

Preliminary Official Statement Dated February 4, 2026

New Money Issue: Book-Entry Only

RATINGS: S&P Global Ratings: "AAA"

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



Town of South Windsor, Connecticut

\$14,600,000

General Obligation Bonds, Issue of 2026

Dated: **Date of Delivery**

**Due: Serially on February 15, 2027-2044,
as detailed below:**

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2027	\$ 810,000	._%	._%	840772	2036	\$ 810,000	._%	._%	840772
2028	810,000	._%	._%	840772	2037	810,000	._%	._%	840772
2029	810,000	._%	._%	840772	2038	810,000	._%	._%	840772
2030	810,000	._%	._%	840772	2039	810,000	._%	._%	840772
2031	810,000	._%	._%	840772	2040	810,000	._%	._%	840772
2032	810,000	._%	._%	840772	2041	815,000	._%	._%	840772
2033	810,000	._%	._%	840772	2042	815,000	._%	._%	840772
2034	810,000	._%	._%	840772	2043	815,000	._%	._%	840772
2035	810,000	._%	._%	840772	2044	815,000	._%	._%	840772

The General Obligation Bonds, Issue of 2026 (the "Bonds") will bear interest payable August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption.

Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (E.T.) on Wednesday, February 11, 2026 at South Windsor Town Hall, Madden Room, 1540 Sullivan Avenue, South Windsor, Connecticut 06074, as described in the official Notice of Sale. (See Appendix D herein).

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 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.

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

The Bonds will be general obligations of the Town of South Windsor, 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 Registrar, Transfer Agent, Paying Agent and Certifying Agent will be U.S. Bank Trust Company, National Association, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole 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 February 25, 2026.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the 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 to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

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

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

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

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

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

(Remainder of page left blank intentionally)

Table of Contents

	<i>Page</i>		<i>Page</i>
Bond Issue Summary	1	IV. Tax Base Data	23
I. Bond Information	2	Assessment Practices	23
Introduction	2	Tax Collection Procedures	24
Municipal Advisor	2	Property Tax Levy and Collection	24
Consideration for Bond Holders	2	Comparative Assessed Valuations	25
Climate Change	3	Ten Largest Taxpayers	25
Cybersecurity	3	V. Debt Summary	26
Security Measures	3	Principal Amount of Bonded Indebtedness	26
Description of the Bonds	3	Short-Term Debt	26
Optional Redemption	4	Annual Bonded Debt Maturity Schedule	27
Authorization and Purpose	4	Overlapping/Underlying Debt	27
Use of Proceeds	4	Capital Leases	27
Book-Entry-Only Transfer System	5	Debt Statement	28
DTC Practices	6	Current Debt Ratios	28
Replacement Bonds	6	Clean Water Fund Program	29
Security and Remedies	7	Legal Requirements for Approval of Borrowing	29
Qualification for Financial Institutions	7	Temporary Financing	29
Availability of Continuing Disclosure Information	7	Limitation of Indebtedness	30
Ratings	8	School Projects	30
Tax Matters	8	Statement of Debt Limitation	31
Bond Insurance	9	Debt Authorized But Unissued	32
II. The Issuer	10	Ratios of Long-Term Debt to Valuation,	
Description of the Municipality	10	Population and Income	33
Form of Government	11	Principal Amount of Outstanding Debt	33
Principal Municipal Officials	12	Ratio of Debt Service to General Fund Expenditures	33
Organizational Chart	13	VI. Financial Administration	34
Summary of Municipal Services	14	Fiscal Year	34
Town Employees	16	Accounting Policies	34
Municipal Employee Bargaining Units	17	Basis of Accounting	34
Binding Arbitration	17	Budgetary Procedures	34
Educational System	18	Annual Audit	35
School Facilities	18	Capital Improvement Plan	35
School Enrollment	18	Pension Plans	36
III. Economic and Demographic Information	19	Other Post-Employment Benefits	37
Population Trends	19	Investment Policies and Practices	38
Age Distribution of the Population	19	Comparative Balance Sheets – General Fund	39
Selected Wealth and Income Indicators	19	General Fund Revenues and Expenditures	40
Income Distribution	20	Analysis of General Fund Equity	40
Major Employers	20	VII. Legal and Other Information	41
Employment Statistics	20	Litigation	41
Building Permits	21	Transcript and Closing Documents	41
Educational Attainment	21	Concluding Statement	42
Age Distribution of Housing	21	Appendix A - 2025 General Purpose Financial Statements	
Housing Inventory	22	Appendix B - Form of Opinion of Bond Counsel	
Owner Occupied Housing Values	22	Appendix C - Form of Continuing Disclosure Agreement	
		Appendix D - Notice of Sale	

Bond Issue Summary

The information in this Bond Issue Summary and on 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, February 11, 2026 at 11:30 A.M. (E.T.).
Location of Sale:	South Windsor Town Hall, Madden Room, 1540 Sullivan Avenue, South Windsor, Connecticut 06074.
Issuer:	Town of South Windsor, Connecticut (the “Town”).
Issue:	\$14,600,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	February 25, 2026.
Interest Due:	August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption.
Principal Due:	Principal is due serially on February 15, 2027 through 2044 as detailed in this Official Statement.
Authorization and Purpose:	The Bond proceeds will be used to fund various general purpose projects authorized by the Town. See “Authorized but Unissued” herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See “Optional Redemption”.
Security and Remedies:	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:	The Town received a rating of “AAA” from S&P Global Ratings on the Bonds.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bond Insurance:	The Town does not expect to direct purchase a credit enhancement facility.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
Continuing Disclosure:	See Appendix C “Form of Continuing Disclosure Agreement” hereto.
Registrar, Transfer Agent, Certifying Agent, & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), Milford, Connecticut, Telephone (203) 878-4945.
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 February 25, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning this Official Statement should be directed to Patricia Perry, Director of Finance, Town of South Windsor, Town Hall, 1540 Sullivan Avenue, South Windsor, Connecticut 06074, Telephone: (860) 644-2511 or Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Milford, Connecticut, Telephone: (203) 878-4945.

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 South Windsor, Connecticut (the “Town”), in connection with the original issuance and sale of \$14,600,000 General Obligation Bonds, Issue of 2026 (the “Bonds”) of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

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

The Bonds are being offered for sale at public bidding. A Notice of Sale for the Bonds, dated February 4, 2026, has been furnished to prospective bidders containing terms and conditions of the bidding. (See Appendix D herein).

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed substantially in the form set forth in Appendix C to this Official Statement. The successful bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, executed copies of the Continuing Disclosure Agreement.

U.S. Bank Trust Company, National Association will certify and act as the Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

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 the Town 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.

Consideration for Bond Holders

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

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 Town cannot predict the timing, extent or severity of climate change and its impact on the Town's operations and finances.

Cybersecurity

The Town government has had no cyber security breaches as of the date of this rating presentation. The Town has adopted and maintains an active Cybersecurity Program ("CSP") that includes policies reviewed annually by its internal Information Security Team (IST) and shared with the Town's independent third-party auditors and consultants. The IST is responsible for overseeing the annual review of the CSP and its alignment with the strategic plan and direction of the Town of South Windsor, CT. The IST worked with its regional planning agency (CRCOG) to create policies and procedures which are consistent with public agency standards as well as staying aligned with governance, risk, and compliance. All Town employees are required to participate in South Windsor's Information Security Education and Awareness Training program. The Town's Information Security Team is responsible for providing guidance and education on the implementation of all new technologies based on the Town's CSP. The IST oversees the monitoring of potential threats and vulnerabilities, protects against virus and malware attacks, and investigates any potential unauthorized activity on South Windsor's network.

Security Measures

The IST conducts routine visits to all municipal facilities to review both physical security of its technology infrastructure and Town user behaviors. All users are required to participate in the Town's cybersecurity awareness program, ensure their two-factor fobs/devices are secure, and report any unusual activity or behavior to the IST immediately. The IST cyber security approach is designed in layers. The Town has devices and policies to protect and harden the network perimeter as well as its interior. The Town relies on both artificial intelligence and human surveillance to protect the systems. The Town's redundant data centers are located in secure facilities beyond public access. The IST mission is to ensure the Town's ability to continually deliver services to its citizens through its safeguards, cyber insurance, and redundant systems.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rates as set forth on the cover page of this Official Statement, payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption. 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 last business day of January and July, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the Town shall agree. The Bonds are subject to redemption prior to maturity. See "Optional Redemption" herein.

(Remainder of page left blank intentionally)

Optional Redemption

The Bonds maturing on or before February 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2034 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on and after February 15, 2033 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective 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:

<i>Period During Which Redeemed</i>	<i>Redemption Price</i>
February 15, 2033 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 at least thirty (30) days prior to the date fixed for redemption to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of 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 Bond 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-only 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. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry-only 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 reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town, and bond resolutions adopted and approved by the electors of the Town at referendum.

Use of Proceeds

<i>Project</i>	<i>Amount Authorized</i>	<i>This Issue: The Bonds</i>
Open Space Acquisitions (2009).....	\$ 2,000,000	\$ 1,600,000
Pleasant Valley Elementary School.....	58,500,000	3,000,000
2022 - Road Paving/Sidewalks & Drainage.....	35,470,000	10,000,000
Total.....	\$ 95,970,000	\$ 14,600,000

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and 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, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by S&P Global Ratings. 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 Bond ("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 the 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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.

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 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest 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 the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town may decide to discontinue use of the system of book-entry 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 provided by DTC. 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

The determination of the Town authorizing the Bonds provides for issuance of fully registered Bond certificates directly to Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. 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.

(Remainder of page left blank intentionally)

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 ad valorem taxes which may be levied on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

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 payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

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

Qualification for Financial Institutions

The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

Availability of Continuing Disclosure Information

The Town will enter into a continuing disclosure agreement with respect to the Bonds (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data with respect to the Bonds, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such 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. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements, for the benefit of holders of certain of its bonds and notes, to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). During the last five (5) years, the Town has not failed to comply, in all material respects, with any of its undertakings in its continuing disclosure agreements.

Ratings

The Town received a rating of “AAA” from S&P Global Ratings (“S&P”) on the Bonds. The Town furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the Town.

Generally, the rating agencies base their rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s outstanding bonds and notes, including this issue.

The Town expects to furnish to S&P information and materials that it may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town’s Municipal Advisor recommends that all bonded debt be submitted for a credit rating.

Tax Matters

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

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, 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 computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations.

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

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

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

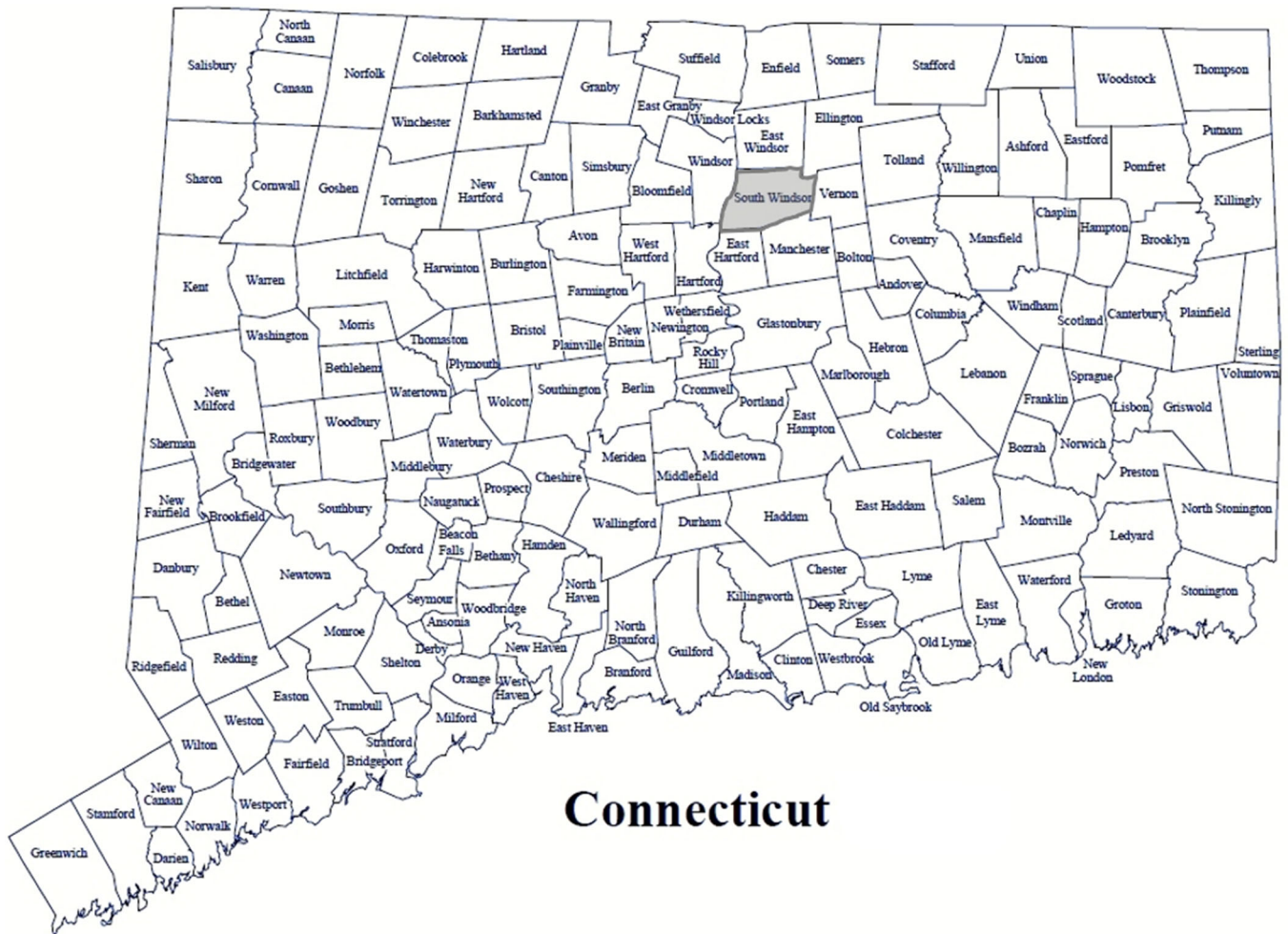
Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds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

Bond Insurance

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

(Remainder of page left blank intentionally)

II. The Issuer



Description of the Municipality

The Town was originally founded in 1633 as part of Windsor and incorporated as a separate municipality in 1845. Historically, the Town has primarily been an agricultural community due to its fertile land and abundant water resources. Today, however, South Windsor affords a blend of residential living, high-tech industry and open space.

Situated just northeast of Hartford, the Town occupies 28.5 square miles, and is bounded by East Windsor and Ellington to the north, Vernon to the east, Manchester and East Hartford to the south, and the Connecticut River to the west. The Town is located equidistant from New York City and Boston and is only 20 miles south of Springfield, Massachusetts. South Windsor has immediate access to interstates 84, 91 and 291 and is only minutes from Bradley International Airport. Freight lines connect the Town to the entire northeast corridor.

Land use in South Windsor remains varied and diverse. Residential use, a majority of which is single family, occupies 41% of the acreage, while commercial and industrial land use and mixed-use land comprises approximately 15%. Other land consists of 16% open space, 9% ROW/Utilities and 19% of vacant land.

Major industries include aircraft electromechanical systems, optical and laser technologies, assisted living/healthcare systems, financial services, printing and graphic systems, transportation and warehousing and retail trade.

