes	35,169	35,169	839	381	381
Unearned Revenue	2,688	-	-	5,459	-
Due to Other Funds	5,102	97,303	18,195	-	1,210
Total Liabilities	454,939	550,786	314,890	451,624	350,863
Deferred Inflows of Resources					
Unavailable Revenue	94,703	94,703	81,481	109,225	92,520
Leases	186,904	186,904	196,741	206,579	-
Advance Collection of Taxes	-	-	-	-	-
Total Deferred Inflows of Resources	281,607	281,607	278,222	315,804	92,520
Fund Balances					
Nonspendable.....	-	-	-	9,310	-
Restricted.....	737,983	737,983	684,159	711,431	758,608
Committed.....	273,776	273,776	296,544	236,048	211,506
Assigned.....	1,731,442	1,478,273	1,628,528	1,318,131	966,935
Unassigned.....	8,122,953	8,243,099	7,267,722	6,860,132	6,688,675
Total Fund Balance	10,866,154	10,733,131	9,876,953	9,135,052	8,625,724
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 11,602,700	\$ 11,565,524	\$ 10,470,065	\$ 9,902,480	\$ 9,069,107
Analysis of General Fund Balance					
Operating revenues	\$ 20,718,206	\$ 20,425,843	\$ 19,707,393	\$ 18,962,121	\$ 19,282,134
Fund balance as a percent of operating revenues	52.45%	52.55%	50.12%	48.18%	44.73%
Unassigned fund balance as a percent of operating revenues	39.21%	40.36%	36.88%	36.18%	34.69%

¹ Subject to audit.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
and Current Year Budget (Budgetary Basis)

	Adopted Budget ¹ 6/30/2026	Estimated Actual ¹ 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021
Revenues:						
Property Taxes	\$ 18,806,662	\$ 18,968,897	\$ 18,573,035	\$ 18,050,984	\$ 17,483,427	\$ 17,498,024
Interest and Lien Fees	60,000	72,580	73,771	66,609	71,142	85,962
Intergovernmental Revenues	354,285	315,604	258,453	211,934	255,569	129,237
Contributions in Lieu of Taxes	94,500	139,609	78,046	90,256	87,146	82,832
Investment Income	325,000	510,058	622,803	362,239	15,932	156,478
Lease Income	65,608	64,952	49,235	40,149	38,856	51,849
Licenses and Permits	593,500	646,507	770,500	885,222	1,010,049	1,277,752
Programs Fees & Other Receipts	-	-	-	-	-	-
Total.....	\$ 20,299,555	\$ 20,718,206	\$ 20,425,843	\$ 19,707,393	\$ 18,962,121	\$ 19,282,134
Expenditures:						
General Government	\$ 3,081,513	\$ 2,715,190	\$ 2,647,186	\$ 2,503,244	\$ 2,492,929	\$ 2,315,176
Public Safety	850,369	773,456	722,179	725,396	669,537	567,936
Highways	1,544,582	1,410,619	1,289,373	1,292,082	1,265,122	1,222,605
Sanitation	384,085	310,099	299,938	304,093	267,690	485,132
Health	193,747	198,252	206,885	138,931	113,904	87,223
Recreation	382,094	279,193	266,837	254,289	230,953	204,561
Social Services	54,511	34,871	27,847	27,403	15,670	11,077
Education	11,677,431	11,366,299	11,235,948	10,556,763	10,108,663	10,073,161
Other	547,265	552,392	489,947	508,621	462,325	502,106
Debt Service	251,400	189,073	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total.....	\$ 18,966,997	\$ 17,829,445	\$ 17,186,140	\$ 16,310,822	\$ 15,626,793	\$ 15,468,977
Excess (Deficiency) of Revenues						
Over Expenditures.....	\$ 1,332,558	\$ 2,888,762	\$ 3,239,703	\$ 3,396,571	\$ 3,335,328	\$ 3,813,157
Other financing sources (uses):						
Proceeds From Sale of Capital Assets ...	\$ -	\$ -	\$ 101,500	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,064,000)	(2,755,738)	(2,485,025)	(2,654,670)	(2,826,000)	(2,824,832)
Total Other financing sources (uses).....	\$ (3,064,000)	\$ (2,755,738)	\$ (2,383,525)	\$ (2,654,670)	\$ (2,826,000)	\$ (2,824,832)
Excess (Deficiency) of Revenues and						
Other Financing Sources (uses) over						
(under) Expenditures and Other						
Financing Uses.....	\$ (1,731,442)	\$ 133,023	\$ 856,178	\$ 741,901	\$ 509,328	\$ 988,325
Fund Balance, Beginning of Year.....	10,866,154	10,733,131	9,876,953	9,135,052	8,625,724	7,637,399
Fund Balance, End of Year.....	\$ 9,134,712	\$ 10,866,154	\$ 10,733,131	\$ 9,876,953	\$ 9,135,052	\$ 8,625,724

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

SECTION VII – ADDITIONAL INFORMATION

Legal Matters

Shipman & Goodwin LLP, of Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinion in substantially the form set out in Appendix B hereto.

Litigation

Following consultation with the Town Attorney and other attorneys providing legal services to the Town, Town officials advise that the Town of Washington, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Transcript and Closing Documents

Upon the delivery of the Bonds, the winning bidder will be furnished with the following:

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

2. A Certificate on behalf of the Town, signed by the First Selectman, Treasurer and Finance Director, 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 the bids were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.

3. Receipt for the purchase price of the Bonds.

4. Approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut, substantially in the form of Appendix B, attached hereto.

5. Continuing Disclosure Agreement, substantially in the form of Appendix C, attached hereto.

6. The Town has prepared an Official Statement for the Bonds which is dated November __, 2025. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment.

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

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Concluding Statement

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Washington, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

TOWN OF WASHINGTON, CONNECTICUT

By: _____
James L. Brinton, *First Selectman*

By: _____
Ashley N. Judson, *Treasurer*

By: _____
Linda Kennedy Gomez, *Finance Director*

Dated as of November __, 2025

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Appendix A

2024 Financial Statements Excerpted from the Town's Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Washington, Connecticut for the fiscal year ended June 30, 2024. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

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Charles Heaven & Co.
Certified Public Accountants
Waterbury, Connecticut

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Washington, Connecticut

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, budgetary comparison information on pages 44 through 49, and supplementary pension information on pages 50 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Washington, Connecticut's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, supplemental schedules, schedule of expenditures, of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, uniform administrative requirements, cost principles, and audit requirements for Federal Awards, and the schedule of expenditure of state financial assistance as required by the State Single Audit Act 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 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 nonmajor fund financial statements, supplemental schedules, and the schedule of expenditure federal awards, and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of the Town of Washington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Washington, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Washington, Connecticut's internal control over financial reporting and compliance.



Charles Heaven & Co. CPAs
Waterbury, CT

February 10, 2025

**Town of Washington
Management's Discussion and Analysis
June 30, 2024**

This discussion is intended to provide readers a narrative overview and analysis of the financial activities of the Town of Washington, Connecticut (the "Town") for the fiscal year ended June 30, 2024. The information presented here should be considered in conjunction with the Town's basic financial statements that follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The statement of net position and the statement of activities, which are the government-wide statements, report information about the Town finances as a whole and about its activities in a way that helps the reader determine whether the Town is better or worse off as a result of the year's activities.

The statement of net position reflects all of the Town's assets and deferred outflows of resources, and all of its liabilities and deferred inflows of resources, the net result of which is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the Town's financial position is improving or deteriorating. However, significant changes in net position can also occur from year to year due to changes in accounting standards issued by the Governmental Accounting Standards Board (GASB). To assess the overall financial condition of the Town other nonfinancial factors such as the property tax base and the condition of the Town's infrastructure also need to be considered.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses, such as uncollected property taxes and earned but unused vacation leave that will result in cash flows in future fiscal periods are reported in this statement.

The government-wide financial statements distinguish functions of the Town that are principally supported by tax revenues, grants and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, education, and other activities. The Town does not report any funds that carry on business-type activities.

The basic government-wide financial statements can be found on pages 12 and 13 of this report.

FUND FINANCIAL STATEMENTS:

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the Town report governmental funds and fiduciary funds.

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

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

The Town maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Town Aid Road Fund, Ambulance Building Fund, Capital Non-Recurring, Land Acquisition Open Space, each of which is considered to be a major fund. The remaining eleven funds are combined into a single aggregated presentation in the financial statements. Individual fund data for each of these nonmajor funds is reported as supplementary information to the financial statements.

The Town adopts an annual appropriated budget for its General Fund. Budgetary comparison schedules have been included as required supplementary information for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. This includes pension trust funds, and the Town's Alcohol and Drug Abuse Prevention Fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Washington's own programs.

The basic fiduciary fund financial statements can be found on pages 18 and 19 of this report.

NOTES TO THE FINANCIAL STATEMENTS AND OTHER INFORMATION

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They also provide required supplementary information regarding the Town's progress in funding its liability to provide pension benefits to its employees. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Town's pension liability and General Fund budget information.

The notes to the basic financial statements can be found on pages 20 to 43 of this report. Required supplementary information and supplemental schedules can be found on pages 44 to 59 of this report.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Town's assets, and deferred outflows of resources of \$58,171,805 exceeded the sum of its liabilities and deferred inflows of resources of \$6,899,639 resulting in net position of \$51,272,166. Of this amount, \$33,037,639 was invested in capital assets, while \$634,819 was restricted for road improvements, \$252,367 for the ambulance building, \$66,526 for perpetual care Town cemetery, \$33,949 was restricted for purposes of various nonmajor Town funds and \$55,790 for ARPA projects. The remaining net position of \$17,191,076 was available to meet the Town's ongoing obligations to its citizens and creditors.
- At the close of the fiscal year, the Town's governmental funds reported, on a current financial resource's basis, combined ending fund balances of \$18,934,447 an increase of \$1,923,076 from last fiscal year. The total fund balance of the General Fund of \$10,733,131 represented 49.57% of fiscal year 2024-2025 budgeted appropriations of \$21,651,041 while its unassigned fund balance of \$8,243,099 available for spending at the Town's discretion, represented 38.07% of that same amount.
- The Town's long-term debt at June 30, 2024 consisted of its obligation of \$179,259 for earned but unused employee compensated absences, landfill – transfer station closure and post-closure care costs of \$73,115, and LOSAP program benefits of \$737,983. The Town's net pension is a net pension asset of \$353,843 for the year ending June 30, 2024.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$51,272,166 at the close of the fiscal year.

The largest portion of the Town's net position \$33,037,639 (64.44%) reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges). The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Of the Town's remaining net position, \$17,191,076 (33.52%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's net position increased \$4,360,175 during the fiscal year.

**Town of Washington
Management's Discussion and Analysis
June 30, 2024**

Town of Washington - Net Position

	2024	2023
<u>Assets</u>		
Current assets	\$ 22,493,832	\$ 14,963,145
Investments	2,043,704	3,005,668
Capital assets, net	33,037,639	30,571,320
Lease receivable	187,103	196,881
Net pension asset	353,843	161,444
Total assets	<u>58,116,121</u>	<u>48,898,458</u>
<u>Deferred Outflows of Resources</u>		
	<u>55,684</u>	<u>-</u>
<u>Liabilities</u>		
Current liabilities	5,561,470	879,101
Long-term liabilities	937,472	856,209
Total liabilities	<u>6,498,942</u>	<u>1,735,310</u>
<u>Deferred Inflows of Resources</u>		
	<u>400,697</u>	<u>251,157</u>
<u>Net Position</u>		
Net investment in capital assets	33,037,639	30,571,320
Restricted	1,043,451	1,124,805
Unrestricted	17,191,076	15,215,866
Total Net Position	<u>\$ 51,272,166</u>	<u>\$ 46,911,991</u>

The following is an analysis of significant changes in activity from the prior year:

- The decrease in charges for services is mainly due to decreases in building permits, conveyance taxes, and various other fees.
- The decrease in operating grants and contributions is mainly due to decreased ARPA and revenue.
- The increase in unrestricted investment earnings is due to higher interest rates on invested cash and cash equivalents.
- The increase in Capital grants and contributions is due to the tunnel bridge revenue recognition.
- The increase in tax revenue is due to our growing grand list.
- The increase in General government expense is mainly due to changes in personnel, compensated absences and increase in depreciation and health insurance.
- The increase in public safety is mainly due to accrued interest cost on BAN issued for the ambulance building.

**Town of Washington
Management's Discussion and Analysis
June 30, 2024**

- The increase in education expense is attributable to an increase in pupil ratio of education cost as assessed by Regional School District # 12 (determined by a separate approved taxpayer budget).
- The increase in the Public Works Department is mainly due to increased depreciation expense.
- Park and recreation expenses have increased mainly due to new program participation.
- The increase in sanitation expenses is mainly due to accruing post-closure care costs for the Town of Washington's Landfill.
- Social Services expenses have decreased due to ARPA winding down,
- Health expenses increased due to increased cost of a new paramedic services provider.

Town of Washington Governmental Activities - Changes in Net Position

	2024		2023	
	\$	% to Total	\$	% to Total
Revenues:				
Program:				
Charges for services	\$ 893,211	3.73%	\$ 978,563	4.25%
Operating grants and contributions	327,669	1.37%	879,256	3.81%
Capital grants and contributions	2,847,250	11.91%	2,415,535	10.48%
General:				
Property taxes	18,660,028	78.03%	18,089,849	78.48%
Grants and contributions, not restricted to specific programs	135,936	0.57%	136,431	0.59%
Unrestricted investment earnings	900,351	3.76%	509,863	2.21%
Lease income and other miscellaneous	49,235	0.21%	40,149	0.17%
Gain on sale of land	101,500	0.42%	-	0.00%
Total Revenues	23,915,180	100.00%	23,049,646	100.00%
Expenses:				
General government	2,780,839	14.23%	2,640,468	13.95%
Public safety	991,041	5.07%	947,822	5.01%
Highways (public works)	3,040,112	15.55%	2,921,675	15.43%
Sanitation	370,018	1.89%	303,950	1.61%
Social services	79,015	0.40%	604,549	3.19%
Health	210,553	1.08%	141,726	0.75%
Parks and recreation	423,237	2.16%	372,235	1.97%
Education	11,235,948	57.46%	10,556,763	55.77%
Other	424,242	2.17%	440,902	2.33%
Total Expenses	19,555,005	100.00%	18,930,090	100.00%
Change in Net Position	4,360,175		4,119,556	
Net Position, Beginning of Year	46,911,991		42,792,435	
Net Position, End of Year	\$ 51,272,166		\$ 46,911,991	

Town of Washington
Management's Discussion and Analysis
June 30, 2024
FINANCIAL ANALYSIS OF THE GOVERNMENT'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 government's net resources available for spending at the end of the fiscal year.

At the close of the fiscal year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$18,934,447. This fund balance is classified as follows for the major funds: \$757,983 restricted for the LOSAP program, \$634,819 restricted for road improvements, \$252,367 for the ambulance buildings, \$6,045,973 committed for capital non-recurring expenditures, \$379,674 committed to land acquisition for open space, \$19,694 committed for revaluation, \$11,569 committed for conservation and development, \$162,925 committed for legal litigation, \$79,588 committed for health reimbursement benefits, and \$1,478,273 assigned for the subsequent year's budgeted deficit. The \$8,243,099 unassigned fund balance of the General Fund was available for spending at the Town's discretion. The nonmajor fund balances are classified as follows: \$66,526 nonspendable, \$89,739 restricted, \$629,731 committed, and \$102,487 assigned for recycling purposes. Information detailing the allocation of fund balance for nonmajor fund purposes is on pages 50 and 51.

The General Fund is the chief operating fund of the Town. As a measure of the General Fund's liquidity, it may be useful to compare its fund balance to the ensuing year's budgeted appropriations. Total fund balance of the General Fund at fiscal year-end, \$10,733,131 represented 49.57% of fiscal year 2024-2025 budgeted appropriations of \$21,651,041 while its unassigned fund balance represented of \$8,243,099 or 38.07% of that same amount.

The fund balance of Town Aid Road Fund increased by \$28,213, by expending less than the fiscal year's grant allocation and investment earnings. The Capital Non-Recurring Fund increased by \$953,562 during the fiscal year, as revenues exceeded expenditures and appropriated transfers mainly due to bridge construction in progress. The Land Acquisition Open Space Fund increased by \$19,010 represented by the investment income. The combined fund balances of all nonmajor funds increased by \$143,933 mainly due to favorable investment income and increased program fees.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget provided for \$2,027,172 use of fund balance to finance approved appropriations. However, actual revenues and transfer in were \$1,934,297 greater than budgetary projections, while expenditures and operating transfers out were \$895,170 less than approved appropriations, resulting in an actual addition of fund balance of \$802,295 and a positive budgetary variance of \$2,829,467.

Additional appropriations to the original budget totaled \$398,644. Additional appropriations were comprised of continuing appropriations of \$296,544 and an additional approved appropriations of \$102,100.

**Town of Washington
Management's Discussion and Analysis
June 30, 2024
CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

The breakdown of capital assets, net of accumulated depreciation is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,141,215	\$ 1,141,215
Construction in Progress		
Ambulance building	210,655	-
Road Reconstruction	119,134	91,486
Bridge Reconstruction	4,906,763	1,335,711
Senior Center	30,700	30,700
Pickle Ball Court	7,120	1,620
Land Improvements	138,987	115,216
Building & Improvements	4,541,272	4,804,152
Machinery & Equipment	1,878,593	1,862,964
Infrastructure	20,063,200	21,188,256
	<u>\$ 33,037,639</u>	<u>\$ 30,571,320</u>

During the fiscal year, the Town's net investment in capital assets increased by \$2,466,319. This increase results from current year additions over current year depreciation and disposals, as follows:

Additions:

Work in Progress	\$ 2,871,668
Buildings, improvements and land improvements	41,715
Machinery, equipment, and vehicles	474,920
Infrastructure: paving and other road improvements	831,349
Current Year Depreciation	<u>(1,753,333)</u>
Net Increase	<u>\$ 2,466,319</u>

Additional information on the Town's capital assets can be found in Note 7 on page 35 of this report.

Debt

The Town's long-term debt at June 30, 2024 consisted of its obligation of \$179,259 for earned but unused employee compensated absences, \$737,983 owed to LOSAP participants, and \$73,115 for landfill – transfer station closure and post closure care costs.

At the beginning of the year, the net pension asset was \$161,444 and at the end of the year, the net pension asset increased to \$353,843.

The bond anticipation notes of \$4,740,000 are considered short term since they are due April 2, 2025. They are therefore recorded as a liability in the Ambulance Fund.

The Town is also contingently liable for its pro rata share of the Regional School District No. 12 debt. At June 30, 2024, the Town's pro rata share (47.64%) was \$5,776,350.

**Town of Washington
Management's Discussion and Analysis
June 30, 2024**

Additional information on the Town's debt can be found in Note 8 on page 36 of this report and the Statement of Debt Limitation on page 59.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors affecting the Town, including those that were considered in preparing the Town's General Fund budget for the 2024-2025 fiscal year, and those that will affect future budgets are as follows:

The Town's Mill rate for the 2024-2025 fiscal year has decreased to 10.85 mills from prior year, at 14.25 mills.

The 2024-2025 General Fund expenditure budget is \$21,651,041 which is approximately \$709,500 increase from the current fiscal year's original budget. This increase is represented by approximately \$538,000 and \$171,000 increase in municipal and education appropriations respectively. The municipal increase of \$538,000 also includes budgeted debt service of \$189,074 for the Ambulance Building bond anticipation notes.

It is expected that general State financial aid will remain level at best.

At the end of the FY 2023-2024 fiscal year, the General Fund balance was at \$10,733,131. Of the General Fund balance, \$1,478,273 was assigned for the FY 2024-2025 operations, to cover the expected budget deficit.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Washington's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the First Selectman, Bryan Memorial Town Hall, PO Box 383, Washington Depot, CT 06794.

Town of Washington
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 18,690,415
Property taxes receivable - net	124,864
Accounts Receivable	64,754
Mortgage receivable	65,000
Grant receivable	2,602,593
Total current assets	<u>21,547,626</u>
Noncurrent Assets	
Investments	2,989,910
Capital assets:	
Assets not being depreciated	6,415,587
Assets, net of depreciation of \$30,767,696	26,622,052
Lease Receivable	187,103
Net pension asset	353,843
Total noncurrent assets	<u>36,568,495</u>
Total Assets	<u>58,116,121</u>
Deferred Outflow of Resources	
Pension plan - differences between expected and actual experience	55,684
Liabilities	
Current Liabilities	
Accounts payable	520,693
Performance bonds held & security deposits	79,114
Overpaid property taxes	35,169
Unearned revenue	78,309
Bond anticipation notes	4,740,000
Accrued interest on bond anticipation notes	55,300
Long-term liabilities due within one year	52,885
Total current liabilities	<u>5,561,470</u>
Noncurrent Liabilities	
Due in more than one year	937,472
Total Liabilities	<u>6,498,942</u>
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	213,793
Lease - cell tower land	186,904
Total Deferred Inflows of Resources	<u>400,697</u>
Net Position	
Net investment in capital assets	33,037,639
Restricted for:	
Cemetery perpetual care principal - nonexpendable	66,526
Road improvements	634,819
Senior Center	5,248
Community beautification	755
Document preservation	18,505
After school programs	9,441
ARPA projects	55,790
Ambulance building	252,367
Unrestricted	17,191,076
Total Net Position	<u><u>\$ 51,272,166</u></u>

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

Town of Washington
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 2,780,839	\$ 717,540	\$ 15,658	\$ ---	\$ (2,047,641)
Public safety	991,041	30,803	127,106	---	(833,132)
Highways (public works)	3,040,112	---	---	2,847,250	(192,862)
Sanitation	370,018	29,195	---	---	(340,823)
Social services	79,015	---	---	---	(79,015)
Health	210,553	---	---	---	(210,553)
Recreation	423,237	72,099	---	---	(351,138)
Education	11,235,948	---	184,905	---	(11,051,043)
Other	424,242	43,574	---	---	(380,668)
Total governmental activities	\$ 19,555,005	\$ 893,211	\$ 327,669	\$ 2,847,250	(15,486,875)

General revenues:

Property taxes, interest and lien fees	18,660,028
Grants and contributions not restricted to specific programs	135,936
Investment earnings	900,351
Lease income and other miscellaneous	49,235
Gain sale of land	101,500
Total general revenues	19,847,050