The Town Plan of Conservation and Development was initially adopted in 1968 with revisions in 2002, 2013, 2014 and 2024. Comprehensive zoning regulations were first adopted in 1928 and are revised on a periodic basis to reflect current development standards and practices. Both have resulted in a balanced economy, improved residential development and a stabilized tax base. The Town has embarked on some new and exciting projects that will help shape the future. The Plan of Conservation and Development, in conjunction with the Town's Strategic Plan, identify past, present and future needs in a positive and effective manner.

The Town's modern educational facilities include four elementary schools, one middle school and one high school. There are more than a dozen local colleges and universities in the area for both undergraduate and graduate studies.

The Town has nearly 1,200 undeveloped acres of commercial and industrial land as well as areas that have been targeted for redevelopment. The Town is well suited for continued growth because of its: (1) proximity to the major metropolitan areas of New York City, Boston, Springfield and Hartford, (2) immediate access to highly developed interstate highways and railways, (3) exemplary education system and (4) active search for industrial and commercial growth through its economic development program and tax incentives. It is anticipated that ongoing negotiations will bring additional employment opportunities to the Town in the future.

South Windsor has a well-balanced, economically diverse mix of businesses and light manufacturing uses, commercial office buildings, medical facilities and retail space. The number of Residential and Commercial Building Permits totaled 1,207 through December 31, 2025. Notable Development included the following:

- Construction is complete at 150-158 Sullivan Avenue with three units totaling 32,000 square feet of Retail/Office space. Two buildings are completely leased;
- Sitework has started on the additional Tempo 165 apartment units at Evergreen Walk;
- Construction has begun for a 30,000 square foot warehouse for United Delivery at 500 Sullivan Avenue; and
- Site work has begun on development of 13 acres on Buckland Road, which will include three pad sites for mixed use;
- Early plans for a 210 unit age restricted residential community, to be known as Wheeler Road Carriage Homes, have been submitted to Planning & Zoning; and
- Construction has begun on 240 Deming Street for 55 rental units and will qualify as "assisted housing".

Form of Government

Since 1960, the Town has been organized under the Council-Manager form of government with a Council elected at large (the "Town Council"). The legislative function is performed by a bipartisan Town Council, consisting of nine members, elected biennially for two-year terms. Minority political party representation is guaranteed in that no political party may have more than six members. The Town Council elects a Mayor from its membership to serve a two-year term. The Council appoints the Town Manager for an indefinite term. The Town Manager is the Chief Administrative Officer of the Town and serves at the pleasure of the Town Council. The Town Manager is appointed by the Town Council on the basis of professional executive training and other qualifications.

The Town Manager is directly responsible to the Town Council for planning, organizing and directing municipal activities, except schools and commissions appointed by the Town Council, and also serves as the Personnel Director.

The Town Manager appoints department heads; oversees the compliance of local laws and ordinances; provides recommendations and reports to the Town Council; prepares the annual budget and the annual report; keeps the Town Council advised on the Town's financial condition; and performs other duties prescribed by Charter, ordinance or Town Council resolution.

The Town's full time professional staff include the Town Manager, Assistant Town Manager/Director of Information Technology, Director of Human Resources, Director of Finance, Assessor, Collector of Revenue, Director of Public Works, Town Engineer, Director of Planning, Director of Parks and Recreation, Chief Building Official, Town Clerk, Police Chief, Library Director, Director of Youth & Family Services, Director of Adult & Senior Services, Environmental Health Officer and Fire Marshal.

Principal Municipal Officials

Office	Name	Term	Length of Service
Mayor.....	Craig Zimmerman	2 years - Elected	< 1 year
Deputy Mayor.....	Andrew Paterna	2 years - Elected	< 1 year
Town Council.....	Richard Balboni	2 years - Elected	3 years
Town Council.....	Maura C. Fitzgerald	2 years - Elected	3 years
Town Council.....	Steven King Jr.	2 years - Elected	3 years
Town Council.....	Liz Pendleton	2 years - Elected	3 years
Town Council.....	Audrey Delnicki	2 years - Elected	< 1 year
Town Council.....	Steven Cordeiro	2 years - Elected	< 1 year
Town Council.....	Michael Ouellette	2 years - Elected	< 1 year
Chairwoman, Board of Education..	Genevieve Coursey	2 years - Elected	< 1 year
Town Treasurer.....	Rose Maturo	2 years - Elected	< 1 year
Town Manager.....	Michael Maniscalco	Appointed	6 years
Director of Finance.....	Patricia Perry	Appointed	12 years
Town Attorney.....	Updike, Kelly & Spellacy, P.C.	Appointed	4 years
Superintendent of Schools.....	Dr. Kate Carter	Appointed	15 years

Source: Town Officials, Town of South Windsor.

Town Manager: Michael Maniscalco was appointed Town Manager in July of 2019. He is a graduate from the University of South Dakota with a Bachelor of Arts and a Masters of Public Administration in 2005 and 2008 respectively.

Mr. Maniscalco brings over a decade of government experience to the Town. He was the Administrative Manager of the Autism Program of Illinois where he oversaw the distribution of State funding to help the States 20,000 children and families affected by Autism. Mr. Maniscalco also was the Executive Director of the Logan County Economic Development Partnership where he was responsible for securing over \$1 billion in commercial investment. Previously, Michael was the Town Manager for the Town of East Hampton, Connecticut where he led the community to receive an AAA rating from S&P; the renovation of the communities High School and the construction of a new Police Department/Town Hall.

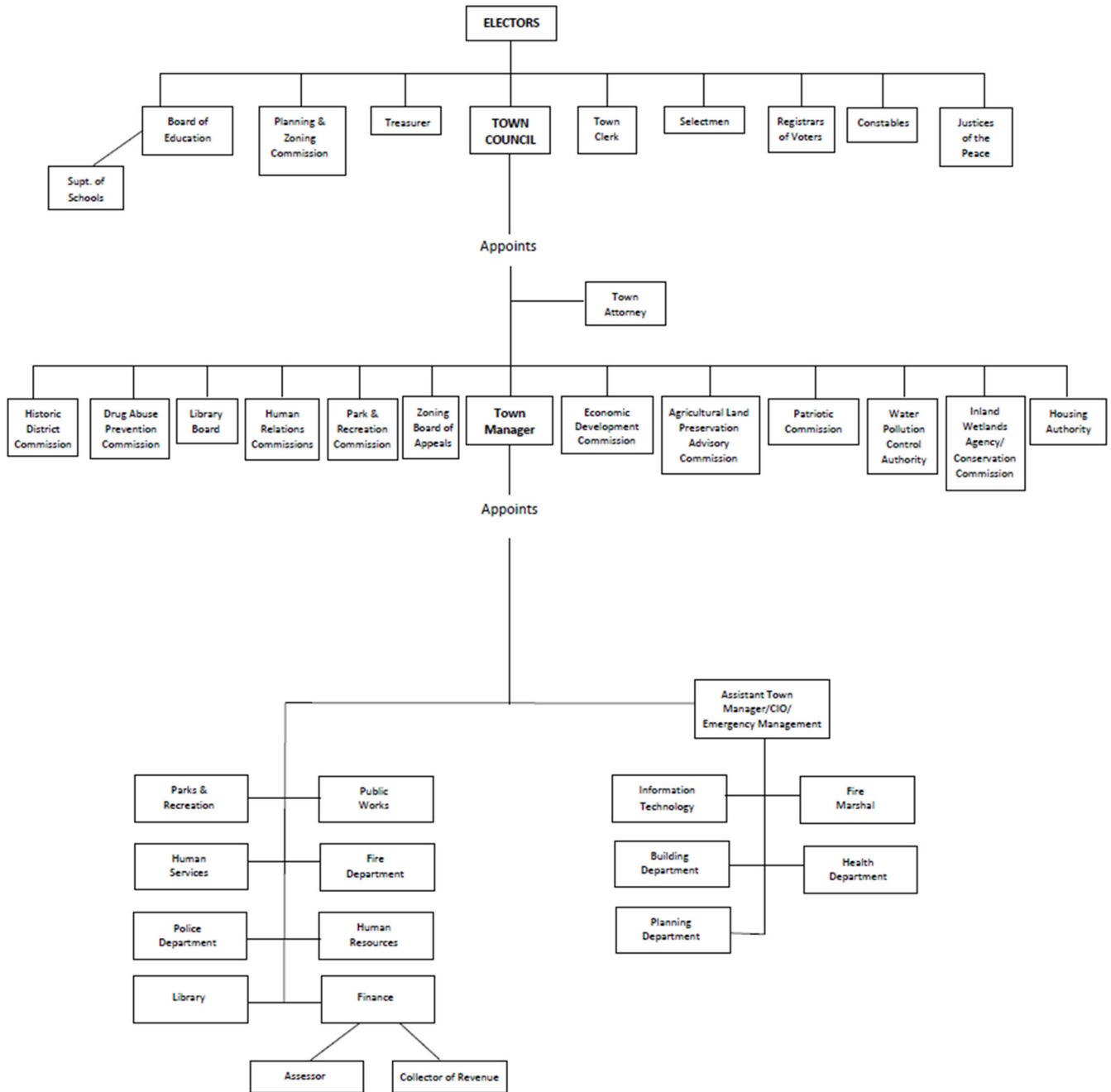
Mr. Maniscalco is a member of the International City Managers Association (ICMA). Through continued education, learning and experience he received his Credentialed Manager Certification from the ICMA.

Superintendent of Schools: Dr. Kate Carter has proudly served South Windsor Public Schools since 2009. Before becoming the district's Superintendent in September 2010, she served as the Assistant Superintendent of Personnel and Administration. Prior to her work in South Windsor, Dr. Carter had the rare opportunity to serve as a founding principal for two different schools: Nayaug Elementary School in Glastonbury; and Great Path Academy, a magnet high school that operates on the Manchester Community College campus. She began her career as a high school English teacher, and has also been an adjunct English instructor at Manchester Community College. She currently teaches at Central Connecticut State University within the 093 superintendent preparation program, the same university where she earned her Sixth Year Diploma in Educational Leadership and Doctorate Degree in Educational Leadership. Dr. Carter also holds a Master of Science degree in Education, and a Bachelor of Science degree in Environmental Conservation.

Dr. Carter is an active contributor to the field of education both in PK-12 schools as well as higher education. Dr. Carter is passionate about recruiting and mentoring the next generation of school superintendents. She has served on the Board of Directors for Connecticut Association of Public School Superintendents (CAPSS), and is a Past President of the Hartford Area Superintendents' Association. She is an active member in CAPSS serving on both the CAPSS Legislative and Technology Committees.

Dr. Carter has been a resident of South Windsor since 1999 and feels fortunate to live and work in a community she describes as deeply committed to public education. In her personal life, she is an avid proponent for the preservation of historic buildings. She is a past board member of Wood Memorial Library and the Lutz Children's Museum, and is a member of the South Windsor Historical Society.

Organizational Chart



Summary of Municipal Services

Administrative Services: The Administrative Services staff has the responsibility to provide accounting, risk management, employee benefits, purchasing, financial planning, data processing, and personnel services to other service units, the Council and the community. The unit also raises revenue for capital projects such as road and building construction, major renovations, and acquisition of capital equipment by securing grants and intergovernmental funding.

Building Department: The Building Department's main responsibility is the enforcement and compliance of the building and mechanical codes, the ordinances of the Town, and the State of Connecticut Statutes as they pertain to all new construction, renovations and alterations within South Windsor.

Economic Development: The Economic Development functions are handled by the Town Manager's office. The responsibilities include assisting the Economic Development Commission with the planning of projects and cooperative efforts with the business community.

Planning Services: The Town Planning Department assists in the approval of design work and site development plans in order to conform to Town and State standards and regulations.

Public Works: The Public Works Department consists of 50 personnel divided into administration, engineering, streets, public buildings and pollution control. The Department is responsible for the maintenance and repair of Town streets, buildings, and motor equipment. The engineering division reviews requests for Certificates of Occupancy and Building Permits within the Town.

Sewer Services: The Town Water Pollution Control Authority manages the Town-owned sewer system. Approximately 90% of developed areas of Town are served by the sewer system.

Solid Waste Services: The Town provides a once-a-week curbside collection of solid waste, a bi-weekly collection of its recycling contracted services and a monthly collection of bulky waste. The Town has contracted with All American Waste for solid waste disposal services and collection of recyclables. This agreement is in effect through June 30, 2030.

Emergency Medical Services: The Town's Emergency Medical Services are provided by The Ambulance Service of Manchester, LLC. Participation in mutual aid ambulance service affords paramedic assistance when required.

Fire Services: The Town is provided with fire protection by six operating units in three strategically located fire stations. The South Windsor Volunteer Fire Department consists of 125 volunteers with eight pieces of firefighting rolling stock.

Police Services: The South Windsor Police Department has 46 Police Officers. The Police Department is divided into two divisions: Operations and Support Services. The Operations Division is responsible for patrol, criminal investigations, traffic safety enforcement, special operations and animal control. The Support Services Division is responsible for community outreach programs, police communications, evidence storage, vehicle impound, facility and equipment maintenance, fleet maintenance and police jail and records management. The police dispatch center serves as the Town's 24-hour public service answering point through which all 911 emergency calls are handled. Police dispatchers provide communications for police, fire and medical services.

Health Services: The South Windsor Health Department's primary responsibility is to promote and safeguard the environmental health of the residents of the Town. The Department consists of two full time-environmental health officers who provides for health inspections, supervision and approval of private water supplies, as well as the investigation and enforcement of pollution regulations and ordinances.

Human Services: The Human Services Department consists of the Adult and Senior Services and Youth and Family Services divisions. Adult and Senior Services are provided through the multi-purpose community center and include social, educational and health programs for the adult citizens. In addition, seniors are provided with nutritionally balanced meals and other outreach services to the homebound so as to maintain an independent life style to offset premature institutionalization. Youth and Family Services operate counseling and other support services for young people and families. The Town operates a five-day per week teen center for youths between the ages of 13 and 19. Also offered are preventative, educational, social and juvenile justice services.

Library Services: The Library has an annual circulation of over 260,000 with a collection of over 140,000 items. A member of Library Connection, Inc. (a regional cooperative of thirty libraries in the Capitol Region and beyond), and the library extends its local offerings with databases and digital collections, as well as interlibrary loan services from libraries in the U.S. and abroad. The Library also provides meeting spaces for community groups, a gallery for art exhibitions, Wi-Fi connections, and a wide array of cultural programming. The Library is funded by the Town and is staffed by full and part-time professionals. The South Windsor Public Library is advised by a six-member Board of Directors.

Recreation Services: A full time staff of 23 supplemented by numerous part-time specialists and over 200 volunteers provide for the supervision and management of activities that take place at 60 facilities within South Windsor, both indoors and outdoors. The Parks and Grounds division is responsible for the maintenance of all Town land and mowing of most school properties in Town.

Water Services: Water is provided by the Connecticut Water Company and the Metropolitan District Commission on a user fee basis.

Electric and Natural Gas Services: Services to the Town are provided by Eversource Energy (formerly Connecticut Light & Power, a subsidiary of Northeast Utilities).

(Remainder of page left blank intentionally)

Town Employees

	2026	2025	2024	2023	2022
Education	848	819	799	775	757
General Government.....	199	199	199	199	199
Total.....	1,047	1,018	998	974	956

Source: Town of South Windsor, Finance Department.

Town of South Windsor Public Schools, Personnel Department.

The following is a breakdown by category of the Town's current full-time equivalent employees:

General Government	Employees
Town Manager.....	5.00
Town Hall.....	1.00
Town Council.....	1.00
Finance.....	11.00
Data Processing.....	6.00
Public Safety.....	64.00
Sanitarian.....	2.00
Public Works.....	50.00
Building Department.....	4.00
Town Clerk.....	3.00
Registrar of Voters.....	2.00
Human Services.....	12.00
Town Planner.....	3.00
Library.....	12.00
Parks and Recreation.....	23.00
Subtotal General Government Employees.....	199.00
Board of Education	
Administration and Principals.....	35.30
Teachers.....	474.85
Secretaries / Paraprofessionals.....	184.00
Nurses, LPNs, OT.....	27.30
Non-Bargaining Employees.....	48.40
Custodial / Maintenance / Courier.....	46.50
Subtotal Board of Education Employees.....	816.35
Total Town Funded Employees.....	1,015.35
Enterprise and Grant Funded Employees	
Food Service.....	2.50
Grant Funded.....	29.30
Subtotal Enterprise and Grant Funded Employees....	31.80
Total Town and Board Employees.....	1,047.15

Municipal Employee Bargaining Units

Employees	Organization	Positions Covered	Current Contract Expiration Date
<i>Board of Education</i>			
Teachers	South Windsor Education Association - CEA	495	6/30/2028
Administrators	South Windsor School Administrators' Assoc.	30	6/30/2026
Nurses	South Windsor School Nurses' Assoc., CSEA	11	6/30/2027
Secretaries, Clerical and Aides ..	South Windsor Educational Support Staff Assoc., Local 1303-26, AFSCME	190	6/30/2026
School Employees (Custodial and Maintenance).....	South Windsor Facilities Staff, Local 1303-29, AFSCME	43	6/30/2027
Sub-total Education Employees.....		769	
<i>General Government</i>			
Police Officers	South Windsor Police Union, NIPSEU	46	6/30/2027
Police Dispatchers	UPSEU, Local 424 – Unit 104 Public Safety Dispatchers, Community Service Officers, Support Services Technicians	12	6/30/2028
Public Works and Clerical.....	Local 1303-028 of Council #4, AFSCME, Public Works Union	30	6/30/2028
Pollution Control Operators	Local 1303-466 of Council 4 AFSCME, AFL-CIO, Pollution Control Employees	11	6/30/2029
Town Hall Employees	UPSEU, Local 424 – Unit 65, Municipal Employees	18	6/30/2028
Professional Union.....	South Windsor Non-Supervisory Professional Employees Union, NIPSEU	18	6/30/2026
Library Union.....	Local 1303, Council 4, AFSCME, AFL-CIO	6	6/30/2027
Sub-total General Government Employees.....		141	
Total.....		910	

Source: Town and School Officials, Town of South Windsor

Binding Arbitration

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

Educational System

The Town's school system consists of four elementary schools for grades K-5, one middle school for grades 6-8 and one high school for grades 9-12. The schools are governed by a nine-member Board of Education.

School Facilities

School	Grades	Date of Construction (Additions, Remodeling)	Number of Classrooms	10/1/2025 Enrollment	Rated Capacity ³
Pleasant Valley Elementary School ¹ ...	K-5	2023	52	793	934
Eli Terry Elementary School.....	K-5	2020	42	451	590
Philip R. Smith Elementary School.....	K-5	2020	40	480	545
Orchard Hill Elementary School.....	K-5	2017	43	612	728
Timothy Edwards Middle School	6-8	1968 (1999)	113	1,292	1,344
South Windsor High School ²	9-12	1962 (1966, 1991)	106	1,512	1,610
South Windsor High School Annex ..	9-12	1953 (1961,1992)	22	-	-
Total			418	5,140	5,751

¹ Includes 105 PreK students.

² SWHS/SWHS Annex Enrollment.

³ Rated Capacity equals number of staff and students in the building; updated by the Board of Education, December 16, 2025.

Source: South Windsor Board of Education, Facility Operations Department

In October 2013, the Board of Education adopted the Elementary Facilities Ten-Year Master Plan (the “Plan”) to address the Town’s five aging elementary school buildings, which ranged in age from 51 to 63 years old. The Plan stemmed from the Board’s 2011-2014 Strategic Plan which called for the development of a "long-range elementary facilities plan that promotes a safe, engaging learning environment accessible to all students and community members.” The Plan called for a three-phased approach using multiple referenda to address the elementary facilities needs over a span of ten years. Phase I, the new Orchard Hill School opened in August 2017. The new building is 71,729 square feet, and houses students in grades K-5. Phase II of the Ten-Year Elementary Facilities Master Plan was completed in August 2020 with two new K-5 schools: Philip R. Smith Elementary, a 58,243 square foot building and Eli Terry Elementary, a 66,586 square foot building. Phase III, construction of the new Pleasant Valley Elementary School, was approved at referendum in March of 2020 and opened in August 2023.

School Enrollment

School Year	Historical			Total
	K-5	6 - 8	9 - 12	
2016-17	1,780	965	1,326	4,071
2017-18	1,865	963	1,314	4,142
2018-19	1,980	981	1,278	4,239
2019-20	2,171	1,050	1,302	4,523
2020-21	2,075	1,078	1,291	4,444
2021-22	2,202	1,145	1,310	4,657
2022-23	2,277	1,142	1,338	4,757
2023-24	2,323	1,177	1,381	4,881
2024-25	2,321	1,230	1,453	5,004
2025-26	2,231	1,295	1,494	5,020
School Year	Projected			Total
	K-5	6 - 8	9 - 12	
2026-27	2,266	1,303	1,555	5,124
2027-28	2,234	1,331	1,631	5,196
2028-29	2,173	1,380	1,685	5,238
2029-30	2,136	1,441	1,719	5,296
2031-31	2,114	1,402	1,778	5,294

Source: Town of South Windsor, Board of Education, MP Planning Group Enrollment Report, November 2025.

III. Economic and Demographic Information

Population Trends

Year	Actual Population¹	% Increase	Density²
2023 ³	26,820	-0.4%	934.5
2020	26,918	4.7%	937.9
2010	25,709	5.3%	895.8
2000	24,412	10.5%	850.6
1990	22,090	28.4%	769.7
1980	17,198	10.5%	599.2
1970	15,563	87.4%	542.3

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

² Per square mile: 28.7 square miles.

³ American Community Survey 2019-2023.

Age Distribution of the Population

Age	Town of South Windsor		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,660	6.2%	181,240	5.0%
5 to 9 years	1,674	6.2	195,390	5.4%
10 to 14 years	2,264	8.4	217,297	6.0%
15 to 19 years	1,469	5.5	238,145	6.6%
20 to 24 years	1,801	6.7	233,423	6.5%
25 to 34 years	2,345	8.7	449,771	12.5%
35 to 44 years	4,243	15.8	451,461	12.5%
45 to 54 years	3,587	13.4	462,543	12.9%
55 to 59 years	1,518	5.7	260,758	7.2%
60 to 64 years	1,827	6.8	257,548	7.2%
65 to 74 years	2,501	9.3	376,023	10.4%
75 to 84 years	1,386	5.2	187,378	5.2%
85 years and over	545	2.0	87,371	2.4%
Total.....	26,820	100.0%	3,598,348	100.0%

Median Age (Years) 2023..... 40.3 41.2

Source: American Community Survey 2019-2023.

Selected Wealth and Income Indicators

	Town of South Windsor	State of Connecticut
Per Capita Income, 2023.....	\$ 63,825	\$ 54,409
Median Family Income, 2023.....	\$ 166,150	\$ 120,011
Median Household Income, 2023.....	\$ 143,025	\$ 93,760

Source: American Community Survey 2019-2023.

Income Distribution

Income	Town of South Windsor		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	80	1.1%	22,973	2.5%
10,000 - 14,999.....	61	0.8	12,547	1.4%
15,000 - 24,999.....	38	0.5	29,893	3.3%
25,000 - 34,999.....	145	2.0	35,598	3.9%
35,000 - 49,999.....	220	3.0	61,793	6.7%
50,000 - 74,999.....	356	4.9	108,046	11.8%
75,000 - 99,999.....	652	8.9	108,216	11.8%
100,000 - 149,999.....	1,674	22.9	185,242	20.2%
150,000 - 199,999.....	1,253	17.1	128,574	14.0%
200,000 and over.....	2,832	38.7	224,258	24.5%
Total.....	7,311	100.0%	917,140	100.0%

Source: American Community Survey 2019-2023.

Major Employers

Employer	Type of Business	Approximate Number of Employees
The Town of South Windsor.....	Government and Education	1,047
Broadridge (formerly DST Output).....	Service	550
New England Mechanical.....	Manufacturer	368
Target Department Stores.....	Retail	250
The May Company ¹	Distributor	221
Electro Methods.....	Manufacturer	208
Doosan Fuel Cell America.....	Manufacturer	193
Lowes Home Improvement.....	Retail	160
Super Stop & Shop.....	Retail	145
Ticket Network.....	Service	141
Performance Food Group.....	Distributor	100

¹ The May Company plans to close this warehouse in 2027.

Source: Town of South Windsor.

Employment Statistics

Period	Town of South Windsor		Percentage Unemployed		
	Employed	Unemployed	Town of South Windsor	Hartford Labor Market	State of Connecticut
November 2025.....	13,836	534	3.7	4.2	4.2
Annual Average					
2024	14,074	404	2.8	3.5	3.5
2023	13,896	438	3.1	3.7	3.7
2022	13,915	465	3.2	4.1	4.1
2021	12,872	661	4.9	6.6	6.6
2020	13,533	828	5.8	7.0	7.3
2019	13,984	452	3.1	3.8	3.7
2018	13,861	491	3.4	4.1	4.1
2017	13,624	537	3.8	4.8	4.7
2016	13,437	594	4.1	5.1	5.3
2015	13,450	618	4.4	5.6	5.6

Source: Department of Labor, State of Connecticut

Building Permits

Fiscal Year	Residential		Comm./Industrial		Total	
	No.	Value	No.	Value	No.	Value
2026 ¹	1,047	\$ 20,589,916	160	\$ 45,197,636	1,207	\$ 65,787,552
2025	2,004	36,682,968	292	42,929,105	2,296	79,612,073
2024	3,215	64,311,014	493	70,500,505	3,708	134,811,519
2023	1,994	35,509,766	275	32,383,083	2,269	67,892,849
2022	2,029	34,060,362	240	39,017,973	2,269	73,078,335
2021	2,114	30,061,176	227	43,133,925	2,341	73,195,101
2020	1,969	36,910,744	370	47,305,929	2,339	84,216,673
2019	2,004	36,413,630	153	24,016,095	2,157	60,429,725
2018	1,882	29,982,123	189	34,578,522	2,071	64,560,645
2017	1,718	31,961,731	217	7,696,398	1,935	39,658,129

¹ As of December 31, 2025.

Source: Town of South Windsor, Building Department

Educational Attainment

	Town of South Windsor		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	227	1.3%	101,530	4.0%
9th to 12th grade.....	364	2.0	118,019	4.7
High School graduate.....	3,190	17.8	647,094	25.5
Some college, no degree.....	2,139	11.9	410,591	16.2
Associate's degree	1,441	8.0	193,216	7.6
Bachelor's degree.....	5,272	29.4	581,935	23.0
Graduate or professional degree.....	5,319	29.6	480,468	19.0
Total.....	17,952	100.0%	2,532,853	100.0%
Total high school graduate or higher (%).....		96.7%		91.3%
Total bachelor's degree or higher (%).....		59.0%		41.9%

Source: American Community Survey 2019-2023.

Age Distribution of Housing

Year Built	Town of South Windsor		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	697	6.9%	313,434	20.4%
1940 to 1969.....	3,086	30.5	516,528	33.6
1970 to 1979.....	1,217	12.0	210,611	13.7
1980 to 1989.....	2,394	23.6	197,533	12.9
1990 to 1999.....	1,184	11.7	116,617	7.6
2000 or 2009.....	643	6.3	108,430	7.1
2010 or later.....	912	9.0	72,896	4.7
Total Housing Units	10,133	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Housing Inventory

Housing Units	Town of South Windsor		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	7,013	69.2%	901,187	58.7%
1-unit, attached.....	1,144	11.3	95,202	6.2
2 units.....	184	1.8	118,295	7.7
3 or 4 units.....	254	2.5	126,755	8.3
5 to 9 units.....	563	5.6	76,750	5.0
10 to 19 units.....	431	4.3	55,290	3.6
20 or more units.....	485	4.8	150,986	9.8
Mobile home.....	59	0.6	10,967	0.7
Boat, RV, van, etc.....	-	-	617	0.0
Total Inventory.....	10,133	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of South Windsor		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	308	3.8%	22,174	2.4%
\$50,000 to \$99,000.....	75	0.9	15,116	1.6
\$100,000 to \$149,999.....	217	2.6	38,832	4.1
\$150,000 to \$199,000.....	314	3.8	77,152	8.2
\$200,000 to \$299,999.....	1,865	22.7	233,824	24.9
\$300,000 to \$499,999.....	3,859	47.0	319,703	34.0
\$500,000 to \$999,999.....	1,477	18.0	173,643	18.5
\$1,000,000 or more.....	88	1.1	59,468	6.3
Total.....	8,203	100.0%	939,912	100.0%
Median Value.....	\$354,500		\$343,200	

Source: American Community Survey 2019-2023.

(Remainder of page left blank intentionally)

IV. Tax Base Data

Assessment Practices

The Town had a general property revaluation by inspection of all real estate, effective on the Grand List of October 1, 2022. Under Section 12-62 of the General Statutes the Town must perform a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building, once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

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

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

Connecticut General Statutes Section 12-71e, as amended, provides that 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. Any municipality or district may establish a mill rate for motor vehicles that is equal to or lower than 32.46 mills, including zero mills. Such mill rate for motor vehicles may be different from the mill rate for real property and personal property, provided the mill rate for motor vehicles is lower than the mill rate for real property and personal property. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2024 assessment year (the fiscal year ending June 30, 2026) is 32.46 mills.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are valued in accordance with an automobile price schedule recommended by the State of Connecticut Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70 percent of the annual appraisal of market value.

Tax Collection Procedures

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent.

According to the provisions of Section 12-145 of the Connecticut General Statutes and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.5% per month. Real estate is liened for delinquent taxes within one year after the tax due date.

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

Property Tax Levy and Collection

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate³	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
2024	2026 ¹	\$ 3,820,059,545	35.61	\$ 128,501,915	<i>In collection</i>		
2023	2025	3,786,037,929	34.46	128,501,915	99.6	0.4	0.4
2022 ²	2024	3,761,117,114	33.14	122,796,188	99.5	0.5	0.1
2021	2023	3,044,029,054	38.77	115,456,995	99.5	0.5	0.1
2020	2022	2,957,851,058	37.86	111,999,651	99.5	0.5	0.1
2019	2021	2,853,993,034	37.88	107,726,960	99.2	0.8	0.1
2018	2020	2,769,082,939	38.50	104,956,457	99.3	0.7	0.1
2017 ²	2019	2,748,845,292	37.67	101,742,456	99.2	0.8	0.1
2016	2018	2,602,708,150	38.08	99,320,301	98.9	1.1	0.0
2015	2017	2,546,423,871	37.34	95,502,761	98.6	1.4	0.0

¹ Unaudited.

² Revaluation.

³ Commencing October 1, 2021 and thereafter, motor vehicle mill rate is capped at 32.46.