Change in net position

4,360,175

Net position - July 1, 2023

46,911,991

Net position - June 30, 2024

\$ 51,272,166

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

Town of Washington
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds							Total Governmental Funds
	Special Revenue		Capital Project Funds				Other Governmental Funds	
	General Fund	Town Aid Road Fund	Ambulance Building Fund	Capital Non-Recurring	Land Acquisition Open Space			
Assets:								
Cash and cash equivalents	\$ 9,331,533	\$ 634,819	\$ 5,070,167	\$ 2,643,059	\$ 379,674	\$ 631,163	\$ 18,690,415	
Investments - at fair value	1,857,270	-	-	946,206	-	186,434	2,989,910	
Due from other funds	-	-	-	91,417	-	5,886	97,303	
Property tax receivable, net	124,864	-	-	-	-	-	124,864	
Lease and accounts receivable	251,857	-	-	-	-	65,000	316,857	
Grant receivable	-	-	-	2,602,593	-	-	2,602,593	
Total Assets	\$ 11,565,524	\$ 634,819	\$ 5,070,167	\$ 6,283,275	\$ 379,674	\$ 888,483	\$ 24,821,942	
Liabilities:								
Accounts payable	\$ 339,200	\$ -	\$ 22,500	\$ 158,993	\$ -	\$ -	\$ 520,693	
Due to other funds	97,303	-	-	-	-	-	97,303	
Performance bonds payable & security deposits	79,114	-	-	-	-	-	79,114	
Anticipation note payable	-	-	4,740,000	-	-	-	4,740,000	
Accrued interest	-	-	55,300	-	-	-	55,300	
Overpaid property taxes	35,169	-	-	-	-	-	35,169	
Unearned revenue	-	-	-	78,309	-	-	78,309	
Total Liabilities	550,786	-	4,817,800	237,302	-	-	5,605,888	
Deferred Inflows of Resources:								
Unavailable revenue - property tax	94,703	-	-	-	-	-	94,703	
Leases - cell tower land	186,904	-	-	-	-	-	186,904	
Total Deferred Inflows of Resources	281,607	-	-	-	-	-	281,607	
Fund Balances:								
Nonspendable:								
Perpetual Care Principal	-	-	-	-	-	66,526	66,526	
Restricted for:								
Volunteer Firefighter & EMT Service Program	737,983	-	-	-	-	-	737,983	
Road improvements	-	634,819	-	-	-	-	634,819	
Senior Center	-	-	-	-	-	5,248	5,248	
Community beautification	-	-	-	-	-	755	755	
Document preservation	-	-	-	-	-	18,505	18,505	
After school and art programs	-	-	-	-	-	9,441	9,441	
Ambulance Building	-	-	252,367	-	-	-	252,367	
COVID related expenditures	-	-	-	-	-	55,790	55,790	
Committed to:								
Parks and recreation	-	-	-	-	-	116,593	116,593	
Cemetery operation	-	-	-	-	-	64,087	64,087	
Capital non-recurring expenditures	-	-	-	6,045,973	-	-	6,045,973	
Land acquisition for open space	-	-	-	-	379,674	-	379,674	
Affordable housing	-	-	-	-	-	449,051	449,051	
Revaluation	19,694	-	-	-	-	-	19,694	
Conservation and Development Plan	11,569	-	-	-	-	-	11,569	
Legal litigation	162,925	-	-	-	-	-	162,925	
Health reimbursement benefits	79,588	-	-	-	-	-	79,588	
Assigned for:								
Recycling	-	-	-	-	-	102,487	102,487	
Subsequent year budgeted deficit	1,478,273	-	-	-	-	-	1,478,273	
Unassigned	8,243,099	-	-	-	-	-	8,243,099	
Total Fund Balances	10,733,131	634,819	252,367	6,045,973	379,674	888,483	18,934,447	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,565,524	\$ 634,819	\$ 5,070,167	\$ 6,283,275	\$ 379,674	\$ 888,483	\$ 24,821,942	

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

**Town of Washington
 Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds
 June 30, 2024**

Total net position reported for governmental activities in the Statement of Net Position is different from the governmental fund Balance Sheet due to the following:

Total Fund Balances for Governmental Funds **\$ 18,934,447**

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

Governmental capital assets	\$ 63,805,335	
Less accumulated depreciation	<u>(30,767,696)</u>	33,037,639

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

Property taxes, interest, and liens receivable	94,703	
Net pension asset	<u>353,843</u>	448,546

Long-term liabilities, including bonds payable are not due and payable in the current period, and therefore, are not reported in the governmental funds.

Compensated absences	\$ (179,259)	
Postclosure landfill costs	(73,115)	
Length of Service Award Plans liability	(737,983)	
Deferred inflows related to the net difference between projected and actual earnings on pension plan investments	(213,793)	
Deferred outflows related to the difference between pension expected and actual experiences	<u>55,684</u>	<u>(1,148,466)</u>

Total Net Position of Governmental Activities **\$ 51,272,166**

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

Town of Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	Major Funds						Total Governmental Funds
	Special Revenue		Capital Project Funds			Other Governmental Funds	
	General Fund	Town Aid Road Fund	Ambulance Building Fund	Capital Non-Recurring	Land Acquisition Open Space		
Revenues:							
Property taxes	\$ 18,573,035	\$ -	\$ -	\$ -	\$ -	\$ -	18,573,035
Interest & lien fees on property taxes	73,771	-	-	-	-	-	73,771
Intergovernmental	258,453	334,204	-	2,513,046	-	-	3,105,703
Contribution in lieu of taxes	78,046	-	-	-	-	-	78,046
Investment income	622,803	27,509	80,233	202,474	19,010	22,282	974,311
Lease income	49,235	-	-	-	-	-	49,235
Licenses and permits	770,500	-	-	-	-	-	770,500
Program fees and other receipts	-	-	127,106	-	-	122,711	249,817
Total Revenues	20,425,843	361,713	207,339	2,715,520	19,010	144,993	23,874,418
Expenditures:							
Current:							
General government	2,647,186	-	-	-	-	460	2,647,646
Public safety	722,179	-	-	-	-	-	722,179
Highways	1,289,373	-	-	-	-	-	1,289,373
Sanitation	299,938	-	-	-	-	444	300,382
Health	206,885	-	-	-	-	-	206,885
Recreation	266,837	-	-	-	-	88,517	355,354
Social services	27,847	-	-	-	-	51,125	78,972
Education	11,235,948	-	-	-	-	-	11,235,948
Other	489,947	-	29,924	4,699	-	8,514	533,084
Debt service - anticipation note interest	-	-	55,300	-	-	-	55,300
Capital outlay	-	333,500	210,553	4,094,284	-	-	4,638,337
Total Expenditures	17,186,140	333,500	295,777	4,098,983	-	149,060	22,063,460
Excess (Deficiency) of Revenues Over Expenditures	3,239,703	28,213	(88,438)	(1,383,463)	19,010	(4,067)	1,810,958
Other Financing Sources (Uses):							
Premium on anticipation note issued	-	-	10,618	-	-	-	10,618
Proceeds from the sale of land	101,500	-	-	-	-	-	101,500
Operating transfers in (out)	(2,485,025)	-	-	2,337,025	-	148,000	-
Total Other Financing Sources (Uses)	(2,383,525)	-	10,618	2,337,025	-	148,000	112,118
Net Change in Fund Balances	856,178	28,213	(77,820)	953,562	19,010	143,933	1,923,076
Fund Balances:							
Beginning of Year	9,876,953	606,606	330,187	5,092,411	360,664	744,550	17,011,371
End of Year	\$ 10,733,131	\$ 634,819	\$ 252,367	\$ 6,045,973	\$ 379,674	\$ 888,483	\$ 18,934,447

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

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

Amounts reported for governmental activities in the statement of activities are different due to the following:

Net Change in Fund Balances-Total Governmental Funds **\$ 1,923,076**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Total capital outlay	\$	4,219,652	
Less current year depreciation		<u>(1,753,333)</u>	2,466,319

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

Property taxes receivable - net	\$	13,222	
Change in deferred inflows related the net difference between projected and actual earnings on pension plan investments		(159,377)	
Change in deferred outflows related to the differences between pension expected and actual experiences		<u>55,684</u>	(90,471)

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

Change in compensated absences liability	\$	(7,209)	
Change in postclosure landfill costs		(70,115)	
Change in Length of Service Award Plan liability		(53,824)	
Change net pension asset		<u>192,399</u>	61,251

Change in Net Position of Governmental Activities **\$ 4,360,175**

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

Town of Washington
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension Trust Funds	Custodial Fund
Assets:		
Cash and cash equivalents	\$ 324,497	\$ 6,847
Employer contribution receivable	89,328	-
Accrued interest	10,617	-
Investments - at fair value	<u>4,470,327</u>	<u>-</u>
Total Assets	4,894,769	6,847
Liabilities:		
Due to beneficiaries	<u>-</u>	<u>-</u>
Net Position		
Restricted for:		
Held in trust for pension benefits	4,894,769	-
Alcohol and Drug Abuse Prevention Organization	<u>-</u>	<u>6,847</u>
Total Net Position	\$ <u>4,894,769</u>	\$ <u>6,847</u>

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

Town of Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Pension Trust Funds	Custodial Fund
Additions:		
Town contributions	\$ 139,328	\$ -
Gifts and bequest	-	11,795
Investment income:		
Net appreciation (depreciation) in fair values of investments	437,203	-
Interest and dividends	131,877	9
Gross investment income	<u>569,080</u>	<u>9</u>
Less: investment expense	24,450	-
Net investment income	<u>544,630</u>	<u>9</u>
Total additions	683,958	11,804
Deductions:		
Pension benefits	267,288	-
Alcohol and drug abuse prevention program costs	-	10,011
Total deductions	<u>267,288</u>	<u>10,011</u>
Net Increase - Change in Net Position	416,670	1,793
Net Position - Beginning of year	<u>4,478,099</u>	<u>5,054</u>
Net Position - End of year	<u>\$ 4,894,769</u>	<u>\$ 6,847</u>

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

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies

The accompanying basic financial statements of the Town of Washington, Connecticut (the “Town”) 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’s significant accounting policies are described below.

A. Reporting Entity:

The Town of Washington, Connecticut was incorporated in 1779 under the provisions of the Connecticut General Statutes, and has a population of approximately 3,500 living within an area of 38.07 square miles. The Town is located in Litchfield County. The Town operates under a Town Meeting, Board of Selectmen and Board of Finance form of government. The Town provides the following services: public safety, public works, parks and recreation, health and social services, planning and zoning and education by being part of Shepaug Regional School District #12, of which the Towns of Washington, Roxbury and Bridgewater are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of Washington residents attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive, chief administrative officer and budget-making authority of the Town. The Board of Finance is responsible for reviewing/revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

Accounting principles generally accepted in the United State of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financial accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The criteria provided in the Government Accounting Standards Board Codification have been considered, and as a result, the potential component units discussed below are not included in the Town’s reporting entities because of their operational significance and financial relationship with the Town.

- Regional School District No. 12 – The School District provides educational services and facilities for the Towns of Washington, Roxbury and Bridgewater, Connecticut. The Town pays a proportional share of the expenses of the district.
- Washington Volunteer Fire Department, Inc. and Washington Ambulance Association, Inc. – These potential component units have separate elected boards and provide services to residents, generally within the geographic boundary of the Town. They are excluded from the reporting entity because the Town does not have the ability to exercise, influence or control over the daily operations.

B. Jointly Governed Organizations:

Lake Waramaug Authority

The Lake Waramaug Authority (the “Lake Authority”) was created by the Towns of Washington, Warren and Kent by local ordinance. The Lake Authority enforces all regulations related to water activities. The Town appropriated \$15,117 and expended \$14,257 for the operation of the Lake Authority for the year ended June 30, 2024.

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

B. Jointly Governed Organizations (continued)

Lake Waramaug Interlocal Commission

The Lake Waramaug Interlocal Commission (the “Commission”) was created by the Town of Washington, Warren, and Kent to improve the lake water quality and control water pollution. The Town appropriated and expended \$18,468 for the operation of the Commission for the year ended June 30, 2024.

Northwest Hills Council of Governments

The Town and twenty other local municipalities each appoint the governing board of the Northwest Hills Council of Governments (the “NHCOC”) to provide a regional forum for information exchange and regional planning. The NHCOC is supported by assessments to the twenty-one member Towns based upon population census. The Town of Washington appropriated and expended \$2,906 for the operation of the NHCOC for the year ended June 30, 2024.

C. 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. Eliminations have been made to minimize the double counting of internal activities. *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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* included 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*.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as applicable. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are defined as major or non-major in the basic financial statements according to GASB reporting standards, which categorize funds based on relative size and materially.

Separate financial statements are provided for governmental 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. The other ten nonmajor funds are aggregated into one column in the financial statements under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements.

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting:

Government-Wide Statements

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 revenue items are considered to be measurable and available only when cash is received.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

The Town reports the following major governmental funds:

General Fund:

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

Special Revenue Fund:

The Town Aid Road Fund accounts for Connecticut Department of Transportation grants to be used for construction, reconstruction, improvement, or maintenance or improved and unimproved road and other transportation related services as set forth in the General Statutes of Connecticut.

Capital Projects Funds:

Ambulance Building Fund- accounts for the purchase and related cost used to provide housing for ambulance and crew.

The Capital Non-Recurring Expenditure Fund, as authorized by General Statutes of Connecticut, accounts for financing all or part of the planning, construction, reconstruction or acquisition of capital facilities, improvements, or equipment.

The Land Acquisition Open Space Fund accounts for the purchase of land for open space.

The Town also reports the following ten Nonmajor Governmental Funds:

Special Revenue Funds, account for specific revenues that are legally restricted to expenditures for particular purpose:

Judea Cemetery Fund – accounts for the sale of plots, along with the related expenditures for maintaining and improving the cemetery.

Park and Recreation Fund – accounts for fees from recreational leisure programs and its related expenditures.

Senior Center Fund – accounts for charges for services and contributions restricted for senior citizens functions and activities.

Greenway Community Fund – accounts for contributions restricted for ground maintenance and improvements.

Document Preservation Fund – accounts for recording fees and state grants restricted for document preservation and its related expenditures.

Recycling Fund – accounts for recycling rebates and monies received from the dissolution of the Bristol Resource Recycling, restricted for the purposes of recycling bins and the updating of the Transfer Station.

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

After School Fund - accounts for tuition restricted for after school activity expenditures.

Community Center Fund – accounts for donations restricted for the new community center.

The American Rescue Plan Act Fund - accounts for Federal Government grants restricted by the Federal Government for COVID related expenses.

Arts Council Fund - Accounts for resources restricted to increasing arts awareness and appreciation

Capital Project Funds, account for major capital facilities and the acquisition of equipment:

Affordable Housing Fund – accounts for the purchase of land and related cost used to provide affordable housing.

Additionally, the Town reports the following fund types:

Fiduciary Fund Types

Pension Trust Funds - The pension funds account for the accumulation of resources to be used for retirement benefits.

Custodial Funds - The custodial fund account for financial resources held as a custodian for outside groups and agencies. The Town’s Alcohol and Drug Abuse Prevention Fund accounts for resources used for the prevention of alcohol and drug abuse, on behalf of outside groups and agencies.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be placed with any “qualified public depository” as defined by statute, which has its main place of business in the State of Connecticut.

The Connecticut General Statutes authorize the investment of funds in the obligations of the United States, or may be invested in any state or other tax-exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer’s Short-Term Investment Fund (STIF). The provisions of the statutes regarding the investments of municipal pension funds do not specify permitted investments. Therefore, investments of such funds are generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan.

Town investments are reported at fair value. Volunteer Firefighter and EMT Service Program investments, held in a grantor/rabbi trust account, are restricted for the Length of Service Award Plan, and as such, are reported as restricted fund balance in the General Fund.

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (continued)

Receivables

In the government-wide financial statements, property taxes are shown net of an allowance for uncollectibles. For the year ended June 30, 2024, all taxes are deemed collectible, and therefore, the allowance was zero.

In the fund financial statements, all property taxes receivable at June 30, 2024, which have not been collected within 60 days of June 30, have been recorded as deferred inflow of resources, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the 60 days period have been recorded as revenue.

Property taxes are assessed of October 1 and billed the following July. Real and personal property bills are payable in two installment, July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1, with the Motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

Leases Receivable

The Town leases the cell tower ground and therefore records a lease receivable. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the town receives fixed monthly payments and 20% revenue sharing. The 20% revenue sharing is recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Grant Receivable

Grant receivable is comprised of \$2,602,593 grant expenditures incurred for bridge work not yet reimbursed by the Federal and State government.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the government-wide financial statements. Capital assets are defined by the town as assets with an initial, individual cost of more than \$5,000 and with 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 fair 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 Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings	40
Building improvements	6-20
Infrastructure	30
Machinery, Equipment and Vehicles	5-15

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (continued)

Deferred Outflows and Deferred Inflows of Resources

The statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period. The Town reports deferred outflows of resources related to pension for the difference between expected and actual experience on plan investments.

The statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. The Town reports deferred inflows of resources related to pension for the difference between projected and actual earnings. These amounts are deferred and included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan.

For governmental funds' balance sheet, the Town reports an additional deferred inflow of resources for unavailable revenue from property taxes. Property tax income is recognized as revenue in the period that the amounts become available.

Interfund Activity

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. On the fund financial statements, short-term interfund loans are classified as interfund “due from/to other funds”. These amounts are eliminated in the statement of net position.

Compensated Absences

Eligible employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Under various agreements employees may accumulate unused sick leave to be paid upon retirement. Sick leave and vacation leave expenditures are recognized in the fund financial statements in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for accrued vacation and sick leave earning is reported in the government-wide statements.

Town of Washington
Notes to Financial Statements

Note “1” - Summary of Significant Accounting Policies (continued)

Unearned Revenue

Unearned revenue consists of: (1) grant payable for an unused State of Connecticut, LOCIP grant of \$78,309 and (2) grant payable for unused American Rescue Plan Act Funds. It will be recognized as expenditures are incurred.

Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt are reported in the government-wide financial statements.

Long-term debt is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Fund Equity and Net Position – Governmental Funds

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact, legally or contractually.
- Restricted fund balance – amounts constrained to specific purposes by external parties, constitutional provisions or enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, the Town Meeting.
- Assigned fund balance – amounts the government intends to use for a specific purpose as authorized by the Town’s Board of Selectmen and Board of Finance.
- Unassigned fund balance – amounts that are available for any purpose. This category is only reported in the General Fund for positive amounts and in any other fund that have a fund balance deficit.

The Town does not have a minimum fund balance policy.

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

Net Investment in Capital Assets

This category presents all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category. Debt issued for non-capital purpose is excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Town of Washington
Notes to Financial Statements

Note "1" - Summary of Significant Accounting Policies (continued)

Unrestricted Net Position

This category represents the net position of the Town, which are not restricted. A deficit will require future funding.

F. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned balances.

G. Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note "2" – Stewardship, Compliance, and Accountability

Budgetary Compliance – The General Fund

The Town's General Fund budgetary procedures are as follows:

In January each department head, officer, head of office, board and/or commission submits detailed estimates of expenditures for the ensuing fiscal year to the Board of Selectmen and Board of Finance.

The Board of Selectmen reviews all proposed estimates of expenditures as well as estimated revenues to be collected.

After discussing and reaching agreement, the Board of Selectmen forwards the proposed budget to the Board of Finance for review. The Board of Finance then prepares a proposed General Town Budget.

The Board of Finance holds a public hearing on the proposed budget prior to presenting it to the Annual Town Meeting in May. Following approval of the proposed budget at the Town meeting, the Board of Finance establishes the tax rate.

The Town Meeting legally appropriates this budget as one balance for revenue and on department basis for expenditures and transfers. The Board of Finance is authorized to approve additional appropriations up to and including \$20,000 per department per year, however no more than one additional appropriation per department can be made without town meeting approval.

The original General Fund expenditure budget increased by \$398,644, as a result of continuing appropriations of \$296,544 and additional appropriations of \$2,100 to the General Government department and \$100,000 increase in transfer to the Affordable Housing Fund.

Town of Washington
Notes to Financial Statements

Note "2" – Stewardship, Compliance, and Accountability (continued)

Budgetary Compliance - Other Governmental Funds:

The Town does not budget for its other Governmental Funds. Considering a cost-benefit analysis, it is not practical for the town to report budgetary information for the other governmental funds on a combined basis. Budgets for the various special revenue funds and capital project funds that are utilized to account for specific grant programs are established in accordance with requirements for the grantor agencies. Such budgets do not lapse and may comprise more than one fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Note "3" – Cash and Cash Equivalents, Deposits and Investments

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2024:

	<u>Governmental</u> <u>Funds</u>	<u>Fiduciary</u> <u>Funds</u>
Deposits:		
Demand Accounts	\$ 1,893,904	\$ 24,602
Certificates of Deposit	<u>9,827,249</u>	<u>---</u>
Total Deposits	11,721,153	24,602
 Petty Cash and Cash on Hand	 30,766	 ---
Cash Equivalents:		
Overnight insured cash sweep (ICS)	9,189,063	---
Wealth Management Money Market Accts	---	306,742
State Short-Term Investment Funds (STIF)	<u>1,361</u>	<u>---</u>
Total Cash Equivalents	9,190,424	306,742
 Less: Certificates of Deposits classified as investments	 (2,251,928)	 <u>---</u>
 Total Cash and Cash Equivalents	 <u>\$ 18,690,415</u>	 <u>\$ 331,344</u>

B. Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, the carrying amount of the Town's deposits, including certificates of deposits of \$2,251,928 classified as investments, was \$11,745,755 and the bank balance was \$12,079,522. Of the Town's bank balance \$3,321,242 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,033,738
Uninsured and collateralized held by pledging	
Bank's trust department not in the town's name	<u>287,504</u>
Total amount subject to custodial credit risk	<u>\$ 3,321,242</u>

Town of Washington
Notes to Financial Statements

Note "3" – Cash and Cash Equivalents, Deposits and Investments (continued)

C. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2024, the Town's cash equivalents amounted to \$9,190,424.

The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations. The State of Connecticut Short-Term Investment Fund (STIF) is a "2a7-Like" pool. The fair value of the portion in the pool is the same as the value of the pool shares.

State of Connecticut Short-Term Investment Fund (STIF)	<u>Standard and Poor's</u> AAAm
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Amounts held in overnight insured cash sweep were fully insured by the Federal Deposit Insurance Corporation per an ICS deposit placement agreement with a local bank.

Wealth management money market accounts are uninsured and uncollateralized.

D. Investments

<u>Types of Investments</u>	<u>Fair Value</u>	<u>Average</u> <u>Credit Rating</u>	<u>Investment</u> <u>Maturity</u>
Primary Government			
Certificate of Deposit	\$ 1,119,287	*	4/15/2025
Certificate of Deposit	946,206	*	5/23/2025
Mutual Funds	497,983	N/A	N/A
U.S. Treasury Notes	202,112	N/A	9/30/2024
Wealth & Federated Money Markets	37,888	N/A	N/A
Certificate of Deposit	77,925	*	4/28/2025
Certificate of Deposit	66,795	*	1/13/2025
Certificate of Deposit	39,000	*	4/01/2025
Certificate of Deposit	2,715	*	1/10/2025
Total Primary Government	<u>\$ 2,989,911</u>		

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

* Included in deposits above, therefore, insured and collateralized to the extent described above.

The common stock and mutual fund investments included in the General Fund are restricted for the Volunteer Firefighter and EMT Service Incentive Program Plan held in a grantor/rabbi trust.

<u>Types of Investments</u>	<u>Fair Value</u>	<u>Average</u> <u>Credit Rating</u>	<u>Investment</u> <u>Maturity</u>
Fiduciary Funds			
Corporate Bonds	\$ 271,289	See below	See below
Common Stock	55,054	N/A	N/A
Exchange Traded & Closed End Fds	1,285,950	N/A	N/A
U.S. Treasury Bills and Notes	347,447	N/A	N/A
Mutual Funds	<u>2,510,587</u>	N/A	N/A
Total Fiduciary Funds	<u>\$ 4,470,327</u>		

Ratings are by a nationally recognized rating organization are provided where applicable to indicate the associated credit risk. N/A indicates rating is not applicable.

Town of Washington
Notes to Financial Statements

Note "3" – Cash and Cash Equivalents, Deposits and Investments (continued)

D. Investments (continued)

- Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations or any State or political subdivision or in obligations of the State of Connecticut or political subdivision. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The average credit rating of the corporate bonds, as rated by Moody are as follows:

Aaa	Aa2	A1	A2	A3	Total
\$73,082	\$74,968	\$49,392	\$49,240	\$24,607	\$271,289

The bonds have a maturity date of less than 3 years.

E. Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair values of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Town did not hold any investments on June 30, 2024 whose fair value was determined using Level 3 inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2024.

Investments by Fair Value Level	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Certificate of Deposit	\$ ---	\$ 2,251,928	\$ 2,251,928
Corporate Bonds	---	271,289	271,289
Common Stock	55,054	---	55,054
Exchange Traded & Closed End Funds	---	1,285,950	1,285,950
U.S. Treasury Bill and Note	549,559	---	549,559
Mutual Funds	3,008,570	---	3,008,570
Wealth & Federated Money Markets	---	37,888	37,888
Total Investments by Fair Value Level	\$ 3,613,183	\$ 3,847,055	\$ 7,460,238

The Town's investments that are classified in Level 1 are measured on a recurring basis, using market quotations for investments that have quoted prices in active markets. The Town's investments that are classified in Level 2 are measured using matrix pricing techniques using various pricing vendors. Matrix pricing is used to value securities based on their relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodial bank.

Town of Washington
Notes to Financial Statements

Note "4" – Receivables:

A. Property Taxes Receivable

Property taxes receivables at June 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

<u>Receivables:</u>	
Property taxes	\$ 107,978
Accrued interest and lien fees on taxes	<u>16,886</u>
Gross receivables	124,864
Less: Allowance for uncollectibles	<u>---</u>
<u>Net Receivables</u>	<u>\$ 124,864</u>

B. Lease and Accounts Receivable

Lease and accounts receivable is comprised of Police private duty of \$64,754 and the lease receivable of \$187,103.