Source: Town of South Windsor, Tax Collector

Comparative Assessed Valuations

Grand List As Of 10/1	Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List	Exemptions, Veterans Relief and Disabled	Net Taxable Grand List	Percent Change
2024	79.2%	12.8%	8.1%	\$ 3,976,982,310	\$ 156,922,765	\$ 3,820,059,545	0.90%
2023	79.3%	12.5%	8.2%	3,946,586,433	160,548,504	3,786,037,929	0.66%
2022 ¹	79.6%	11.8%	8.6%	3,919,143,270	158,026,156	3,761,117,114	23.56%
2021	76.0%	14.3%	9.7%	3,237,965,312	193,936,258	3,044,029,054	2.91%
2020	77.2%	14.6%	8.1%	3,136,027,716	178,176,658	2,957,851,058	3.64%
2019	78.1%	13.8%	8.1%	3,030,171,648	176,178,614	2,853,993,034	3.07%
2018	79.8%	12.6%	7.5%	3,117,456,791	348,373,852	2,769,082,939	0.74%
2017 ¹	80.1%	12.4%	7.5%	3,070,607,438	321,762,146	2,748,845,292	5.61%
2016	80.6%	11.7%	7.7%	2,920,980,194	318,272,044	2,602,708,150	2.21%
2015	81.5%	10.3%	8.2%	2,650,773,881	104,350,010	2,546,423,871	1.79%

¹ Revaluation.

Source: Town of South Windsor, Assessor's Office

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List¹
Eversource.....	Utility	\$ 127,578,740	3.34%
Aldi Inc.....	Distribution	34,106,565	0.89%
Aldi Inc.....	Distribution	31,532,254	0.83%
456 Sullivan Ave LLC (FedEx).....	Retail	30,622,540	0.80%
Broadridge.....	Services	28,943,350	0.76%
Evergreen Walk Lifestyle Center.....	Real Estate	27,215,000	0.71%
Yankee Gas.....	Utility	24,508,500	0.64%
Evergreen Crossing Retirement	Real Estate	24,083,890	0.63%
WSL-Evergreen Crossing LLC.....	Real Estate	23,857,100	0.62%
South Windsor Developers (Tempo Apartments)...	Real Estate	20,129,113	0.53%
Total.....		\$ 372,577,052	9.75%

¹ Net Taxable Grand List October 1, 2024 of \$3,820,059,545.

Source: Town of South Windsor, Assessor's Office

Connecticut General Statutes Section 4-66l, as amended (“Section 4-66l”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

V. Debt Summary

Principal Amount of Bonded Indebtedness As of February 25, 2026 (Pro Forma)

Long-Term Debt: ¹

Date	Purpose	Interest Rate Range	Original Issue	Amount Outstanding	Fiscal Year of Maturity
01/01/07	Clean Water Fund	2.00	\$ 1,568,029	\$ 39,097	2027
08/24/17	General Purpose Refunding - Series B....	2.00-4.00	1,862,000	1,043,000	2034
08/24/17	Schools Refunding - Series B.....	2.00-4.00	702,000	394,000	2034
08/24/17	Sewer Refunding - Series B.....	2.00-4.00	1,561,000	873,000	2034
02/15/18	General Purpose	3.00-5.00	4,000,000	640,000	2038
02/15/18	Schools	3.00-5.00	7,500,000	1,115,000	2038
02/14/19	General Purpose - Series A	2.00-5.00	750,000	505,000	2039
02/14/19	Schools - Series A	2.00-5.00	4,500,000	2,995,000	2039
06/27/19	General Purpose Refunding - Series B....	3.00-5.00	9,155,000	3,745,000	2031
02/15/20	Schools	2.00-5.00	13,500,000	9,450,000	2040
02/12/21	General Purpose	1.00-4.00	4,000,000	3,000,000	2041
02/12/21	Schools	1.00-4.00	23,000,000	17,250,000	2041
03/30/21	General Purpose Refunding - Series B....	2.00-4.00	1,393,000	990,000	2035
03/30/21	Schools Refunding - Series B.....	2.00-4.00	2,240,000	1,433,000	2035
03/30/21	Sewer Refunding - Series B.....	2.00-4.00	15,477,000	9,547,000	2033
02/11/22	General Purpose - Series A	2.125-5.00	5,000,000	4,000,000	2042
02/11/22	Schools - Series A	2.125-5.00	15,000,000	12,000,000	2042
02/11/22	General Purpose Refunding - Series B....	2.00-5.00	2,144,000	1,561,000	2036
02/11/22	Schools Refunding - Series B.....	2.00-5.00	956,000	719,000	2036
02/10/23	General Purpose	3.00-5.00	8,500,000	7,225,000	2043
02/10/23	Schools	3.00-5.00	20,000,000	17,000,000	2043
03/02/23	General Purpose Refunding - Series B....	4.00-5.00	3,876,000	2,996,000	2035
03/02/23	Schools Refunding - Series B.....	4.00-5.00	7,629,000	5,884,000	2035
02/08/24	General Purpose	4.00-5.00	8,500,000	7,650,000	2044
02/18/25	General Purpose	4.00-5.00	8,840,000	8,350,000	2043
02/18/25	Schools	4.00-5.00	5,160,000	4,875,000	2043
Sub-Total			\$ 176,813,029	\$ 125,279,097	
<u>This Issue</u>					
02/25/26	General Purpose	<i>tbd</i>	\$ 11,600,000	\$ 11,600,000	2044
02/25/26	Schools	<i>tbd</i>	3,000,000	3,000,000	2044
Sub-Total This Issue.....			\$ 14,600,000	\$ 14,600,000	
Grand Total.....			\$ 191,413,029	\$ 139,879,097	

¹ Excludes bonds previously refunded or defeased.

Short-Term Debt As of February 25, 2026 (Pro Forma)

As of February 25, 2026, the Town does not have any outstanding short-term debt.

Annual Bonded Debt Maturity Schedule
As of February 25, 2026
(Pro Forma)

Fiscal Year Ended 6/30	Principal Payments ¹	Interest Payments	Total Debt Service ¹	This Issue:		This Issue: The Bonds	Total Principal	Cumulative Principal Retired %
				General Purpose	Schools			
2026 ²	\$ 31,252	\$ 170,183	\$ 201,435	\$ -	\$ -	\$ -	\$ 31,252	0.0%
2027	9,967,846	4,122,813	14,090,659	645,000	165,000	810,000	10,777,846	7.7%
2028	10,290,000	3,686,888	13,976,888	645,000	165,000	810,000	11,100,000	15.7%
2029	9,875,000	3,284,650	13,159,650	645,000	165,000	810,000	10,685,000	23.3%
2030	9,955,000	2,935,088	12,890,088	645,000	165,000	810,000	10,765,000	31.0%
2031	10,000,000	2,565,725	12,565,725	645,000	165,000	810,000	10,810,000	38.7%
2032	9,520,000	2,263,600	11,783,600	645,000	165,000	810,000	10,330,000	46.1%
2033	8,300,000	1,983,113	10,283,113	645,000	165,000	810,000	9,110,000	52.6%
2034	7,295,000	1,740,063	9,035,063	645,000	165,000	810,000	8,105,000	58.4%
2035	7,000,000	1,527,013	8,527,013	645,000	165,000	810,000	7,810,000	64.0%
2036	6,765,000	1,318,556	8,083,556	645,000	165,000	810,000	7,575,000	69.4%
2037	6,515,000	1,129,438	7,644,438	645,000	165,000	810,000	7,325,000	74.7%
2038	6,515,000	942,131	7,457,131	645,000	165,000	810,000	7,325,000	79.9%
2039	5,930,000	755,656	6,685,656	640,000	170,000	810,000	6,740,000	84.7%
2040	5,655,000	576,988	6,231,988	640,000	170,000	810,000	6,465,000	89.3%
2041	4,980,000	407,100	5,387,100	645,000	170,000	815,000	5,795,000	93.5%
2042	3,630,000	251,150	3,881,150	645,000	170,000	815,000	4,445,000	96.7%
2043	2,630,000	122,200	2,752,200	645,000	170,000	815,000	3,445,000	99.1%
2044	425,000	17,000	442,000	645,000	170,000	815,000	1,240,000	100.0%
Total.....	\$ 125,279,098	\$ 29,799,355	\$ 155,078,453	\$ 11,600,000	\$ 3,000,000	\$ 14,600,000	\$ 139,879,098	

¹ Includes all bonded debt and State of Connecticut Drinking Water Fund loans.

² Does not include \$9,866,883 in principal and \$4,400,155 in interest paid between July 1, 2025 and February 25, 2026.

Source: Finance Office, Town of South Windsor, CT.

Overlapping/Underlying Debt

The Town has no overlapping or underlying debt.

Capital Leases

The Town adopted the requirements of GASB 87 effective July 1, 2021 and GASB 96 effective July 1, 2022 and has \$1,090,482 of Lease Liabilities and \$327,973 of Subscriptions Payable as of June 30, 2025 respectively. These payments are not included in the outstanding bonded debt. (See Appendix A – “Audited Financial Statements”).

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

Debt Statement
As of February 25, 2026
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes This Issue).....	\$ 53,305,000
Schools (Includes This Issue).....	76,115,000
Sewers.....	10,459,097
Total Long-Term Debt.....	139,879,097
Short-Term Debt.....	-
Direct Debt.....	139,879,097
Underlying Debt.....	-
Total Overall Debt.....	139,879,097
Less: Self-Supporting Sewer Debt.....	(39,097)
Total Overall Net Debt.....	\$ 139,840,000

Note: Excludes capital leases and Authorized but Unissued Debt.

Current Debt Ratios
As of February 25, 2026
(Pro Forma)

Population (2023) ¹	26,820
Net Taxable Grand List (10/1/24).....	\$ 3,820,059,545
Estimated Full Value (70%).....	\$ 5,457,227,921
Equalized Grand List (10/1/23) ²	\$ 6,480,785,190
Money Income per Capita (2023) ¹	\$ 63,825

	Total Overall Debt \$139,879,097	Total Overall Net Debt \$139,840,000
Per Capita.....	\$ 5,215.48	\$ 5,214.02
Ratio to Net Taxable Grand List.....	3.66%	3.66%
Ratio to Estimated Full Value.....	2.56%	2.56%
Ratio to Equalized Grand List.....	2.16%	2.16%
Debt per Capita to Money Income per Capita (2023).....	8.17%	8.17%

¹ U.S. Census Bureau American Community Survey 2019-2023 estimate.

² Office of Policy and Management, State of Connecticut.

(Remainder of page left blank intentionally)

Clean Water Fund Program

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan, and denitrification projects which are funded by a 30% grant and a 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs ("Interim Funding Obligation"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality. The Town currently has one PLO outstanding which is secured solely by a pledge of sewer assessments and sewer use charges.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the project completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following Clean Water Fund loans outstanding:

<i>Project</i>	<i>Original Issue</i>	<i>Amount Outstanding as of February 25, 2026</i>
CWF 135-CSL.....	2007	\$ 39,097
<i>Total.....</i>		<i>\$ 39,097</i>

Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Pursuant to the Town Charter, no resolution authorizing the issuance of bonds or notes shall become effective until the same has been approved by a referendum called by the Town Council for such purpose. Refunding bonds are authorized by resolution of the Town Council.

Temporary Financing

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

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

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

Limitation of Indebtedness

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

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

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

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

School Projects

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

Project	Amount of Total Authorization	Estimated Non-Reimbursable Costs	Estimated Eligible Costs for Reimbursement	Estimated Reimbursement Rate	Estimated Grant
Orchard Hill Elementary School.....	\$ 33,521,724	\$ 1,672,016	\$ 29,967,755	34.64%	\$ 10,380,830
Eli Terry Elementary School.....	37,419,060	1,663,967	34,303,224	37.14%	12,740,217
Philip R. Smith Elementary School....	32,480,940	1,669,136	29,868,398	37.14%	11,093,123
Pleasant Valley Elementary School...	58,500,000	2,925,000	55,575,000	37.86%	21,040,695
Total.....	\$ 161,921,724	\$ 7,930,119	\$ 149,714,378		\$ 55,254,866

(Remainder of page left blank intentionally)

Statement of Debt Limitation
As of February 25, 2026
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer as of June 30, 2025 \$ 129,971,867

Reimbursement For Revenue Loss:

Elderly tax freeze and homeowners' grants -

Base for Debt Limitation Computation..... \$ 129,971,867

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 ¹ / ₄ times base.....	\$ 292,436,701	-	-	-	-
4 ¹ / ₂ times base.....	-	\$ 584,873,402	-	-	-
3 ³ / ₄ times base.....	-	-	\$ 487,394,501	-	-
3 ¹ / ₄ times base.....	-	-	-	\$ 422,408,568	-
3 times base.....	-	-	-	-	\$ 389,915,601
Total Debt Limitation	\$ 292,436,701	\$ 584,873,402	\$ 487,394,501	\$ 422,408,568	\$ 389,915,601
Indebtedness:					
Bonds Outstanding	\$ 41,705,000	\$ 73,115,000	\$ 10,459,097	\$ -	\$ -
Bonds – This Issue.....	11,600,000	3,000,000	-	-	-
Short-Term Debt	-	-	-	-	-
Clean Water Fund ¹	-	-	39,097	-	-
Debt Authorized But Unissued.....	33,007,933	8,814,884	-	-	-
Total Indebtedness	86,312,933	84,929,884	10,498,195	-	-
Less:					
Self Supporting Sewer Debt.....	-	-	(10,459,097)	-	-
Total Net Indebtedness	86,312,933	84,929,884	39,097	-	-
DEBT LIMITATION IN EXCESS					
OF OUTSTANDING INDEBTEDNESS....	\$ 206,123,768	\$ 499,943,518	\$ 487,355,404	\$ 422,408,568	\$ 389,915,601

¹ The Town expects that the debt service will be paid by a combination of sewer assessments and sewer use charges receivable. (See "Clean Water Fund Program" herein.)

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$909,803,069.

(Remainder of page left blank intentionally)

Debt Authorized but Unissued
As of February 25, 2026
(Pro Forma)

Project	Amount Authorized	Previously Bonded	Grants / Paydowns ³	This Issue: The Bonds	Authorized But Unissued Debt
Open Space Acquisitions (2009).....	\$ 2,000,000	\$ 400,000	\$ -	\$ 1,600,000	\$ -
Orchard Hill Elementary School.....	33,521,724	21,200,000	(10,697,805)	-	1,623,919 ^{1, 2}
2014 - Road/Drainage Improvements.....	12,000,000	11,350,000	(647,417)	-	2,583 ²
Eli Terry Elementary School.....	37,419,060	23,000,000	(12,740,217)	-	1,678,843 ¹
Philip R. Smith Elementary School.....	32,480,940	19,600,000	(11,093,123)	-	1,787,817 ¹
Open Space Acquisitions (2018).....	2,000,000	-	-	-	2,000,000
Pleasant Valley Elementary School.....	58,500,000	32,860,000	(21,040,695)	3,000,000	1,599,305 ¹
2022 - Road Paving/Sidewalks & Drainage.....	35,470,000	11,464,650	-	10,000,000	14,005,350
Open Space Acquisitions (2025).....	2,000,000	-	-	-	2,000,000
Pump Station Upgrades (2025).....	15,000,000	-	-	-	15,000,000
SWHS Campus Improvements Phase I (2025)...	2,125,000	-	-	-	2,125,000
Total.....	\$ 232,516,724	\$ 119,874,650	\$ (56,219,257)	\$ 14,600,000	\$ 41,822,817

¹ It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$55,254,866 during the construction of the projects as follows: \$10,380,830 for the Orchard Hill Elementary School project, \$12,740,217 for the Eli Terry Elementary School project; \$11,093,123 for the Philip R. Smith Elementary School project; and \$21,040,695 for the Pleasant Valley Elementary School project. (See "School Projects" herein).

² Authorized but unissued amounts also reduced for the transfer of unexpended bond proceeds to these projects.

³ Eli Terry Elementary School project and Philip R. Smith Elementary School project each include \$309,370 of FEMA grant funds.