The Town ("Lessor") entered in a lease agreement with Insite Towers Development, LLC for the right to use the land on which a cell tower is placed. The lease was signed March 27, 2013 and subsequently amended to expire March 2043. Under the lease terms, the Lessor will receive fixed monthly payments along with 20% revenue sharing. The variable revenue sharing is recorded as an inflow of resources in the period the payment is received. The fixed monthly payments are measured at the present value of the lease payments expected to be received during the lease term. The Lessor recognizes a lease receivable at the net present value of all the lease payments expected to be received. The Lessor also recognizes deferred inflows of resources at the initial value of the lease receivable. This deferred inflow is recognized as lease revenue in a systematic and rational manner over the lease term.

<u>Description</u>	<u>Discount Rate</u>	<u>Lease Receivable at June 30, 2024</u>	<u>Deferred Inflows at June 30, 2024</u>
Cell Tower	4%	\$187,103	186,904

B. Lease and Accounts Receivable (continued)

The future minimum lease payments to be received under the lease agreement follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,785	\$ 12,553	\$ 22,338
2026	9,792	12,087	21,879
2027	9,799	11,602	21,401
2028	9,806	11,097	20,903
2029	9,813	10,571	20,384
2028-2034	49,169	44,188	93,357
2035-2039	49,345	27,433	76,778
2040-2043	<u>39,594</u>	<u>7,423</u>	<u>47,017</u>
Total	<u>\$ 187,103</u>	<u>\$ 136,954</u>	<u>\$ 324,057</u>

**Town of Washington
Notes to Financial Statements**

Note "5" - Interfund Transfers:

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

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Net Transfers</u>
Major Governmental Funds:			
General Fund	\$ 473,276	\$ 2,598,301	\$ (2,485,025)
Capital Non-Recurring	2,810,301	473,276	2,337,025
Nonmajor Governmental Funds:			
Affordable Housing Fund	125,000	---	125,000
Judea Cemetery Fund	23,000	---	23,000
Total	<u>\$ 3,431,577</u>	<u>\$ 3,431,577</u>	<u>\$ -----</u>

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

Note "6" - Operating Deficiencies and/or Fund Deficits:

At June 30, 2024, the following individual funds had operating deficiencies and/or fund deficits, none of which constitutes a violation of statutory provisions.

	<u>Operating Deficiency</u>	<u>Fund Deficit</u>
Major Funds		
Ambulance Building Fund	\$ 77,820	\$ ---
Non-Major Funds		
Greenway Committee	\$ 23	\$ ---
After School Fund	\$ 2,005	\$ ---
American Rescue Plan Act Fund	\$ 32,048	\$ ---

**Town of Washington
Notes to Financial Statements**

Note "7" - Capital Assets:

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

	<u>Beginning</u> Balance	<u>Additions</u>	<u>Disposals &</u> <u>Reclasses</u>	<u>Ending</u> Balance
Capital Assets - Not Depreciated:				
Land	\$ 1,141,215	\$ ---	\$ ---	\$ 1,141,215
Construction in Progress				
EMT bulding	---	210,655	---	210,655
Bridge Reconstruction - WIP	1,335,711	2,528,772	1,042,280	4,906,763
Senior Center - WIP	30,700	---	---	30,700
Infrastructure - Roads	91,486	126,741	(99,093)	119,134
Pickle Ball Court	1,620	5,500	---	7,120
Total Construction in Progress	<u>1,459,517</u>	<u>2,871,668</u>	<u>943,187</u>	<u>5,274,372</u>
Total Capital Assets Not Depreciated	<u>2,600,732</u>	<u>2,871,668</u>	<u>943,187</u>	<u>6,415,587</u>
Capital Assets - Depreciated:				
Land Improvements	659,957	41,715	---	701,672
Building & Improvements	8,375,969	---	---	8,375,969
Machinery & Equipment	6,862,708	474,920	(341,083)	6,996,545
Infrastructure	41,427,400	831,349	(943,187)	41,315,562
Total Capital Assets Depreciated	<u>57,326,034</u>	<u>1,347,984</u>	<u>(1,284,270)</u>	<u>57,389,748</u>
Less: Accumulated Depreciation				
Land Improvements	544,741	17,944	---	562,685
Building & Improvements	3,571,817	262,880	---	3,834,697
Machinery & Equipment	4,999,744	459,291	(341,083)	5,117,952
Infrastructure	20,239,144	1,013,218	---	21,252,362
Total Accumulated Depreciation	<u>29,355,446</u>	<u>1,753,333</u>	<u>(341,083)</u>	<u>30,767,696</u>
Capital Assets Being Depreciated - Net	<u>27,970,588</u>	<u>(405,349)</u>	<u>(943,187)</u>	<u>26,622,052</u>
Capital Assets - Net	<u>\$ 30,571,320</u>	<u>\$ 2,466,319</u>	<u>\$ -</u>	<u>\$ 33,037,639</u>

Depreciation is charged to the following Governmental Activities:

General government services	\$ 127,213
Public safety	241,616
Public works	1,314,279
Health & Welfare	2,917
Parks and recreation	<u>67,308</u>
<u>Total depreciation expense</u>	<u>\$ 1,753,333</u>

Town of Washington
Notes to Financial Statements

Note "8" - Long-Term Debt:

The following is a summary of activity for the year ended June 30, 2024. The General Fund has historically been used to liquidate the following Long-Term Debt:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
<u>Compensated Absences</u>					
Various vested employee benefits as explained in Note "1"	\$ 172,050	\$ 45,132	\$ 37,923	\$ 179,259	\$ ---
<u>Total Pension Liability (Asset)</u>	(161,444)	377,061	569,460	(353,843)	--
<u>Length of Service Award Plan</u>	684,159	73,960	20,136	737,983	--
<u>Landfill - Transfer Station Closure and Post-Closure Care Costs</u>					
Liability for closure and post-closure care costs of the Town of Washington's Landfill, as explained in Note "12"	3,000	73,115	3,000	73,115	52,885
Total	<u>\$ 697,765</u>	<u>\$ 569,268</u>	<u>\$ 630,519</u>	<u>\$ 636,514</u>	<u>\$ 52,885</u>

Note "9" – Bond Anticipation Notes:

On April 3, 2024 the Town issued \$4,740,000 general obligation bond anticipation notes bearing interest at 4% and due April 2, 2025, for renovation to the ambulance building. The notes are considered a short-term obligation of the Capital Project Fund since the intention to refinance on a long-term basis has not been finalized.

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2024</u>
Bond anticipation notes	\$ -	\$ 4,740,000	\$ -	\$ 4,740,000

Note "10" - Contingent Liabilities:

The Town is contingently liable on Regional School District No. 12 general obligation bond issue of 2019, \$6,375,000 due FYE 2040, bond anticipation notes of \$3,500,000 due FYE 2024, and a term loan of \$2,250,000 due FYE 2024. The amount (47.64%) attributable to the Town is \$5,776,350. Additionally, the Town is continuing working with the State Department of Environmental Protection and Legal Counsel to resolve a water compliance order resulting from road salt storage.

Note "11" - Pension Plans:

A. Defined Contribution Plan

The Town provides retirement benefits through a single employer defined contribution pension plan for all eligible employees not participating in the defined benefit pension plan. The Board of Selectmen has oversight and fiduciary responsibility for the plan.

Town of Washington
Notes to Financial Statements

Note “11” - Pension Plans: (continued)

A. Defined Contribution Plan (continued)

All eligible employees working a minimum of 1,500 hours during the year are eligible for inclusion in the plan. The plan provides that benefits are vested in accordance with the following vesting schedule.

<u>Years of Continuous Service:</u>	<u>Percentage Vested:</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

The participants become 100% vested after six years of service. Normal retirement age is at 65. The Town contributes an amount equal to 7% of each eligible employee’s base compensation. During the year, the Town’s contributions totaled \$89,328. As of June 30, 2024, the plan had twenty active participants.

Financial statements are prepared using the accrual basis of accounting. The employer contributions are recognized in the period that the contributions are due.

Plan investments are reported at fair value and reported in accordance with GASB fair value measurements.

B. Defined Benefit Pension Plan:

General Information about the Pension Plan

The Town of Washington is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The plan does not issue stand-alone financial statements. At January 1, 2023, the latest actuarial valuation date, PERS membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	<u>8</u>
Total	<u>46</u>

The plan is a non-contributory defined benefit pension plan and covers substantially all regular full-time employees and elected officials through contribution to the Pension Trust Fund. In order to be eligible for the plan, the employee must work at least 1,000 hours per year, complete one full year of continuous service and attain a minimum age of twenty-five.

Town of Washington
Notes to Financial Statements

Note "11" - Pension Plans (continued)

B. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

Normal retirement date is the first of the month coincident with or next following the participants 65th birthday. A participant must work for a minimum of five years in order to qualify for normal retirement. The annual benefit is 1.25% of Average Monthly Compensation multiplied by years of Credited Service to June 30, 1993 and 1.5% of the average monthly compensation multiplied by years of credited service beginning July 1, 1993. The maximum years of credited service is 40 years. Final average earnings are the highest average years of compensation over the highest five consecutive calendar years within the last

ten years of employment. The plan contains a provision for early retirement at age fifty-five and after fifteen years of credited service at a reduced benefit.

Participants separation from service prior to early or normal retirement date, are entitled to a percentage of accrued pension payable at their normal retirement date based upon the following schedule:

<u>Full Years of Credited Service</u>	<u>Vested Percentage of Accrued Benefit</u>
less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

Plan Amendments:

On September 16, 2013 the Town executed an amendment that froze participation in the plan, to new employees, as of July 1, 2013. Employees who have not met the eligibility requirements by July 1, 2013 are not eligible to participate in the plan.

Authority:

The Board of Selectmen has established the benefit provisions and contribution to the plan. The Board is also authorized to make changes to the plan provisions.

Funding Policy:

The Town's funding policy provides for periodic employer contributions at actuarially determined rates that, when expressed as percentages of annual covered payroll, are sufficient to accumulate the assets to pay benefits when due. There are no legal or contractual limitations on the maximum amount of the Town's contribution.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. Employer's contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan.

Town of Washington
Notes to Financial Statements

Note “11” - Pension Plans (continued)

B. Defined Benefit Pension Plan (continued)

Investments (continued)

Method Used to Value Investments: All funds are invested in fixed income and equity securities through trust agreement with Union Savings Bank and are reported at fair values as discussed in the notes.

Investment Policy: The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee of the Board of Finance by a majority vote of its members. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across the broad selection of distinct asset classes.

The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Board’s adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equities	61%
Fixed Income	32%
Cash	<u>7%</u>
Total	<u>100%</u>

The following investments represent 5 percent or more of plan net assets:

Vanguard 500 Index Fund	\$ 1,223,793	27.10%
Vanguard Total Bond Market Index	\$ 276,858	6.13%
Vanguard High Dividend Yield ETF	\$ 1,138,916	25.22%
Vanguard Bond Index Fund	\$ 487,542	10.80%
Federated Instit’l Prime Val Obligation Fund	\$ 274,705	6.08%
US Treasury Notes 4.25% D – 09/30/24	\$ 249,313	5.52%

Rate of Return: The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

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

Total pension liability	\$ 4,162,395
Plan fiduciary net position	<u>4,516,238</u>
Net pension liability (asset)	\$(<u>353,843</u>)

Plan fiduciary net position as percentage of the total pension liability is 108.50%

Town of Washington
Notes to Financial Statements

Note “11” - Pension Plans (continued)

B. Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the June 30, 2024 measurement:

Inflation	Not separately stated
Salary Increases	3.5%, average, including inflation
Investment Rate of Return	5.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Male Mortality Table for males and the same table set back six years for females.

The long-term expected rate of return on pension plan investments was determined using a blended rate, an average of past performance. The rate best estimates expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and 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 total weighted average expected rate of return is 5.50%.

Best estimates of the arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024 are summarized below.

<u>Assets Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	6.80%
Fixed Income	4.00%
Cash	1.00%

Discount Rate

The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at actuarially determined contribution rates. Therefore, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Based on the aforementioned assumptions, 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 Washington
Notes to Financial Statements

Note “11” - Pension Plans (continued)

B. Defined Benefit Pension Plan (continued)

Net Pension Liability of the Town

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Position Liability (Asset) (a) - (b)
Balances as of June 30, 2022	\$ 4,041,224	\$ 4,202,668	\$ (161,444)
Changes for the Year:			
Service cost	40,262	-	40,262
Interest on total pension liability	223,111	-	223,111
Differences between expected and actual experience	113,688	-	113,688
Employer contributions	-	50,000	(50,000)
Net investment income	-	519,460	(519,460)
Benefit payments	(255,890)	(255,890)	-
Net changes	<u>121,171</u>	<u>313,570</u>	<u>(192,399)</u>
Balances as of June 30, 2023	<u>\$ 4,162,395</u>	<u>\$ 4,516,238</u>	<u>\$ (353,843)</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 5.50%, 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 (4.50%) or 1 percentage point higher (6.50%) than the current rate.

	<u>1% Decrease to 4.50%</u>	<u>Current Discount Rate of 5.50%</u>	<u>1% Increase To 6.50%</u>
Net Pension Liability	\$ 32,867	\$(353,843)	\$(688,420)

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

For the year ended June 30, 2024, the Town recognized pension expense of \$38,706. At June 30, 2024, the Town reported deferred outflows of resource and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 55,684
Net difference between projected and actual earnings on plan investments	<u>213,793</u>	<u>---</u>
Total	<u>\$ 213,793</u>	<u>\$ 55,684</u>

Town of Washington
Notes to Financial Statements

Note "11" - Pension Plans (continued)

B. Defined Benefit Pension Plan (continued)

Pension Expense: Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

<u>Year Ending June 30</u>	
2024	\$ (93,704)
2025	45,289
2026	(65,774)
2027	(60,535)
2028	16,615
Thereafter	-
<u>Total</u>	<u>\$ (158,109)</u>

Note "12" - Volunteer Firefighter and EMT Service Incentive Program:

The Town of Washington is the Plan Administrator, of an Incentive Program for the benefit of its Volunteer Firefighters and its Volunteer Emergency Medical Technicians (EMT). The Town, at its discretion, provides an annual contribution to the program. The Town's volunteer contribution is \$500 per eligible volunteer for the volunteer firefighters and a fixed lump sum for the EMT Incentive Program. The total contributions for the year 2022-2023 for the Firefighters and EMT were \$12,500 and \$8,000, respectively. The volunteers become fully vested after ten years of service. The normal retirement age for receiving benefits is age 65, although participants may apply for hardship distributions under certain circumstances as prescribed by the United States Department of Labor. The plan also has provisions for participant withdrawal prior to normal retirement age once vested at 100%.

The fund financial statements recognize benefit payments as expenditures within the General Fund at the time they are due and payable. Volunteer Firefighter and EMT contributions represent the reclassification of unrestricted General Fund assets to the programs' grantor/rabbi trust restricted investments.

The plan holds the Incentive Program's assets in a grantor/rabbi trust, which are not legally protected from the Town's creditors. GASB 73 requires assets held in such trust arrangements to be reported as assets of the sponsoring municipality. As such, Town accounts for Incentive Programs assets as restricted investments in the General Fund. Authority to invest the Plan's assets is vested in the Town in accordance with a statutory prudent person rule. See the fair value measurement disclosure note.

Town of Washington
Notes to Financial Statements

Note "13" - Landfill closure and postclosure care liability

In accordance with State and Federal laws and regulations, the Town has placed a final cover on its Washington Landfill and has stopped accepting demolition waste for burial. (The Town of Washington stopped accepting municipal solid waste, household garbage, in March of 1987.) The Town will perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$73,115 reported as landfill closure and post closure care liability, represents the cumulative amount of post closure care cost as of JUNE 30, 2024. Actual cost may be higher due to inflation, changes in technology or changes in regulations. If additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by future tax revenue. The Town has not set up a trust for this liability and is not aware of any legal requirement to do so.

Note "14" - Commitments and Litigation

It is the opinion of Town officials that there are no material or substantial claims against the Town, which will be finally determined so as to result in a judgment or judgments against the Town, which would materially affect its financial position.

The Town has received financial assistance from numerous Federal and State agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the Town's financial statements.

The Town is self-insured for employees' health insurance co-pays and/or deductibles according to benefit policies established by the Board of Selectmen and Board of Finance. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies.

The Town currently accounts for the funding of the employee health insurance co-pays in the General Fund. The Town has committed \$79,588 of fund balance to cover the amount over and above the approved budgeted amounts.

The Town establishes deductible claims liabilities based on estimates of claims that have been incurred but not reported at the balance sheet date. Claims liabilities are recorded in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and incremental claim adjustment expenses. The claims accrual does not include other allocated or unallocated claims adjustment expenses. The Town purchases commercial health insurance coverage over and above the employees' deductible.

	Claims Payable <u>July 1</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims Paid <u>June 30</u>	Claims Payable <u>June 30</u>
2023-2024	\$ <u>27,695</u>	\$ <u>149,177</u>	\$ <u>143,704</u>	\$ <u>33,168</u>

Town of Washington
Notes to Financial Statements

Note "15" – Risk Management

The Town is exposed to various risks of loss related to public official liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters for which the Town carries insurance.

The Town of Washington is a member of the Connecticut Interlock Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, formed by the Connecticut Conference of Municipalities (CCM) for the purpose of establishing and administering an interlock risk management program pursuant to the provisions of Section 7-479a et. Seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's workers' compensation pool, a risk sharing pool. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. Premiums are subject to adjustment from retrospective rating, and are recorded as expenditures in the year paid. The Town reports all of its risk management activities in the General Fund.

Note "16" – Subsequent Events:

In preparing the financial statements the Town has evaluated events and transactions for potential recognition or disclosure through February 10, 2025, the date the financial statements were available to be issued.

Town of Washington
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non - GAAP Budgetary Basis)
Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenue			
Property taxes	\$ 18,090,262	\$ 18,544,832	\$ 454,570
Interest and lien fees on property taxes	60,000	73,771	13,771
State of Connecticut - Grants:			
Judicial fines	1,000	1,700	700
Veterans exemption	1,069	1,154	85
Educational cost sharing grant	184,905	184,905	-
Elderly disabled tax relief	-	80	80
Municipal revenue sharing	17,390	54,956	37,566
Other state and federal grants	-	15,658	15,658
Contributions in lieu of taxes	86,500	78,046	(8,454)
Telephone access tax	-	28,203	28,203
Refund from Regional School District 12	-	300,223	300,223
Investment income	160,000	556,283	396,283
Lease income	55,400	62,236	6,836
Other fees and receipts:			
Building inspection	350,000	390,178	40,178
Land use fees/permits	30,000	21,717	(8,283)
Private duty police	22,500	28,942	6,442
Town Clerk's fees, including conveyance taxes	200,000	229,160	29,160
Forfeited bonds and other revenue	3,000	44,717	41,717
Transfer station fees	24,000	24,018	18
Miscellaneous fees/permits	27,000	31,768	4,768
Total Revenues	<u>19,313,026</u>	<u>20,672,547</u>	<u>1,359,521</u>
Proceeds from the sale of land	-	101,500	101,500
Transfer from Capital Non-Recurring Fund	-	473,276	473,276
Total Revenues and Other Financing Sources	<u>\$ 19,313,026</u>	<u>\$ 21,247,323</u>	<u>\$ 1,934,297</u>

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

Town of Washington
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non - GAAP Budgetary Basis)
Year Ended June 30, 2024

	Original Budget	Continuing and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Expenditures:					
General Government					
Selectmen	\$ 180,086	\$ -	\$ 180,086	\$ 163,716	\$ (16,370)
Assessor	145,471	-	145,471	117,792	(27,679)
Tax Collector	98,343	-	98,343	92,773	(5,570)
Town Clerk	107,279	-	107,279	96,482	(10,797)
Town Treasurer	20,126	-	20,126	19,252	(874)
Building Department	135,198	-	135,198	124,877	(10,321)
Probate Court	5,200	-	5,200	5,086	(114)
Elections	45,169	-	45,169	44,369	(800)
Professional fees-Audit & legal	37,000	-	37,000	36,500	(500)
Board of Assessment Appeals	2,850	2,100	4,950	4,006	(944)
Planning Commission	40,009	-	40,009	34,571	(5,438)
Zoning Commission	94,773	-	94,773	88,828	(5,945)
Zoning Board of Appeals	9,474	-	9,474	3,448	(6,026)
Inland Wetlands	109,979	-	109,979	101,325	(8,654)
Historic District Commission	12,967	-	12,967	7,547	(5,420)
Conservation Commission	14,823	-	14,823	12,618	(2,205)
Housing Commission	5,720	-	5,720	1,621	(4,099)
Operation of Town Hall	270,693	-	270,693	270,193	(500)
Town Garage / Salt Building	41,400	-	41,400	36,107	(5,293)
Surety Bonds and Insurance	220,992	-	220,992	185,952	(35,040)
Accident & Health Insurance and committed reimbursable costs	674,424	-	674,424	680,618	6,194
Office Expense	47,700	-	47,700	40,236	(7,464)
Payroll Taxes	191,355	-	191,355	171,192	(20,163)
Board of Finance	144,984	-	144,984	140,908	(4,076)
Economic Development	118,313	-	118,313	116,480	(1,833)
Art Council Clerk	3,970	-	3,970	2,921	(1,049)
Total General Government	2,778,298	2,100	2,780,398	2,599,418	(180,980)
Public Safety					
Fire Marshal	82,514	-	82,514	80,503	(2,011)
Fire Department	215,750	-	215,750	195,100	(20,650)
Police	390,111	-	390,111	296,343	(93,768)
Emergency Management	115,924	-	115,924	95,477	(20,447)
Open Burning Official	599	-	599	-	(599)
Lake Waramaug Authority	15,117	-	15,117	14,257	(860)
Washington Ambulance	39,600	-	39,600	40,863	1,263
Total Public Safety	859,615	-	859,615	722,543	(137,072)

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

Town of Washington
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non - GAAP Budgetary Basis)
Year Ended June 30, 2024

Expenditures (continued):	Original Budget	Continuing and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Highways					
General Maintenance	823,553	-	823,553	742,064	(81,489)
Winter Maintenance	557,389	-	557,389	512,074	(45,315)
Street Lighting	36,400	-	36,400	35,235	(1,165)
Total Highways	1,417,342	-	1,417,342	1,289,373	(127,969)
Sanitation					
Transfer Station	179,278	-	179,278	162,593	(16,685)
Recycling	188,990	-	188,990	137,345	(51,645)
Total Sanitation	368,268	-	368,268	299,938	(68,330)
Conservation of Health					
Paramedic Service	159,755	-	159,755	159,755	-
Health Department	42,038	-	42,038	40,130	(1,908)
Visiting Nurses Associations	7,500	-	7,500	7,000	(500)
Hepatitis B Vaccinations	100	-	100	-	(100)
Total Conservation of Health	209,393	-	209,393	206,885	(2,508)
Recreation					
Parks and Recreation	245,521	-	245,521	214,189	(31,332)
Senior Center / Veterans Hall	64,040	-	64,040	47,648	(16,392)
After School Arts Program	5,000	-	5,000	5,000	-
Total Recreation	314,561	-	314,561	266,837	(47,724)
Social Services	36,841	-	36,841	27,847	(8,994)
Other Expenditures					
Gunn Memorial Library	194,775	-	194,775	194,775	-
Pension Expense	187,118	-	187,118	148,128	(38,990)
Council on Governments	2,906	-	2,906	2,906	-
Interlocal Advisory Board	18,468	-	18,468	18,468	-
Annual Repairs	60,000	-	60,000	59,431	(569)
New Preston Cemetery	21,000	-	21,000	21,000	-
Animal Control	44,397	-	44,397	40,568	(3,829)
Newsletter and Website	9,100	-	9,100	4,671	(4,429)
Total Other Expenditures	537,764	-	537,764	489,947	(47,817)
Education	11,536,171	-	11,536,171	11,536,171	-

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

Town of Washington
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non - GAAP Budgetary Basis)
Year Ended June 30, 2024

Expenditures (continued):	Original Budget	Continuing and Additional Appropriations	Final Budget	Actual	Variance With Final Budget Over (Under)
Continuing Appropriations					
Revaluation	-	64,574	64,574	44,880	(19,694)
Conservation and Development	-	11,569	11,569	-	(11,569)
Legal Litigation	25,000	140,813	165,813	2,888	(162,925)
Health Reimbursement Benefit	-	79,588	79,588	-	(79,588)
Total Continuing appropriations	<u>25,000</u>	<u>296,544</u>	<u>321,544</u>	<u>47,768</u>	<u>(273,776)</u>
Total Expenditures	<u>18,083,253</u>	<u>298,644</u>	<u>18,381,897</u>	<u>17,486,727</u>	<u>(895,170)</u>
Other Financing Uses - Operating Transfers Out					
Judea Cemetery	23,000	-	23,000	23,000	-
Affordable Housing Fund	25,000	100,000	125,000	125,000	-
Non-recurring Capital Exp. Fund	2,810,301	-	2,810,301	2,810,301	-
Total transfers out	<u>2,858,301</u>	<u>100,000</u>	<u>2,958,301</u>	<u>2,958,301</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>20,941,554</u>	<u>398,644</u>	<u>21,340,198</u>	<u>20,445,028</u>	<u>(895,170)</u>
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses					
	(1,628,528)	(398,644)	(2,027,172)	802,295	2,829,467
Fund Balance at beginning of year	<u>1,628,528</u>	<u>398,644</u>	<u>2,027,172</u>	<u>9,192,655</u>	<u>7,165,483</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,994,950</u>	<u>\$ 9,994,950</u>

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

Town of Washington
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended JUNE 30, 2024

Basis:

The Schedule of Revenues, Expenditures and Changes in Fund Balance of the General Fund Budget and Actual (Non-GAAP Budgetary Basis) present a comparison of the original and final legally-adopted budget with actual data on a budgetary basis.