(Remainder of page left blank intentionally)

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to		Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ²
				Assessed Value (%)	Estimated Full Value (%)			
2025	\$ 3,786,037,929	\$ 5,408,625,613	\$ 135,045,000	3.57%	2.50%	26,820	\$ 5,035.23	7.89%
2024	3,761,117,114	5,373,024,449	129,970,000	3.46%	2.42%	26,820	4,846.01	7.59%
2023	3,044,029,054	4,348,612,934	130,030,000	4.27%	2.99%	26,820	4,848.25	7.60%
2022	2,957,851,058	4,225,501,511	110,500,000	3.74%	2.62%	26,820	4,120.06	6.46%
2021	2,853,993,034	4,077,132,906	97,590,000	3.42%	2.39%	26,820	3,638.70	5.70%

¹ Long-Term debt includes State of Connecticut Clean Water Fund Loans and Water debt.

² American Community Survey 2019-2023 estimate: \$63,825.

Source: Town of South Windsor, Department of Finance and Annual Audited Financial Statements.

Principal Amount of Outstanding Debt

	2025	2024	2023	2022	2021
Long-Term Debt					
Bonds.....	\$ 135,045,000	\$ 129,970,000	\$ 130,030,000	\$ 110,500,000	\$ 97,590,000
Short-Term Debt					
Bond Anticipation Notes....	-	-	-	14,000,000	6,000,000
Totals.....	\$ 135,045,000	\$ 129,970,000	\$ 130,030,000	\$ 124,500,000	\$ 103,590,000

Source: Town of South Windsor Financial Reports 2021-2025.

Ratio of Debt Service to General Fund Expenditures (Includes Transfers Out)

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of Total Debt Service to General Fund Expenditures
2026	\$ 14,598,922	\$ 173,350,949 ²	8.42%
2025	13,751,257	165,685,227	8.30%
2024	13,499,456	159,029,474	8.49%
2023	11,649,205	147,144,135	7.92%
2022	10,635,188	138,571,494	7.67%
2021	9,630,075	135,667,497	7.10%
2020	8,693,319	128,734,942	6.75%
2019	8,264,684	119,738,463	6.90%
2018	8,363,179	127,166,867	6.58%

¹ Includes transfers out.

² For comparability with audited years, an estimate of \$15.1 million has been included for the State of Connecticut Teacher's On-behalf payments for Pension and OPEB.

Source: Town of South Windsor Financial Statements 2018-2025. 2026 (Budgeted).

VI. Financial Administration

Fiscal Year

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

Accounting Policies

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

Basis of Accounting

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

Budgetary Procedures

The Town follows the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. No later than March 22nd the Town Manager shall present to the Town Council a budget and recommendations. The Town Council shall hold one or more public hearings no later than May 7th, at which time any elector or taxpayer may be heard regarding appropriations for the ensuing fiscal year. By May 22nd, the Town Council submits to the annual Town Meeting proposed expenditures and the means of financing them. Per the Connecticut General Statutes the annual Town Meeting may be adjourned to a referendum vote within 14 days of the Town Meeting date.

<u>On or About</u>	<u>Action</u>
Prior to March 15	The Board of Education submits to the Town Council a proposed budget for the fiscal year commencing the following July 1.
Prior to March 22	The Town Manager submits to the Town Council a proposed operating budget for General Government for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
By April 15	The Town Council must have the Board of Education budget available to the public.
By April 27	The Town Council must have the General Government budget available to the public.
By April 30	Public hearings are conducted on the Board of Education budget.
By May 7	Public hearings are conducted on the General Government budget.
May 15	Approval of the budget of the Board of Education shall be legally enacted.
May 22	Approval of the General Government budget and the total Town budget shall be legally enacted.

All unencumbered appropriations lapse at fiscal year-end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, or no expenditure from or encumbrance of the appropriation has been made for three consecutive years.

Annual Audit

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of CliftonLarsonAllen LLP (CLA), of West Hartford, Connecticut, is the auditor, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The most recent audited report covers the fiscal year ended June 30, 2025. Included in this Official Statement and made a part hereof as "Appendix A" are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and Notes to the Financial Statements, together with the report of the independent auditor as prepared by CLA, Independent Certified Public Accountants. The information contained in "Appendix A" is not the entire audit report. A copy of the complete report is available upon request to the Town Manager, Town of South Windsor.

Capital Improvement Plan

Under the Town Charter, the Town Manager annually submits an updated capital improvement program. The plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. The 2026-2030 Plan projects a total of \$75,034,312. Over the five years, the projects are to be funded from the general fund, Town Road Aid, LOCIP funds, bonds and/or notes, grants and user fees.

Uses	Fiscal Year					Total
	2026	2027	2028	2029	2030	
Education.....	\$ 450,000	\$ 3,650,000	\$ 857,324	\$ 1,500,000	\$ 2,000,000	\$ 8,457,324
Public Buildings.....	1,150,000	1,776,250	2,103,900	1,300,000	1,300,000	7,630,150
Public Safety.....	698,000	385,000	385,000	200,000	217,000	1,885,000
Public Works.....	12,025,000	10,000,000	9,500,000	16,450,000	2,400,000	50,375,000
Parks & Recreation.....	450,000	650,000	500,000	250,000	250,000	2,100,000
Technology.....	300,000	50,000	50,000	50,000	50,000	500,000
Other.....	1,903,838	50,000	2,000,000	50,000	83,000	4,086,838
Total.....	\$ 16,976,838	\$ 16,561,250	\$ 15,396,224	\$ 19,800,000	\$ 6,300,000	\$ 75,034,312
Sources						
General Fund.....	\$ 3,431,859	\$ 3,500,000	\$ 4,000,000	\$ 4,500,000	\$ 5,000,000	\$ 20,431,859
General Obligation Bonds...	11,600,000	10,150,000	10,000,000	14,000,000	-	45,750,000
LOCIP.....	249,306	249,306	249,306	249,306	249,306	1,246,530
Sewer Fees.....	1,525,000	1,000,000	1,000,000	1,000,000	1,000,000	5,525,000
Surplus/Other Funds.....	170,673	1,161,944	146,918	50,694	50,694	1,580,923
Grants.....	-	500,000	-	-	-	500,000
Total.....	\$ 16,976,838	\$ 16,561,250	\$ 15,396,224	\$ 19,800,000	\$ 6,300,000	\$ 75,034,312

(Remainder of page left blank intentionally)

Pension Plans

The Town is the administrator of a defined benefit retirement system (the "Plan"), established and administered by the Town Council and the Board of Education to provide pension benefits for its employees. Teachers participate in the State of Connecticut Teachers Retirement System under Chapter 167A of the General Statutes of the State of Connecticut. In addition, eligible general government employees may participate in a deferred compensation plan. For specific information on each plan, see Appendix A, "Notes to Basic Financial Statements", herein.

The Town has implemented Government Accounting Standards Board's ("GASB") Statement No. 67 and 68 effective Fiscal Year 2014. Net position is based on fair market value as of June 30 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2023. The date of the Town's most recent actuarial valuation was July 1, 2024.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town Plan and the Board of Education Plan as of June 30 were as follows:

Town Pension Plan

Total Pension Liability at June 30, 2025....	\$	57,426,347
Plan Fiduciary Net Position.....		45,828,965
Net Pension (Asset) Liability.....	\$	11,597,382
Plan Fiduciary Net Position as % of		
Total Pension Liability.....		79.80%

Board of Education Pension Plan

Total Pension Liability at June 30, 2025....	\$	23,110,847
Plan Fiduciary Net Position.....		20,608,061
Net Pension (Asset) Liability.....	\$	2,502,786
Plan Fiduciary Net Position as % of		
Total Pension Liability.....		89.17%

The following represents the net pension liability of the Town and the Board of Education, calculated using the discount rate of 6.00%, 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 (5.00%) or 1 percentage point higher (7.00%) than the current rate:

	1% Decrease	Current	1% Increase
	(5.00)	Discount	(7.00)
Town's Pension Plan's Net Pension (Asset) Liability			
as of June 30, 2025.....	\$ 18,193,126	\$ 11,597,382	\$ 6,039,587
Board of Education Pension Plan's Net Pension (Asset) Liability			
as of June 30, 2025.....	\$ 4,964,984	\$ 2,502,786	\$ 392,859

(Remainder of page left blank intentionally)

Based upon a July 1, 2024 actuarial valuation, the Town's schedule of employer contribution are as follows:

Town Pension Plan

Fiscal Year	Actuarially Determined Contribution	Annual Contribution	% of ARC Contributed
6/30/2026 ¹	\$ 1,762,345	\$ 1,825,910	103.6%
6/30/2025	1,825,910	1,825,910	100.0%
6/30/2024	1,779,745	1,779,745	100.0%
6/30/2023	1,755,005	1,766,211	100.6%
6/30/2022	1,766,211	2,566,211	145.3%
6/30/2021	1,602,021	2,952,021	184.3%

¹ Budgeted.

Board of Education Pension Plan

Fiscal Year	Actuarially Determined Contribution	Annual Contribution	% of ARC Contributed
6/30/2026 ¹	\$ 603,213	\$ -	0.0%
6/30/2025	627,685	280,000	44.6%
6/30/2024	635,381	635,381	100.0%
6/30/2023	637,460	637,460	100.0%
6/30/2022	624,728	624,728	100.0%
6/30/2021	570,615	570,615	100.0%

¹ Budgeted.

Other Post-Employment Benefits

The Town provides limited post-employment health care benefits for retired employees. For former Town employees, the Town allows employees to retain insurance coverage under the Town insurance plan at the employee's cost until they are eligible for Medicare. This benefit option may be viewed as an implicit rate subsidy. The Town's contract with the police department employees which expires on June 30, 2027, requires the Town to contribute 75% of the cost associated with post-employment health care benefits for retired police department employees hired before July 1, 2006. All employees hired after July 1, 2006 are eligible to participate in the Town of South Windsor's health insurance plan which is in effect at the time of their retirement at their own expense.

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

Total OPEB Liability.....	\$ 11,932,422
Plan Fiduciary Net Position.....	5,944,378
Town Net OPEB Liability.....	\$ 5,988,044
Plan Fiduciary Net Position	
as % of Total OPEB Liability.....	49.82%

The following represents the net OPEB liability of the Town, calculated using the discount rate of 6.25%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.25)	(6.25)	(7.25)
Town Plan's Net OPEB Liability	\$ 6,972,215	\$ 5,988,044	\$ 5,108,310

The following presents the net OPEB liability of the Town as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are percentage point lower decreasing to or percentage point higher decreasing to than the current healthcare cost trend rates:

	Current		
	1% Decrease	Cost Trend Rate	1% Increase
	(2.90-5.50%)	(3.90-6.50%)	(4.90-7.50%)
Net OPEB Liability	\$ 4,825,477	\$ 5,988,044	\$ 7,325,700

Schedule of Employer Contributions

	2026 ¹	2025	2024	2023	2022
Actuarially Determined Employer Contribution (ADEC)...	\$ 907,735	\$ 907,735	\$ 1,001,919	\$ 1,001,919	\$ 1,055,879
Contributions in Relation to the ADEC.....	907,735	907,735	1,001,919	1,001,919	1,055,879
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll.....	\$ 67,597,128	\$ 67,597,128	\$ 61,525,281	\$ 61,525,281	\$ 59,873,023
Contributions as a Percentage of					
Covered Employee Payroll.....	1.34%	1.34%	1.63%	1.63%	1.76%
Contributions in Relation to the ADEC as a %.....	100.00%	100.00%	100.00%	100.00%	100.00%

¹ Budgeted.

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements – Note 10” herein for information on the Town’s Other Post-Employment Benefits Plan.

Investment Policies and Practices

Under the Town Charter and under Connecticut General Statutes Sections 7-400, 7-401 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories".

The Town's investment practices have been to invest only in certificates of deposit and the State of Connecticut Short-Term Investment Fund (“STIF”). The Town does not invest in derivative based investment products. The Town Treasurer has followed these investment practices and the Town's operating funds and capital funds are currently invested in the following short-term investments in the State of Connecticut Short-Term Investment Fund.

All Town pension funds are invested with investment managers and for educators, the State of Connecticut Retirement Commission oversees the investment pool for teachers and administrators. For a further description of the Town's Pension Plans, see Appendix A, Notes to Basic Financial Statements, page A-50 herein.

Comparative Balance Sheet - General Fund

	Actual	Actual	Actual	Actual	Actual
Assets	2024-25	2023-24	2022-23	2021-22	2020-21
Cash and Cash Equivalents	\$ 66,462,779	\$ 58,227,846	\$ 67,147,153	\$ 73,869,366	\$ 54,328,360
Receivables, Net.....	2,029,227	1,879,935	1,477,536	1,552,469	2,857,497
Due From Other Funds	3	8,399,495	56,423	44,390	41,468
Other Assets	228,488	170,047	508,919	41,819	79,619
Total Assets	68,720,497	68,677,323	69,190,031	75,508,044	57,306,944
Liabilities:					
Accounts Payable	5,514,365	5,653,709	4,574,514	5,820,353	4,298,050
Due to Other Funds	10,274,259	10,775,120	12,381,004	25,087,036	13,262,244
Other	-	-	-	-	-
Total Liabilities	15,788,624	16,428,829	16,955,518	30,907,389	17,560,294
Deferred Inflows of Resources:					
Unavailable Revenue	1,226,950	1,320,426	1,150,846	1,129,993	1,746,602
Advance Property Tax Collections	2,727,770	2,944,604	5,257,083	4,275,598	3,026,734
Total	3,954,720	4,265,030	6,407,929	5,405,591	4,773,336
Fund Balances:					
Nonspendable.....	228,488	170,047	508,919	41,819	79,619
Restricted.....	604,102	593,118	875,499	1,643,469	1,409,700
Committed.....	6,000,000	6,000,000	4,700,000	3,200,000	3,200,000
Assigned.....	1,008,217	716,872	944,738	1,122,761	2,131,191
Unassigned.....	41,136,346	40,503,427	38,797,428	33,187,015	28,152,804
Total Fund Balance	48,977,153	47,983,464	45,826,584	39,195,064	34,973,314
Total Liabilities, Fund Balances,					
and Deferred Inflows	\$ 68,720,497	\$ 68,677,323	\$ 69,190,031	\$ 75,508,044	\$ 57,306,944

Source: Annual audited financial statements.

(Remainder of page left blank intentionally)

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

	Adopted Budget ^{1,2} 2025-26	Actual 2024-25	Actual 2023-24	Actual 2022-23	Actual 2021-22
Revenues:					
Property Taxes	\$ 135,673,454	\$ 131,056,446	\$ 125,204,498	\$ 117,398,028	\$ 114,381,705
Intergovernmental	14,258,328	29,218,254	30,405,710	29,103,205	24,799,837
Charges For Services	2,446,731	3,108,605	2,312,903	2,651,227	2,776,070
Income on Investments	2,600,000	3,095,414	3,214,772	2,813,133	208,877
Other	3,298,173	-	-	-	-
Total Revenues	158,276,686	166,478,719	161,137,883	151,965,593	142,166,489
Expenditures:					
General Government	5,442,149	5,029,147	4,858,173	4,578,936	4,454,373
Public Safety	11,786,954	11,069,397	10,971,102	10,636,678	9,789,162
Public Works	9,534,777	9,433,807	9,461,735	8,661,854	8,301,138
Human Services	1,412,898	1,374,996	1,297,139	1,218,504	1,175,620
Culture and Recreation	3,838,032	3,527,266	3,676,272	3,443,180	3,516,564
Education	98,880,328	109,341,727	103,707,679	96,443,013	89,951,287
Insurance and Benefits	9,350,767	8,793,063	8,198,118	8,152,765	8,368,690
Other	3,431,859	-	-	-	-
Debt Service	14,598,922	13,751,257	13,499,456	11,649,205	10,635,188
Total Expenditures	158,276,686	162,320,660	155,669,674	144,784,135	136,192,022
Revenues over (under) expenditures	-	4,158,059	5,468,209	7,181,458	5,974,467
Other Financing Sources Uses:					
Premium on Bonds Issues	-	-	-	1,759,519	573,500
Operating Transfers In	-	200,197	48,471	50,543	53,255
Operating Transfers (Out)	-	(3,364,567)	(3,359,800)	(2,360,000)	(2,379,472)
Total other Financing Sources (uses) ...	-	(3,164,370)	(3,311,329)	(549,938)	(1,752,717)
Revenues and other financing sources over (under) expenditures and other financing (uses).....					
	\$ -	\$ 993,689	\$ 2,156,880	\$ 6,631,520	\$ 4,221,750
Fund Balance, July 1.....	48,977,153	47,983,464	45,826,584	39,195,064	34,973,314
Fund Balance, June 30.....	\$ 48,977,153	\$ 48,977,153	\$ 47,983,464	\$ 45,826,584	\$ 39,195,064

¹ Budgeted.

² Does not include amounts for the State of CT Teacher's on-behalf payments for pension and OPEB.

Source: Annual audited financial statements and Finance Department.

Analysis of General Fund Equity

	Adopted Budget ¹ 2025-26	Actual 2024-25	Actual 2023-24	Actual 2022-23	Actual 2021-22
Fund Balances:					
Nonspendable.....	N/A	\$ 228,488	\$ 170,047	\$ 508,919	\$ 41,819
Restricted.....	N/A	604,102	593,118	875,499	1,643,469
Committed.....	N/A	6,000,000	6,000,000	4,700,000	3,200,000
Assigned.....	N/A	1,008,217	716,872	944,738	1,122,761
Unassigned.....	N/A	41,136,346	40,503,427	38,797,428	33,187,015
Total Fund Balance	\$ -	\$ 48,977,153	\$ 47,983,464	\$ 45,826,584	\$ 39,195,064

¹ Budgetary basis and subject to audit.

Source: Annual audited financial statements and Finance Department.

VII. Legal and Other Information

Litigation

The Town, its officers, employees, boards and commissions are defendants in various lawsuits. The Town Attorney is of the opinion that all pending litigation will not be finally determined so as to result individually or in the aggregate, in a final judgment 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 Town Manager and Town Treasurer which will be dated the date of delivery, which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds, the description and statements in the Preliminary Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Preliminary Official Statement;
3. A receipt for the purchase price of the Bonds;
4. The approving opinion for the Bonds of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut; in substantially the form attached here to as Appendix B;
5. An executed continuing disclosure agreement for the Bonds in substantially the form attached hereto as Appendix C; and
6. The Town will make available to the winning purchaser of the Bonds a reasonable number of copies of the Official Statement at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by Noon (E.T.) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the winning bidder for the Bonds.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of U.S. Bank Trust Company, National Association, Hartford, Connecticut and will be available for examination upon reasonable request.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the Town and the winning purchaser or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provision of law is subject to repeal or amendment.

Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

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

TOWN OF SOUTH WINDSOR, CONNECTICUT

By: _____
Michael Maniscalco, *Town Manager*

By: _____
Rose Maturo, *Town Treasurer*

Dated: February __, 2026

Appendix A

2025 General Purpose Financial Statements (Excerpted from the Town's Annual Comprehensive Financial Report)

The following includes the General Purpose Financial Statements of the Town of South Windsor, Connecticut for the fiscal year ended June 30, 2025. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.



INDEPENDENT AUDITORS' REPORT

Town Council
Town of South Windsor, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of South Windsor, 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 South Windsor, Connecticut, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules 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.

Required Supplementary Information (Continued)

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of South Windsor, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules for the year ended June 30, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of South Windsor, Connecticut as of and for the year ended June 30, 2024, (not presented herein), and have issued our report thereon dated November 20, 2024 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The Comparative Balance Sheet - General Fund for the year ended June 30, 2025 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Comparative Balance Sheet - General Fund is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Information

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

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of the Town of South Windsor, 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 South Windsor, 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 Town of South Windsor, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
November 25, 2025

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

As management of the Town of South Windsor, Connecticut (the Town), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter and the basic financial statements to enhance understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets and deferred outflows of the Town exceeded its liabilities and deferred inflows resulting in total net position at the close of the fiscal year of \$274.3 million. Of the Town's total net position at June 30, 2025, \$31.8 million, or 11.59%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government wide basis, during the year, the Town's net position increased by \$16,607,917 from \$257.7 million to \$274.3 million. Government-wide expenses were \$180.6 million, while revenues were \$197.2 million.
- At the close of the year, the Town's governmental funds reported combined ending fund balances of \$51.8 million, an increase of \$6.1 million from the prior fiscal year. Of this amount, \$32 million is available for spending at the Town's discretion and represents the combined unassigned balance in the General Fund net of the fund deficits in the Capital Projects fund. The deficits in the Capital Projects Fund will be eliminated upon the receipt of final grant reimbursements.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$41.1 million or 27.33 percent of total General Fund budgeted expenditures and transfers out.

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. This report also contains supplementary information and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 2016 and running through the current year.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

These two statements report the Town's net position and any annual change. The Town's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, sanitation, culture and recreation, debt service and general administration. Property taxes, charges for services and state and federal grants finance these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (such as the Sewer Operating Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received for education from the State and Federal governments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's proprietary fund consists of the Town's internal service fund and is used to report the Town's self-insurance program.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans and other postemployment benefit plans. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$274.3 million at the close of the most recent fiscal year.

**GOVERNMENTAL ACTIVITIES
SUMMARY STATEMENT OF NET POSITION
TABLE 1**

	Governmental Activities	
	2025	2024
Assets:		
Current Assets	\$ 90,110,440	\$ 78,467,128
Capital Assets, Net of Accumulated Depreciation	385,581,901	376,149,696
Total Assets	475,692,341	454,616,824
Deferred Outflows of Resources	3,044,281	4,020,150
Liabilities:		
Long-Term Liabilities Outstanding	18,686,325	17,183,254
Other Liabilities	175,778,912	174,843,215
Total Liabilities	194,465,237	192,026,469
Deferred Inflows of Resources	9,948,935	8,895,972
Net Position:		
Net Investment in Capital Assets	238,369,912	233,193,401
Restricted	4,133,693	5,653,822
Unrestricted	31,818,845	18,867,310
Total Net Position	<u>\$ 274,322,450</u>	<u>\$ 257,714,533</u>

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by \$5.1 million.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The Town's restricted net position of \$4.1 million decreased by \$1.5 million compared to last year's restricted net position of \$5.6 million.

The Town's unrestricted net position of \$31.8 million increased by \$13 million compared to last year's unrestricted net position of \$18.8 million.

**GOVERNMENTAL ACTIVITIES
STATEMENT OF CHANGES IN NET POSITION
TABLE 2**

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 15,318,012	\$ 14,646,830
Operating Grants and Contributions	43,415,049	45,364,851
Capital Grants and Contributions	1,667,413	4,548,204
General Revenues:		
Property Taxes	130,922,568	125,339,597
Grants and Contributions Not Restricted to Specific Purposes	2,719,526	4,640,778
Unrestricted Investment Earnings	3,160,736	3,295,609
Other General Revenues	645	6,683
Total Revenues	<u>197,203,949</u>	<u>197,842,552</u>
Expenses:		
General Government	7,591,276	7,911,156
Public Safety	14,637,999	13,720,036
Public Works	20,599,903	22,311,082
Human Services	2,413,045	2,473,766
Culture and Recreation	7,409,686	6,661,660
Education	126,611,893	118,819,422
Debt Service	1,332,230	1,613,886
Total Expenses	<u>180,596,032</u>	<u>173,511,008</u>
Increase in Net Position	16,607,917	24,331,544
Net Position - Beginning of Year	<u>257,714,533</u>	<u>233,382,989</u>
Net Position - End of Year	<u><u>\$ 274,322,450</u></u>	<u><u>\$ 257,714,533</u></u>

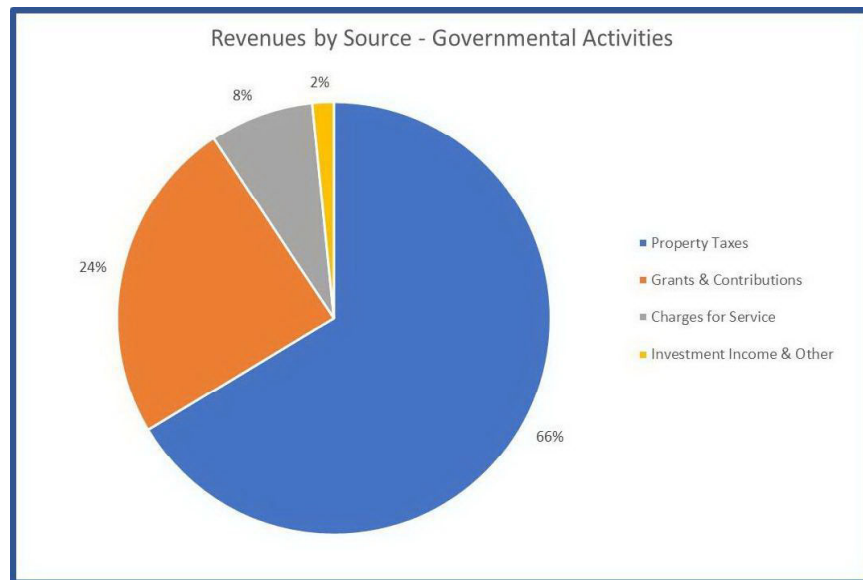
As noted above, total revenues were \$197.2 million and the total cost of all programs and services was \$180.6 million. Our analysis below considers the operations of the fiscal year's governmental activities.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Governmental Activities

The Town's net position increased \$16.6 million during the current fiscal year. This increase reflects total revenues generated through increased property tax revenues, and other various revenues that exceed operating costs. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements changed from \$18.8 million at June 30, 2024 to \$31.6 million at the end of this year.

Approximately 66.4% of the revenues were derived from property taxes, followed by 24.3% from grants & contributions, 7.7% from charges for services and 1.6% of the Town's revenue in the fiscal year was derived from income from investments and other source.



Major revenue factors included:

- Property tax revenue increased by \$5,582,971 compared to the prior year primarily due to static growth in grants and charges for services, leading to increased need in tax revenue.
- Operating Grants decreased by \$1,949,802 mainly caused by a significant decrease in the on-behalf OPEB and Pension contributions relating to the State Teachers' Retirement System Revenue.
- Capital Grants and Contributions Revenue decreased by \$2,880,791 compared to the prior year due to grant reimbursements received from the State and Federal Government relating to road, bridges, and school projects.

Approximately 70.0% of the Town's expenditures relate to education, 10.3% to public works, 9.7% to public safety, 4.1% for general government, 3.9% to culture and recreation and 2.0% related to the remainder of the government's expenses. These percentages are fairly consistent with the prior year.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The Town continues to employ various cost control methods to keep expenditures as low as possible. These involve ongoing monthly review of all town expenditures as compared to budget; Town Manager review of all purchase orders; and shared service purchasing or state-contract equipment and supplies where possible. The Town continues to be proactive in controlling employee benefit costs through implementation of wellness incentives; working with our insurance broker and negotiating with bargaining units.

Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, human services, culture and recreation, education and debt service - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**GOVERNMENTAL ACTIVITIES
TABLE 3**

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General Government	\$ 7,591,276	\$ 7,911,156	\$ (3,286,080)	\$ (5,404,075)
Public Safety	14,637,999	13,720,036	(11,325,510)	(11,209,766)
Public Works	20,599,903	22,311,082	(9,372,827)	(3,259,593)
Human Services	2,413,045	2,473,766	(1,861,799)	(1,885,908)
Culture and Recreation	7,409,686	6,661,660	(4,722,778)	(4,081,454)
Education	126,611,893	118,819,422	(88,294,334)	(81,496,441)
Debt Service	1,332,230	1,613,886	(1,332,230)	(1,613,886)
Total	<u>\$ 180,596,032</u>	<u>\$ 173,511,008</u>	<u>\$ (120,195,558)</u>	<u>\$ (108,951,123)</u>

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

The Town's governmental funds (as presented in the balance sheet - Exhibit III) reported combined ending fund balances of \$51.8 million inclusive of an unassigned fund balance of \$32 million.

The General Fund is the operating fund of the Town. Fund balance of the Town's General Fund increased by \$1 million during the current fiscal year. At June 30, 2025, unassigned fund balance of the General Fund was \$41.1 million while total fund balance was \$49 million. The increase in fund balance is due primarily to higher than anticipated tax collection, building permit fees, and investment income combined with expenditure savings in General Government, Board of Education, Public Works, and Public Safety line items.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

During the year, actual revenues and other financing sources on a budgetary basis were \$151.6 million which did not meet budgetary estimates by \$243,567. The main factor was the increase in budgeted use of Fund Balance. This shortfall was offset by expenditures under budgetary estimates, which net overall, contributed to an increase in Unassigned Fund Balance.

Increases in interest rates, led to investment earnings being \$584,430 over budget. Increased collection enforcement pushed the collection rate to 99.5% versus the budgeted collection rate of 99.4% and generated positive variances in prior-year taxes, and supplemental motor vehicle revenues. Charges for current services exceeded budget expectations by \$744,130 primarily due to increased activity for building permits due to new construction and an increase in Town Clerk Revenues of \$200,118, due to increased collections on conveyance fees.

Actual expenditures on a budgetary basis and other financing uses totaled \$150.5 million which was less than budgeted by \$1.3 million. Education, Public Works and General Government accounts contributed \$325,065, \$183,846 and \$208,019 respectively to the overall positive variance due to overtime savings, unfilled positions, and overall cost containment.

The Town's collection rate in fiscal year 2025 was 99.5%, which is on par with the average collection rate over the past five fiscal years.

The fund balance of the Town's Capital Project Fund decreased by \$7.2 million to (\$4.7 million) due to ongoing construction costs that will be funded in the future through a combination of grant reimbursements and bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town of South Windsor's cumulative investment in capital assets as of June 30, 2025 totals \$385.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, enterprise-wide software, streets & sidewalks, equipment, vehicles, water & sewer systems and construction in progress. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$9.4 million.

Major capital asset activity during the current fiscal year included the following:

- Improvements to Fiber Optics networks.
- Continued repairs to various roads, public improvements; including Pleasant Valley, Dart Hill, and Buckland Roads.
- HVAC upgrades at the High School, Library, and Wood Memorial Library.
- Roof replacement at the High School
- Mitchel Fairground improvements including a new 40 x 80 pavilion
- A second-floor renovation including the Engineering and Building Department
- ADA improvements throughout public buildings
- Clark Street, Benedict Drive, Pleasant Valley Pump Station Upgrades.
- Depreciation expense in the amount of \$10.6 million was recognized

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

**TABLE 4
CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2025	2024
Land	\$ 19,844,167	\$ 19,614,167
Buildings	143,046,282	147,204,600
Improvements Other than Buildings	37,384,967	30,916,572
Furniture and Equipment	7,858,658	7,300,617
Right-to-Use Leased Equipment	1,140,405	1,095,215
Subscriptions Asset	277,418	531,219
Infrastructure	79,143,326	79,157,886
Construction in Progress	96,886,678	90,329,420
Total	<u>\$ 385,581,901</u>	<u>\$ 376,149,696</u>

Additional information on the Town's capital assets can be found in Note 5 of the Basic Financial Statements.