Continuing Appropriations - The Town budgets committed fund balance as continuing appropriations. Pursuant to the legislative authority, these continuing appropriations do not lapse at year end, but are carried forward until expended or changed by legislative authority.

Reconciliation between Budgetary Basis and Generally Accepted Accounting Principles (GAAP) Basis:

The budget for the General Fund has been prepared substantially on the cash basis, whereas actual revenues and expenditures were determined on the modified accrual basis. The budget comparison was not adjusted to the cash basis because the differences were not significant. Expenditures in excess of appropriations in budget line items are primarily due to the addition of accruals at year end.

For budgeting purposes, the Town recognizes as revenue educational refunds of prior year fund balances and other credits from Regional School District #12. GAAP requires that refunds for prior year and other credits be offset against educational expenditures.

GASB requires that the Volunteer Firefighter & EMT Service Program, also known as, Length of Service Award Plan (LOSAP) be accounted for in the General Fund. For budgeting purposes, the Town recognizes LOSAP contributions as expenditures. Under GAAP, LOSAP contributions do not meet the definition of expenditures, but rather restricted funds to the LOSAP participants. Additionally, the Town does not budget for LOSAP investment activity. GAAP requires the investment activity income to be recorded as revenue and benefit payments and investment fees be recorded as expenditures.

For budget purposes, the Town accounts for long term lease receivable on a cash basis while for GAAP purposes GASB #87 is followed.

Town of Washington
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended JUNE 30, 2024

The difference between GAAP and the budgetary basis is as follows:

	<u>General Fund</u>		
	<u>Total Revenues and Other Financing Sources</u>	<u>Total Expenditures and Transfers/ Other Financing Uses</u>	<u>Fund Balance</u>
Actual - Non-GAAP Budgetary Basis June 30, 2024	\$ 21,247,323	\$ 20,445,028	\$ 9,994,950
Prior Year Refund from RSD #12 Offsets Expenditures	(300,223)	(300,223)	-
To offset transfer in with transfers out	(473,276)	(473,276)	-
To reclass sale of land to Other Financing Sources	(101,500)	(101,500)	-
LOSAP activity:			
Accumulated LOSAP activity prior to 6/30/2023	-	-	684,159
LOSAP contributions	-	(20,500)	20,500
LOSAP pension benefits	-	20,136	(20,136)
LOSAP net investment income	53,460	-	53,460
Long term lease adjustment	59	-	198
Actual GAAP - June 30, 2024	<u>\$ 20,425,843</u>	<u>\$ 19,569,665</u>	<u>\$ 10,733,131</u>

Town of Washington
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2024	2023	2022	2021	2,020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 40,262	\$ 44,781	\$ 46,133	\$ 62,198	\$ 68,532	\$ 72,851	\$ 82,602	\$ 91,439	\$ 94,845	\$ 102,325
Interest	223,111	217,297	218,499	222,411	221,760	211,024	205,734	201,809	190,974	184,048
Difference between expected and actual experience	113,688	(16,336)	(88,789)	(46,145)	118,752	3,107	(49,976)	66,239	(8,445)	(7,780)
Benefit payments, including refunds of member contributions	(255,890)	(276,926)	(259,180)	(241,109)	(208,099)	(197,151)	(171,812)	(152,722)	(150,434)	(137,463)
Net change in total pension liability	121,171	(31,184)	(83,337)	(2,645)	200,945	89,831	66,548	206,765	126,940	141,130
Total pension liability - beginning	4,041,224	4,072,408	4,155,745	4,158,390	3,957,445	3,867,614	3,801,066	3,594,301	3,467,361	3,326,231
Total pension liability - ending	4,162,395	4,041,224	4,072,408	4,155,745	4,158,390	3,957,445	3,867,614	3,801,066	3,594,301	3,467,361
Plan fiduciary net position										
Contributions - employer	50,000	40,000	70,000	125,000	130,000	100,000	140,000	140,000	140,000	159,275
Net investment income	519,460	320,663	(303,727)	909,658	112,231	207,079	271,199	362,535	59,616	60,532
Benefit payments, including refunds of member contributions	(235,890)	(276,926)	(259,180)	(241,109)	(208,099)	(197,151)	(171,812)	(152,722)	(150,434)	(137,463)
Net change in plan fiduciary net position	313,570	83,737	(492,907)	793,549	34,132	109,928	239,387	349,813	49,182	82,344
Plan fiduciary net position - beginning	4,202,668	4,118,931	4,611,838	3,818,289	3,784,157	3,674,229	3,434,842	3,085,029	3,035,847	2,953,503
Plan fiduciary net position - ending	4,516,238	4,202,668	4,118,931	4,611,838	3,818,289	3,784,157	3,674,229	3,434,842	3,085,029	3,035,847
Net Pension Liability (Asset) - Ending	\$ (353,843)	\$ (161,444)	\$ (46,523)	\$ (456,093)	\$ 340,101	\$ 173,288	\$ 193,385	\$ 366,224	\$ 509,272	\$ 431,514
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	108.50%	103.99%	101.14%	110.97%	91.82%	95.62%	95.00%	90.37%	85.83%	87.55%
Covered Employee Payroll	\$ 321,192	\$ 423,603	\$ 434,950	\$ 582,604	\$ 641,623	\$ 760,466	\$ 803,376	\$ 880,632	\$ 915,138	\$ 965,273
Net Pension Liability as a percentage of covered employee payroll	-110.17%	-38.11%	-10.70%	-78.29%	53.01%	22.79%	24.07%	41.59%	55.65%	44.70%

**Town of Washington
Schedule of Employer Contributions
Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 41,955	\$ 0	\$ 13,629	\$ 63,302	\$ 124,721	\$ 85,748	\$ 124,764	\$ 149,687	\$ 128,579	\$ 135,255
Contributions in relation to the actuarially determined contribution	50,000	40,000	70,000	125,000	130,000	100,000	140,000	140,000	140,000	159,275
Contribution Deficiency (Excess)	\$ (8,045)	\$ (40,000)	\$ (56,371)	\$ (61,698)	\$ (5,279)	\$ (14,252)	\$ (15,236)	\$ 9,687	\$ (11,421)	\$ (24,020)
Covered employee payroll	\$ 321,192	\$ 423,603	\$ 434,950	\$ 582,604	\$ 641,623	\$ 760,466	\$ 803,376	\$ 880,632	\$ 915,138	\$ 965,273
Contributions as a percentage of covered employee payroll	15.57%	9.44%	16.09%	21.46%	20.26%	13.15%	17.43%	15.90%	15.30%	16.50%

Notes to Schedule

Valuation date: January 1, 2023
Measurement date: June 30, 2024

Actuarially determined contribution rates are calculated as of January 1, eighteen months prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate method with no supplemental liability
Amortization method	Not applicable, cost method does not identify actuarial liabilities separately
Remaining amortization period	Not applicable
Asset valuation method	Fair market value
Inflation	Not separately stated
Salary increases	3.5%
Investment rate of return	5.5%
Retirement age	100% normal retirement age
Mortality	1983 group annuity male mortality table (setback six years for female)

Other items:

Changes in benefit terms: None
Changes of assumptions: None

**Town of Washington
 Schedule of Investment Returns
 Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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Annual money-weighted rate of return, net of investment expense	2.00%	1.97%	11.61%	7.82%	5.67%	2.96%	23.92%	-6.69%	8.01%	12.64%
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Town of Washington
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2024

	Special Revenue Funds										Capital	
	Judea Cemetery Fund	Park and Recreation Fund	Senior Center Fund	Greenway Committee Fund	Document Preservation Fund	Recycling Fund	After School Fund	Community Center Fund	American Rescue Plan Act Fund	Art Council Fund	Project Fund Affordable Housing Fund	Total
Assets:												
Cash and cash equivalents	\$ 91,613	\$ 105,707	\$ 2,433	\$ 755	\$ 18,505	\$ 35,693	\$ 8,916	\$ 100	\$ 55,790	\$ 525	\$ 311,126	\$ 631,163
Investments - at fair value	39,000	-	2,715	-	-	66,794	-	-	-	-	77,925	186,434
Due from other funds	-	5,886	-	-	-	-	-	-	-	-	-	5,886
Mortgage and other receivable	-	5,000	-	-	-	-	-	-	-	-	60,000	65,000
Total Assets	\$ 130,613	\$ 116,593	\$ 5,148	\$ 755	\$ 18,505	\$ 102,487	\$ 8,916	\$ 100	\$ 55,790	\$ 525	\$ 449,051	\$ 888,483
Liabilities:												
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:												
Nonspendable:												
Perpetual Care Principal	66,526	-	-	-	-	-	-	-	-	-	-	66,526
Restricted for:												
Social services	-	-	5,148	755	-	-	-	-	-	-	-	5,148
Community beautification	-	-	-	-	-	-	-	-	-	-	-	755
Document preservation	-	-	-	-	18,505	-	-	-	-	-	-	18,505
After school programs	-	-	-	-	-	-	8,916	-	-	-	-	8,916
Senior/Community center	-	-	-	-	-	-	-	100	-	-	-	100
COVID related expenditures	-	-	-	-	-	-	-	-	55,790	-	-	55,790
Art Council	-	-	-	-	-	-	-	-	-	525	-	525
Committed to:												
Parks and recreation	-	116,593	-	-	-	-	-	-	-	-	-	116,593
Cemetery operation	64,087	-	-	-	-	-	-	-	-	-	-	64,087
Affordable housing	-	-	-	-	-	-	-	-	-	-	389,051	389,051
Down payment assistance	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Assigned for:												
Recycling	-	-	-	-	-	102,487	-	-	-	-	-	102,487
Total Fund Balances	\$ 130,613	\$ 116,593	\$ 5,148	\$ 755	\$ 18,505	\$ 102,487	\$ 8,916	\$ 100	\$ 55,790	\$ 525	\$ 449,051	\$ 888,483
Total Liabilities and Fund Balances	\$ 130,613	\$ 116,593	\$ 5,148	\$ 755	\$ 18,505	\$ 102,487	\$ 8,916	\$ 100	\$ 55,790	\$ 525	\$ 449,051	\$ 888,483