Long-Term Debt

In the current year, the Town issued \$14 million of general obligation bonds to be financed over 20 years with interest rates ranging from 4.0% to 5.0%. The bonds will permanently finance various capital improvement projects. At June 30, 2025, the Town had \$135.1 million in bonds and notes outstanding versus \$130.4 million in the previous year. All of the debt is backed by the full faith and credit of the Town.

Debt service expenditures will continue to increase over the next several years as the Town permanently finances expenditures of \$58 million for the construction of Pleasant Valley Elementary School and \$50 million for road and drainage projects as approved in 2018 and 2022 per referendum. All projects are part of the Board of Education 10-year elementary facilities plan and 5-year capital projects plan.

The Town of South Windsor maintained its AAA rating from Standard and Poor's and Aa2 rating from Moody's Investors Service. The overall statutory debt limit for the Town of South Windsor is equal to seven times annual receipts from taxation or \$874.6 million. As of June 30, 2025, the Town recorded total net debt of \$169.9 million, well below its statutory debt limits.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2026 and thereafter.
- The unemployment rate for the State is currently 3.4%, which is an increase from a rate of 2.8% a year ago. The Town's unemployment rate was 2.9% compared to 2.8% in the prior year.
- Interest income was budgeted slightly higher than previous years, but with a conservative eye due to the unknown changes in market interest rates and how this will impact real estate activity and related revenues.

All of these factors were considered in preparing the Town of South Windsor, CT's budget for the 2026 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael Maniscalco, Town Manager, Town of South Windsor, 1540 Sullivan Avenue, South Windsor, Connecticut, 06074.

BASIC FINANCIAL STATEMENTS

TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 73,936,185
Investments	300,485
Receivables, Net	15,555,893
Supplies	32,017
Prepaid Items	285,860
Capital Assets Not Being Depreciated	116,730,845
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>268,851,056</u>
Total Assets	475,692,341
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	236,540
Deferred Outflows Related to OPEB	<u>2,807,741</u>
Total Deferred Outflows of Resources	3,044,281
LIABILITIES	
Accounts Payable and Accrued Liabilities	12,529,641
Unearned Revenue	6,156,684
Noncurrent Liabilities:	
Due Within One Year	13,579,592
Due in More than One Year	<u>162,199,320</u>
Total Liabilities	194,465,237
DEFERRED INFLOWS OF RESOURCES	
Advance Property Tax Collections	2,727,770
Deferred Charge on Refunding	228,796
Deferred Inflows Related to Pensions	2,377,546
Deferred Inflows Related to OPEB	<u>4,614,823</u>
Total Deferred Inflows of Resources	<u>9,948,935</u>
NET POSITION	
Net Investment in Capital Assets	238,369,912
Restricted for:	
Education	2,355,339
Public Safety	239,619
Public Works	216,488
Health and Welfare	1,322,247
Unrestricted	<u>31,818,845</u>
Total Net Position	<u><u>\$ 274,322,450</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 7,591,276	\$ 2,736,983	\$ 389,973	\$ 1,178,240	\$ (3,286,080)
Public Safety	14,637,999	337,660	2,974,829	-	(11,325,510)
Public Works	20,599,903	5,932,334	4,805,569	489,173	(9,372,827)
Human Services	2,413,045	363,813	187,433	-	(1,861,799)
Culture and Recreation	7,409,686	2,642,100	44,808	-	(4,722,778)
Education	126,611,893	3,305,122	35,012,437	-	(88,294,334)
Interest on Long-Term Debt	1,332,230	-	-	-	(1,332,230)
Total Governmental Activities	<u>\$ 180,596,032</u>	<u>\$ 15,318,012</u>	<u>\$ 43,415,049</u>	<u>\$ 1,667,413</u>	(120,195,558)
GENERAL REVENUES					
Property Taxes					130,922,568
Grants and Contributions Not Restricted to Specific Programs					2,719,526
Unrestricted Investment Earnings					3,160,736
Miscellaneous					645
Total General Revenues					<u>136,803,475</u>
CHANGE IN NET POSITION					16,607,917
Net Position - Beginning of Year					<u>257,714,533</u>
NET POSITION - END OF YEAR					<u>\$ 274,322,450</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Capital Projects Fund	Sewer Operating Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 66,462,779	\$ 127,031	\$ 32,466	\$ -	\$ 2,097,166	\$ 68,719,442
Investments	-	-	-	-	300,485	300,485
Receivables, Net	2,029,227	12,901,411	89,792	-	535,463	15,555,893
Due from Other Funds	3	2,780,582	1,379,948	882,130	5,231,599	10,274,262
Other Assets	228,488	-	-	-	89,389	317,877
Total Assets	<u>68,720,497</u>	<u>15,809,024</u>	<u>1,502,206</u>	<u>882,130</u>	<u>8,254,102</u>	<u>95,167,959</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	5,514,365	2,663,397	124,855	600,660	940,662	9,843,939
Due to Other Funds	10,274,259	-	-	-	3	10,274,262
Unearned Revenue	-	4,947,164	-	281,470	928,050	6,156,684
Total Liabilities	<u>15,788,624</u>	<u>7,610,561</u>	<u>124,855</u>	<u>882,130</u>	<u>1,868,715</u>	<u>26,274,885</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	1,226,950	-	-	-	-	1,226,950
Unavailable Revenue - Sewer Use	-	-	89,792	-	-	89,792
Unavailable Grant Revenue	-	12,901,411	-	-	139,318	13,040,729
Advance Property Tax Collections	2,727,770	-	-	-	-	2,727,770
Total Deferred Inflows of Resources	<u>3,954,720</u>	<u>12,901,411</u>	<u>89,792</u>	<u>-</u>	<u>139,318</u>	<u>17,085,241</u>
FUND BALANCES						
Nonspendable	228,488	-	-	-	89,389	317,877
Restricted	604,102	-	-	-	3,529,591	4,133,693
Committed	6,000,000	4,406,827	1,181,942	-	2,615,839	14,204,608
Assigned	1,008,217	-	105,617	-	28,005	1,141,839
Unassigned	41,136,346	(9,109,775)	-	-	(16,755)	32,009,816
Total Fund Balances	<u>48,977,153</u>	<u>(4,702,948)</u>	<u>1,287,559</u>	<u>-</u>	<u>6,246,069</u>	<u>51,807,833</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 68,720,497</u>	<u>\$ 15,809,024</u>	<u>\$ 1,502,206</u>	<u>\$ 882,130</u>	<u>\$ 8,254,102</u>	<u>\$ 95,167,959</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 51,807,833

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I)
are different because of the following:

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

Governmental Capital Assets	571,773,980
Less: Accumulated Depreciation	(186,192,079)
Net Capital Assets	385,581,901

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

Property Tax Receivables Greater than 60 Days	721,148
Interest Receivable on Property Taxes	505,802
Assessments and User Fee Receivable	68,682
Interest Receivable on Assessments and User Fees	21,110
Grants Receivables Greater than 60 Days	13,040,729
Deferred Outflows Related to Pension	236,540
Deferred Outflows Related to OPEB	2,807,741

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

3,918,243

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

Net Pension Liability	(14,100,168)
Deferred Inflows Related to Pension	(2,377,546)
Deferred Inflows Related to OPEB	(4,614,823)
Bonds Payable	(135,045,000)
Clean Water Fund Loans	(100,980)
Interest Payable on Bonds and Notes	(1,387,202)
Compensated Absences	(8,707,507)
Lease Financing Arrangements	(2,882,920)
Lease Liability	(1,090,482)
Subscriptions Payable	(327,973)
Unamortized Bond Premium	(7,535,838)
Net OPEB Liability	(5,988,044)
Deferred Charges on Refunding	(228,796)

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

\$ 274,322,450

TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Capital Projects Fund	Sewer Operating Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 131,056,446	\$ -	\$ -	\$ -	\$ -	\$ 131,056,446
Intergovernmental	29,218,254	1,433,530	-	2,943,739	5,847,334	39,442,857
Charges for Services	3,108,605	24,120	5,811,920	-	6,650,328	15,594,973
Investment Earnings	3,095,414	1,566	29	-	49,178	3,146,187
Miscellaneous	-	233,883	137	-	561,208	795,228
Total Revenues	166,478,719	1,693,099	5,812,086	2,943,739	13,108,048	190,035,691
EXPENDITURES						
Current:						
General Government	5,029,147	-	-	398,946	109,410	5,537,503
Public Safety	11,069,397	-	-	129,697	164,885	11,363,979
Public Works	9,433,807	-	4,511,844	1,930,153	692,432	16,568,236
Human Services	1,374,996	-	-	93,943	463,789	1,932,728
Culture and Recreation	3,527,266	-	-	391,000	2,548,932	6,467,198
Insurance and Sundry	8,793,063	-	-	-	-	8,793,063
Education	109,341,727	-	-	-	10,207,265	119,548,992
Debt Service	13,751,257	-	-	-	-	13,751,257
Capital Outlay	-	16,387,708	-	-	-	16,387,708
Total Expenditures	162,320,660	16,387,708	4,511,844	2,943,739	14,186,713	200,350,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,158,059	(14,694,609)	1,300,242	-	(1,078,665)	(10,314,973)
OTHER FINANCING SOURCES (USES)						
Issuance of General Obligation Bonds	-	14,000,000	-	-	-	14,000,000
Financed Purchase Arrangements	-	880,834	-	-	-	880,834
Leases	-	611,164	-	-	-	611,164
Subscription Based Information Technology Arrangements	-	4,050	-	-	-	4,050
Premium on General Obligation Bonds	-	954,797	-	-	-	954,797
Transfers In	200,197	5,454,567	21,591	-	-	5,676,355
Transfers Out	(3,364,567)	-	(2,137,500)	-	(174,288)	(5,676,355)
Total Other Financing Sources (Uses)	(3,164,370)	21,905,412	(2,115,909)	-	(174,288)	16,450,845
NET CHANGE IN FUND BALANCES	993,689	7,210,803	(815,667)	-	(1,252,953)	6,135,872
Fund Balances - Beginning of Year	47,983,464	(11,913,751)	2,103,226	-	7,499,022	45,671,961
FUND BALANCES - END OF YEAR	<u>\$ 48,977,153</u>	<u>\$ (4,702,948)</u>	<u>\$ 1,287,559</u>	<u>\$ -</u>	<u>\$ 6,246,069</u>	<u>\$ 51,807,833</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 6,135,872

Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	20,150,041
Depreciation Expense	(10,622,247)

In the Statement of Activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold. (95,589)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the Statement of Activities:

Property Tax Receivable - Accrual Basis Change	(135,971)
Property Tax Interest and Lien Revenue - Accrual Basis Change	42,495
Sewer User Fees and Assessment Receivable - Accrual Basis Change	(13,441)
Sewer User Fees and Assessment Interest Receivable - Accrual Basis Change	(12,264)
Change in Unavailable Grant Revenue	4,392,441
Deferred Outflows Related to Changes in Pension	(327,222)
Deferred Outflows Related to OPEB Changes	(648,647)

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

Bond Principal Payments	8,925,000
Clean Water Fund Loan Payments	113,274
Issuance of General Obligation Bonds	(14,000,000)
Premium on Bonds	(954,797)
Principal Payments - Financed Purchase	1,119,798
Issuance of Notes Payable - Financed Purchase	(880,834)
Lease Liability Principal Payments	561,938
Issuance of Leases	(611,164)
Issuance of Subscriptions Based Technology Arrangements	(4,050)
Principal Payments on Subscriptions Payable	235,898

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:

Compensated Absences	(292,459)
Accrued Interest	223,875
Amortization of Deferred Charge on Refunding	14,708
Amortization of Bond Premiums	1,224,534
Net Pension Liability	3,099,936
Deferred Inflows Related to Pension Changes	(1,943,485)
Deferred Inflows Related to OPEB Changes	658,980
Net OPEB Liability	527,228

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. (275,931)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 16,607,917
---	---------------

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025**

	Governmental Activities <u>Internal Service Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 5,216,743
LIABILITIES	
Accounts and Other Payables	<u>1,298,500</u>
NET POSITION	
Unrestricted	<u><u>\$ 3,918,243</u></u>

See accompanying Notes to Basic Financial Statements.

TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 17,744,653
OPERATING EXPENSES	
Employee Benefits	<u>18,035,301</u>
OPERATING LOSS	(290,648)
NONOPERATING REVENUE	
Income on Investments	<u>14,717</u>
CHANGE IN NET POSITION	(275,931)
Net Position - Beginning of Year	<u>4,194,174</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,918,243</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums - Town Departments and Agencies	\$ 17,744,653
Claims Paid	<u>(17,585,701)</u>
Net Cash Provided by Operating Activities	158,952
CASH FLOWS FROM INVESTING ACTIVITIES	
Income from Investments	<u>14,717</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	173,669
Cash and Cash Equivalents - Beginning of Year	<u>5,043,074</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,216,743</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (290,648)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Decrease In Accounts and Other Payables	<u>449,600</u>
Net Cash Provided by Operating Activities	<u><u>\$ 158,952</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 623,444
Investments:	
Mutual Funds	<u>71,757,960</u>
Total Assets	<u>72,381,404</u>
NET POSITION	
Net Position Restricted for Pensions	66,437,026
Net Position Restricted for OPEB	<u>5,944,378</u>
Total Net Position	<u><u>\$ 72,381,404</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 3,013,645
Plan Members	<u>354,112</u>
Total Contributions	<u>3,367,757</u>
Investment Earnings:	
Net Change in Fair Value of Investments	<u>7,507,782</u>
Total Additions	10,875,539
DEDUCTIONS	
Benefits	5,367,049
Administration	<u>134,715</u>
Total Deductions	<u>5,501,764</u>
CHANGE IN NET POSITION	5,373,775
Net Position - Beginning of Year	<u>67,007,629</u>
NET POSITION - END OF YEAR	<u><u>\$ 72,381,404</u></u>

See accompanying Notes to Basic Financial Statements.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of South Windsor (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 more significant policies of the Town are described below.

A. Reporting Entity

The Town was incorporated in 1845. The Town operates under a Town Council/Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, public health and social services, parks and recreation, and education.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established two single-employer defined benefit pension plans and one postretirement healthcare benefits (OPEB) plan to provide retirement benefits and postretirement healthcare benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and fiduciary funds, including fiduciary component units, 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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.

Capital Projects Fund

The Capital Projects Fund accounts for the financial resources to be used for major capital asset construction and/or purchases.

Sewer Operating Fund

The Sewer Operating Fund accounts for sewer use and assessment fees used to maintain sewer operations within the Town. The major sources of revenue for this fund are sewer assessments and use charges.

American Rescue Plan Act Fund

The American Rescue Plan Act Fund accounts for federal funds received under the American Rescue Plan Act.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund accounts for risk financing activities for medical insurance benefits as allowed by GASB Statement No. 10.

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the South Windsor Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the accumulated resources and payments associated with both Town and Board of Education health insurance benefits to former qualified employees.

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

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Deposits and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

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

Property taxes are levied on all assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Assessed values are established by the Town Assessor's Office at 70% of appraised value. The tax bills are payable in two installments, July and January. In accordance with State Statutes, the oldest outstanding tax is collected first. Delinquent taxes are charged with interest at the rate of 1.5% per month. Outstanding real estate tax accounts are automatically lien-ed each year prior to June 30.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

In the governmental fund financial statements property tax revenues are recognized when they become available. Available means due or past due and received 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 unavailable revenue.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 for equipment, \$50,000 for improvements, and \$100,000 for infrastructure and an estimated useful life extending beyond one year. Groups of assets, where individual items fall below the capitalization threshold but collectively meet or exceed the capitalization requirement, will be capitalized. All capitalized assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost 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.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Roads	75 Years	Improvements Other than Buildings	20 Years
Bridges	50 Years	Machinery and Equipment	5 to 20 Years
Sewer Collection Pipes	75 Years	Vehicles	6 to 20 Years
Sewer Collection Manholes	75 Years	Office Equipment	10 Years
Buildings	40 Years	Computer Equipment	3 Years

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in actuarial assumptions and differences between expected and actual investment returns.