Town of Washington
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2024

	Special Revenue Funds										Capital	
	Judea Cemetery Fund	Park and Recreation Fund	Senior Center Fund	Greenway Committee Fund	Document Preservation Fund	Recycling Fund	After School Fund	Community Center Fund	American Rescue Plan Act Fund	Art Council Fund	Project Fund Affordable Housing Fund	Total
Revenues:												
Investment income	\$ 179	\$ 3,763	\$ 108	\$ 1	\$ 4	\$ 3,561	\$ -	\$ -	\$ 2,952	\$ -	\$ 11,714	\$ 22,282
Program fees and other receipts	12,000	66,551	5,023	-	1,861	5,177	31,574	-	-	525	-	122,711
Total Revenues	<u>12,179</u>	<u>70,314</u>	<u>5,131</u>	<u>1</u>	<u>1,865</u>	<u>8,738</u>	<u>31,574</u>	<u>-</u>	<u>2,952</u>	<u>525</u>	<u>11,714</u>	<u>144,993</u>
Expenditures:												
Cemetery expenditures	8,490	-	-	-	-	-	-	-	-	-	-	8,490
Programs and activities	-	54,938	4,732	24	460	444	33,579	-	35,000	-	11,393	140,570
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>8,490</u>	<u>54,938</u>	<u>4,732</u>	<u>24</u>	<u>460</u>	<u>444</u>	<u>33,579</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>11,393</u>	<u>149,060</u>
Excess (Deficiency) of revenues over expenditures	3,689	15,376	399	(23)	1,405	8,294	(2,005)	-	(32,048)	525	321	(4,067)
Other Financing Sources:												
Operating transfers in	23,000	-	-	-	-	-	-	-	-	-	125,000	148,000
Net Change in Fund Balances	26,689	15,376	399	(23)	1,405	8,294	(2,005)	-	(32,048)	525	125,321	143,933
Fund Balances:												
Beginning of Year	103,924	101,217	4,749	778	17,100	94,193	10,921	100	87,838	-	323,730	744,550
End of Year	<u>\$ 130,613</u>	<u>\$ 116,593</u>	<u>\$ 5,148</u>	<u>\$ 755</u>	<u>\$ 18,505</u>	<u>\$ 102,487</u>	<u>\$ 8,916</u>	<u>\$ 100</u>	<u>\$ 55,790</u>	<u>\$ 525</u>	<u>\$ 449,051</u>	<u>\$ 888,483</u>

Town of Washington
Combining Statement of Fiduciary Net Position
Pension Trust Funds
Year Ended June 30, 2024

	Defined Benefit Plan	Defined Contribution Plan	Totals
Assets:			
Cash and cash equivalents	\$ 324,497	\$ -	\$ 324,497
Employer contribution receivable	-	89,328	89,328
Accrued interest	10,617	-	10,617
Investments - at fair value	<u>4,181,124</u>	<u>289,203</u>	<u>4,470,327</u>
Total Assets	\$ 4,516,238	\$ 378,531	\$ 4,894,769
Net Position:			
Held in trust for pension benefits	<u>\$ 4,516,238</u>	<u>\$ 378,531</u>	<u>\$ 4,894,769</u>
Total Net Position	<u>\$ 4,516,238</u>	<u>\$ 378,531</u>	<u>\$ 4,894,769</u>

Town of Washington
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended June 30, 2024

	Defined Benefit Plan	Defined Contribution Plan	Totals
Additions:			
Town contributions	\$ 50,000	\$ 89,328	\$ 139,328
Investment income:			
Change in fair values of investments	257,664	22,361	280,025
Interest and dividends	126,348	5,529	131,877
Realized gain on the sale of investments	157,178	-	157,178
Gross investment income	<u>541,190</u>	<u>27,890</u>	<u>569,080</u>
Less: investment expense	<u>21,730</u>	<u>2,720</u>	<u>24,450</u>
Net investment income	<u>519,460</u>	<u>25,170</u>	<u>544,630</u>
Total additions	569,460	114,498	683,958
Deductions:			
Pension benefits	<u>255,890</u>	<u>11,398</u>	<u>267,288</u>
Change in Net Position	313,570	103,100	416,670
Net Position - Beginning of year	<u>4,202,668</u>	<u>275,431</u>	<u>4,478,099</u>
Net Position - End of year	<u>\$ 4,516,238</u>	<u>\$ 378,531</u>	<u>\$ 4,894,769</u>

Town of Washington
Schedule of Property Taxes Levied, Collected and Outstanding (Report of the Tax Collector)
Year Ended June 30, 2024

	Taxes Receivable July 1, 2023	LAWFUL CORRECTIONS		Net Transfers (To) From Suspense	Adjusted Taxes Receivable	COLLECTIONS		Taxes Receivable June 30, 2024	
		Lawful Additions	Corrections Reductions			Taxes and other costs	Total Net Collections		
2022 \$	18,542,719 \$	26,189 \$	(26,572) \$	- \$	18,542,336 \$	18,447,775 \$	48,430 \$	18,496,205 \$	94,561
2021	101,827	15,071	(5,565)	-	111,333	98,535	17,834	116,369	12,798
2020	12,913	12,140	(6,717)	(4,816)	13,520	12,901	5,678	18,579	619
2019	53	333	-	-	386	386	2	388	-
2018	55	154	-	-	209	209	2	211	-
2017	-	146	-	-	146	146	-	146	-
2016	-	139	-	-	139	139	-	139	-
2015	-	132	-	-	132	132	-	132	-
2014	-	121	-	-	121	121	-	121	-
Suspense book collections	-	-	-	1,183	1,183	1,183	913	2,096	-
Totals	\$ 18,657,567	\$ 54,425	\$ (38,854)	\$ (3,633)	\$ 18,669,505	\$ 18,561,527	\$ 72,859	\$ 18,634,386	\$ 107,978

Town of Washington
Statement of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
Year Ended June 30, 2024

Total tax collections (including interest and lien fees) for the year ended June 30, 2024	\$ 18,634,386
Reimbursement for revenue loss on :	
Tax relief for elderly - (CGS 12-129d)	<u>80</u>
Total Receipts From Taxation For The Year Ended June 30, 2024 (Base)	<u>\$ 18,634,466</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times Base	\$ 41,927,549	\$ -	\$ -	\$ -	-
4 1/2 times Base	-	83,855,097	-	-	-
3 3/4 times Base	-	-	69,879,248	-	-
3 1/4 times Base	-	-	-	60,562,015	-
3 times Base	-	-	-	-	55,903,398
Total Debt Limitation	<u>41,927,549</u>	<u>83,855,097</u>	<u>69,879,248</u>	<u>60,562,015</u>	<u>55,903,398</u>

Indebtedness:

Town's share of Shepaug Regional School District #12 debt, at 47.64%

General Obligation Bonds issued 4/10/19 - \$6,375,000	-	3,037,050	-	-	-
General Obligation Term Loan issued 8/16/22 - \$2,250,000	-	1,071,900	-	-	-
General Obligation Bond Anticipation Note issued 8/15/23 - \$3,500,000	-	1,667,400	-	-	-
Bond Anticipation Note issued 3/12/2024	4,740,000	-	-	-	-
Total Indebtedness	<u>4,740,000</u>	<u>5,776,350</u>	<u>-</u>	<u>-</u>	<u>-</u>

Debt Limitation In Excess Of Outstanding And Authorized Debt	<u>\$ 37,187,549</u>	<u>\$ 78,078,747</u>	<u>\$ 69,879,248</u>	<u>\$ 60,562,015</u>	<u>\$ 55,903,398</u>
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NOTE: In no case shall total indebtedness exceed seven times annual receipts from taxation.

Appendix B

Form of Legal Opinion of Bond Counsel and Tax Exemption

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APPENDIX B – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Washington, Connecticut
Town Hall
2 Bryan Hall Plaza
Washington Depot, Connecticut 06794

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Washington, Connecticut (the "Town") of its \$4,500,000 General Obligation Bonds, Issue of 2025, dated December 2, 2025, maturing December 1, 2026-2040 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of December 2, 2025, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds are valid and binding general obligations of the Town payable, with respect 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 classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement 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 will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax on corporations under the Code.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Bonds. In rendering the foregoing opinions regarding the federal income tax 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 Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. We are 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 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.

The rights of the holders of the Bonds and the enforceability of the Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds **shall be** designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Changes in Federal Tax Law. Legislation affecting municipal 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 have an adverse effect on the tax-exempt status or the market price of the Bonds.

Other. Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, 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 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.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering prices of certain maturities of the Bonds (the "OID Bonds") may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount ("OID"). The offering prices relating to the yields set forth in this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner's basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

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

ORIGINAL ISSUE PREMIUM.

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

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Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed 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 a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 2nd day of December, 2025 by the Town of Washington, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of \$4,500,000 General Obligation Bonds, Issue of 2025, of the Town, dated December 2, 2025 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

(ii) the following financial information and operating data to the extent not included in the financial statements described in (i) above:

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon;
 - C. percentage of the annual property tax levy uncollected as of the close of the preceding 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 direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2025. The Town agrees that if audited information is not available eight months after the close of the fiscal year, 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 reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Town 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 for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Listed Events.

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, 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 security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

Section 4. Notice of Failure to Provide Annual Financial Information.

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 6. Termination.

The obligations of the Town 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 Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 8. Enforcement.

The Town 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 Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Finance Director receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director is Town of Washington, 2 Bryan Plaza, Washington Depot, Connecticut 06794. In the event the Town 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 Town expressly acknowledges and the beneficial owners are hereby deemed to expressly 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 9. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide 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 Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) 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 Town, (ii) the Agreement as so amended or waived 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 Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WASHINGTON, CONNECTICUT

By _____
James L. Brinton
First Selectman

By _____
Ashley N. Judson
Treasurer

By _____
Linda Kennedy Gomez
Finance Director

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Appendix D

Notice of Sale

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NOTICE OF SALE

\$4,500,000

TOWN OF WASHINGTON, CONNECTICUT

**GENERAL OBLIGATION BONDS, ISSUE OF 2025
BOOK-ENTRY-ONLY**

ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System (“PARITY”) will be received by the Town of Washington, Connecticut (the "Town") at the Office of Phoenix Advisors, 53 River Street, Milford, Connecticut 06460, until **11:30 A.M. (Eastern Time) on WEDNESDAY,**

NOVEMBER 19, 2025

for the purchase, when issued, of the whole of the Town's \$4,500,000 General Obligation Bonds, Issue of 2025, dated December 2, 2025, bearing interest payable semiannually on December 1 and June 1 in each year until maturity, commencing June 1, 2026, and maturing on December 1 in each year as follows:

2026	\$300,000	2034	\$300,000
2027	\$300,000	2035	\$300,000
2028	\$300,000	2036	\$300,000
2029	\$300,000	2037	\$300,000
2030	\$300,000	2038	\$300,000
2031	\$300,000	2039	\$300,000
2032	\$300,000	2040	\$300,000
2033	\$300,000		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about December 2, 2025. The Bonds **shall be** designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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.

The Bonds maturing on or before December 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing on December 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after December 1, 2032, 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, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2032 and thereafter	100%

Proposals. All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$4,500,000 Bonds, or for less than par and accrued interest, will be considered.**

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town 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 2, 2025, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one 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. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY® by **11:30 A.M. (Eastern Time), on Wednesday, November 19, 2025**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal 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. 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.

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular proposal complies

with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY® are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY®, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code; and (3) that 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.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the "issue price" of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an "Issue Price Certificate") and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Mr. Barry Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (Phoenix Advisors), Email: bbernabe@muniadvisors.com, Telephone: (203) 283-1110, municipal advisor to the Town (the "Municipal Advisor").

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

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of November 19, 2025 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Preliminary Official Statement and Official Statement. The Town has prepared a Preliminary Official Statement dated November 11, 2025 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

DTC Book-Entry. The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced 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 adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Certifying, Transfer and Paying Agent; Registrar. The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor, Phoenix Advisors, to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Phoenix Advisors will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and provide them to the Town in a timely manner. 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 for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date. The winning purchaser'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.

Additional Information. For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated November 11, 2025. The Preliminary Official Statement may be accessed via the Internet at <https://MuniHub.com>. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and Official Statement may be obtained from Mr. Barry Bernabe, Managing Director, Phoenix Advisors, Email: bbernabe@muniadvisors.com, Telephone: (203) 283-1110.

November 11, 2025	James L. Brinton First Selectman	Ashley N. Judson Treasurer	Linda Kennedy Gomez Finance Director
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ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Washington, Connecticut
 \$4,500,000 General Obligation Bonds, Issue of 2025

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated November 11, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
12/01/2026	\$300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2027	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2028	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2029	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2030	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2031	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2032	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2033	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2034	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2035	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2036	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2037	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2038	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2039	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/01/2040	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

**[NAME OF UNDERWRITER/
REPRESENTATIVE]**

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on November 20, 2025:

Bond Counsel: mritter@goodwin.com **Municipal Advisor:** bbernabe@muniadvisors.com