These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to a deferred charge on refunding and deferred inflows related to pensions and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred inflow of resources related to pension and OPEB results from changes in assumptions. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

The governmental funds report unavailable revenues from several sources: property taxes, special assessments and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Town and noncertified Board of Education employees are granted vacation and sick leave, and certified employees of the Board of Education are granted sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and, depending on the terms of their union contract, sick time.

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

J. Net Pension Liability

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

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations (Continued)

Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Leases

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

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

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

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

The Town has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

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

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

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance

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

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

Restricted Net Position – Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

Unrestricted Net Position – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). The Town Council may commit resources by resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates of and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues expenditures during the fiscal year.

P. Adoption of New Accounting Standards

Effective July 1, 2024, the Town implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The implementation of this standard did not affect beginning net position.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund, Sewer Operating, and Recreation Fund financial statements:

- Prior to March 15, the Board of Education submits to the Town Council a proposed budget for the year commencing July 1. Prior to March 22, the Town Manager submits to the Town Council a proposed operating budget for the general government for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. By April 15, the Town Council must have the Board of Education budget ready for public hearing and by April 22, the Town Council must have the general government budget ready for public hearing.
- By April 30, public hearings are conducted on the Board of Education budget and by May 7, public hearings are conducted on the general government budget.
- By May 15, the Town Council shall adopt the Board of Education budget and by May 22, the Town Council shall adopt the general government budget.
- The Town Manager may transfer unencumbered funds within a department budget. The Town Council may transfer unencumbered funds between departments and is authorized to make additional appropriations. There were no additional appropriations approved during the year.
- Formal budgetary integration is employed as a management control device during the year.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract, or other commitment is issued, and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year, or no expenditure from or encumbrance of the appropriation has been made for three consecutive fiscal years.

B. Fund Deficits

The major fund Capital Projects had a deficit fund balance of \$4,702,948, at June 30, 2025. The deficit will be funded with future charges for services, bonding and contributions from the General Fund. There was also a deficit fund balance in the BOE Accommodations Fund for \$16,755 which will be funded by future contributions.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts.

Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There are no limitation or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

A. Deposits

Deposit 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. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$29,281,450 of the Town's bank balance of \$29,781,450 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 26,303,305
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>2,978,145</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 29,281,450</u></u>

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, 2025, the Town's cash equivalents amounted to \$42,942,754.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Credit Risk – Cash Equivalents

Credit risk is the risk that an issuer of an investments will not fulfill its obligation to the holder. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for Town of South Windsor, Connecticut as rated by Standard & Poor's:

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm
Principal	*
M&T Bank	*

* Not Rated

B. Investments

Investments as of June 30, 2025, in all funds are as follows:

Investment Type	Fair Value
Mutual Funds	\$ 72,058,445

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. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Town's investment policy does not specify a limit for an investment in any one issuer.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2025, the Town had no uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk (Continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 72,058,445	\$ 69,810,359	\$ 2,248,086	\$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level 3 investments.

NOTE 4 RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Sewer Operating Fund	Nonmajor and Other Funds	Total
Receivables:					
Interest	\$ 505,802	\$ -	\$ 21,110	\$ -	\$ 526,912
Taxes	1,137,301	-	-	-	1,137,301
Accounts	647,703	-	61,370	30,219	739,292
Intergovernmental	-	12,901,411	-	505,244	13,406,655
Special Assessments	-	-	7,312	-	7,312
Gross Receivables	2,290,806	12,901,411	89,792	535,463	15,817,472
Less: Allowance for Uncollectibles:					
Taxes	(261,579)	-	-	-	(261,579)
Net Total Receivables	\$ 2,029,227	\$ 12,901,411	\$ 89,792	\$ 535,463	\$ 15,555,893

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 19,614,167	\$ 230,000	\$ -	\$ 19,844,167
Construction In Progress	90,329,420	14,270,254	(7,712,996)	96,886,678
Total Capital Assets Not Being Depreciated	109,943,587	14,500,254	(7,712,996)	116,730,845
Capital Assets Being Depreciated:				
Buildings	219,582,687	-	-	219,582,687
Improvements Other than Buildings	47,336,632	8,798,241	-	56,134,873
Furniture and Equipment	22,846,250	2,463,940	(2,632,855)	22,677,335
Right-to-Use Leased Equipment	2,165,081	611,164	(243,197)	2,533,048
Subscription Assets	907,169	4,050	(128,618)	782,601
Infrastructure	151,847,203	1,485,388	-	153,332,591
Total Capital Assets Being Depreciated	444,685,022	13,362,783	(3,004,670)	455,043,135
Less: Accumulated Depreciation for:				
Buildings	(72,378,087)	(4,158,318)	-	(76,536,405)
Improvements Other than Buildings	(16,420,060)	(2,329,846)	-	(18,749,906)
Furniture and Equipment	(15,545,633)	(1,822,597)	2,549,553	(14,818,677)
Right-to-Use Leased Equipment	(1,069,866)	(553,687)	230,910	(1,392,643)
Subscription Asset	(375,950)	(257,851)	128,618	(505,183)
Infrastructure	(72,689,317)	(1,499,948)	-	(74,189,265)
Total Accumulated Depreciation	(178,478,913)	(10,622,247)	2,909,081	(186,192,079)
Total Capital Assets Being Depreciated, Net	266,206,109	2,740,536	(95,589)	268,851,056
Governmental Activities Capital Assets, Net	\$ 376,149,696	\$ 17,240,790	\$ (7,808,585)	\$ 385,581,901

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

Governmental Activities:	
General Government	\$ 771,841
Public Safety	1,098,077
Public Works	2,990,381
Culture and Recreation	569,828
Human Services	57,344
Education	5,134,776
Total Depreciation Expense - Governmental Activities	<u>\$ 10,622,247</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS (CONTINUED)

Construction Commitments

The Town has active construction projects as of June 30, 2025. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Road Improvement Projects	\$ 12,667,512	\$ 7,274,102
Board of Education Projects	52,816,695	1,462,795
Other Projects	-	770,827
Sewer Projects	1,741,112	178,685

The commitments are being financed by General Fund appropriations, permanent financing, and participation in the State's Highway Planning and Construction Program.

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are a result of timing differences between the dates payments occurred for various activities. A summary of interfund balances as of June 30, 2025, is presented below:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 3
Capital Projects Funds	General Fund	2,780,582
Sewer Operating Fund	General Fund	1,379,948
ARPA Fund	General Fund	882,130
Nonmajor Governmental Funds	General Fund	5,231,599
Total		<u>\$ 10,274,262</u>

Interfund receivables and payables generally represent temporary balances from reimbursement type transactions.

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. The transfers that occurred during the year are as follows:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects	Sewer Operating	
Transfers Out:				
General Fund	\$ -	\$ 3,364,567	\$ -	\$ 3,364,567
Sewer Operating	47,500	2,090,000	-	2,137,500
Nonmajor Governmental	152,697	-	21,591	174,288
Total Transfers In	<u>\$ 200,197</u>	<u>\$ 5,454,567</u>	<u>\$ 21,591</u>	<u>\$ 5,676,355</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

A schedule of long-term liabilities outstanding at June 30, 2025, is presented below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Bonds Payable	\$ 129,970,000	\$ 14,000,000	\$ (8,925,000)	\$ 135,045,000	\$ 9,805,000
Premiums	7,805,576	954,797	(1,224,535)	7,535,838	-
Subtotal	137,775,576	14,954,797	(10,149,535)	142,580,838	9,805,000
Direct Borrowings:					
Clean Water Fund Loans	214,254	-	(113,274)	100,980	93,135
Financed Purchase Arrangements	3,121,884	880,834	(1,119,798)	2,882,920	1,130,954
Lease Liability	1,041,256	611,164	(561,938)	1,090,482	312,700
Subscriptions Payable	559,821	4,050	(235,898)	327,973	157,633
Compensated Absences	8,415,048	292,459	-	8,707,507	2,080,170
Net OPEB Liability	6,515,272	-	(527,228)	5,988,044	-
Net Pension Liability	17,200,104	-	(3,099,936)	14,100,168	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 174,843,215</u>	<u>\$ 16,743,304</u>	<u>\$ (15,807,607)</u>	<u>\$ 175,778,912</u>	<u>\$ 13,579,592</u>

For the governmental activities, net pension and OPEB liabilities are generally liquidated by the General Fund.

The change in the compensated absence liability is presented as a net change.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

Bonds and notes payable at June 30, 2025, comprise the following:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2025
General Purpose:					
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	\$ 1,862,000	\$ 1,165,000
Improvement Bond	2/16/2018	2/15/2038	3.0-5.0%	4,000,000	640,000
Improvement Bond	2/14/2019	2/1/2039	2.0-5.0%	750,000	540,000
Refunding Bond	6/27/2019	8/1/2030	2.375-4.0%	9,155,000	4,805,000
Improvement Bond	2/12/2021	6/30/2041	1.1-4.0%	4,000,000	3,200,000
Refunding Bond	3/30/2021	6/30/2035	2.0-4.0%	1,393,000	1,071,000
Improvement Bond	1/27/2022	2/1/2042	2.125-5.0%	5,000,000	4,250,000
Refunding Bond	1/27/2022	2/15/2036	2.0-5.0%	2,144,000	1,714,000
Improvement Bond	1/31/2023	2/1/2043	3.0-5.0%	8,500,000	7,650,000
Refunding Bond	2/16/2023	2/15/2035	4.0-5.0%	3,876,000	3,310,000
Improvement Bond	2/8/2024	2/1/2044	4.0-5.0%	8,500,000	8,075,000
Improvement Bond	2/18/2025	2/15/2043	4.0-5.0%	8,840,000	8,840,000
Schools:					
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	702,000	440,000
Improvement Bond	2/16/2018	2/15/2038	3.0-5.0%	7,500,000	1,115,000
Improvement Bond	2/14/2019	2/1/2039	2.0-5.0%	4,500,000	3,210,000
Improvement Bond	2/13/2020	2/1/2040	2.0-5.0%	13,500,000	10,125,000
Improvement Bond	2/12/2021	6/30/2041	1.1-4.0%	23,000,000	18,400,000
Refunding Bond	3/30/2021	6/30/2035	2.0-4.0%	2,240,000	1,595,000
Improvement Bond	1/27/2022	2/1/2042	2.125-5.0%	15,000,000	12,750,000
Refunding Bond	1/27/2022	2/15/2036	2.0-5.0%	956,000	781,000
Improvement Bond	1/31/2023	2/1/2043	3.0-5.0%	20,000,000	18,000,000
Refunding Bond	2/16/2023	2/15/2035	4.0-5.0%	7,629,000	6,510,000
Improvement Bond	2/18/2025	2/15/2043	4.0-5.0%	5,160,000	5,160,000
Sewer:					
Clean Water Note					
Submersible Pump					
Station	12/28/2006	7/1/2026	2%	1,568,029	100,980
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	1,561,000	975,000
Refunding Bond	3/30/2021	6/30/2023	2.0-4.0%	15,477,000	10,724,000
Total					<u>\$ 135,145,980</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

The following is a schedule of future debt service requirements as of June 30, 2025:

Fiscal Year Ending	General Obligation Bonds		Clean Water Fund Loans		Total Debt Service	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2026	\$ 9,805,000	\$ 4,583,419	\$ 93,135	\$ 1,169	\$ 9,898,135	\$ 4,584,588
2027	9,960,000	4,137,050	7,845	13	9,967,845	4,137,063
2028	10,290,000	3,701,138	-	-	10,290,000	3,701,138
2029	9,875,000	3,298,900	-	-	9,875,000	3,298,900
2030	9,955,000	2,949,338	-	-	9,955,000	2,949,338
2031 - 2035	42,115,000	10,150,763	-	-	42,115,000	10,150,763
2036 - 2040	31,380,000	4,760,175	-	-	31,380,000	4,760,175
2041 - 2045	11,665,000	797,450	-	-	11,665,000	797,450
Total	<u>\$ 135,045,000</u>	<u>\$ 34,378,232</u>	<u>\$ 100,980</u>	<u>\$ 1,182</u>	<u>\$ 135,145,980</u>	<u>\$ 34,379,414</u>

Debt service expenditures were funded by the General Fund and the Sewer Operating Fund.

The Town issued \$14,000,000 of general obligation bonds on February 18, 2025, for various capital improvement projects. The bonds bear interest of 4.0% - 5.0% and mature on February 15, 2043.

Legal Debt Limit

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 281,125,838	\$ 70,867,933	\$ 210,257,905
Schools	562,251,677	87,220,857	475,030,820
Sewers	468,543,064	11,799,980	456,743,084
Urban Renewal	406,070,655	-	406,070,655
Pension Deficit	374,834,451	-	374,834,451

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$874,613,719.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Legal Debt Limit (Continued)

Authorized and unissued debt is as follows:

Project	Authorized	Bonds/BANS		Authorized But Unissued
		Issued	Grants	
Orchard Hill Elementary School	\$ 33,521,724	\$ 21,506,395	\$ 10,595,218	\$ 1,420,111
2014 - Road/Drainage	12,000,000	11,350,000	647,417	2,583
Eli Terry Elementary School	37,419,060	23,000,000	12,864,718	1,554,342
Philip R. Smith Elementary School	32,480,940	19,600,000	11,319,841	1,561,099
2009 Open Space Acquisitions	2,000,000	400,000	-	1,600,000
Pleasant Valley Elementary	58,500,000	32,860,000	21,040,695	4,599,305
2021 - Various Public	9,340,000	7,875,350	1,464,650	-
Open Space Acquisitions*	2,000,000	-	-	2,000,000
2022 Road Paving/Sidewalks	35,470,000	11,464,650	-	24,005,350
Total	<u>\$ 222,731,724</u>	<u>\$ 128,056,395</u>	<u>\$ 57,932,539</u>	<u>\$ 36,742,790</u>

*Amounts not included in the net indebtedness

Financed Purchase Arrangements

The Town has financing agreements for the purchase of various data processing equipment and copiers, public works equipment, a voicemail system, a minibus, communication equipment, and vehicles. The annual payments for the agreements are provided for by annual general fund appropriations. These agreements vary in duration through June 30, 2031 and interest rates from 1.36% to 8.75%.

The following is a schedule of future payments as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,130,954	\$ 131,970
2027	710,220	81,113
2028	452,166	41,292
2029	299,044	17,118
2030	173,032	4,876
2031 - 2031	117,504	1,610
Total	<u>\$ 2,882,920</u>	<u>\$ 277,979</u>

Lease Liability

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2033.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM DEBT (CONTINUED)

Lease Liability (Continued)

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

<u>Year Ending June 30,</u>	<u>Lease Principal</u>	<u>Lease Interest</u>
2026	\$ 312,700	\$ 26,928
2027	220,861	17,664
2028	204,546	12,127
2029	194,376	6,886
2030	61,111	3,345
2031-2033	96,888	3,211
Total	<u>\$ 1,090,482</u>	<u>\$ 70,161</u>

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

	<u>Amount</u>
Equipment	\$ 2,533,048
Accumulated Depreciation	(1,392,643)
Net Leased Equipment	<u>\$ 1,140,405</u>

Subscription-Based Information Technology Arrangements

The Town has entered into subscription based-information technology arrangements (SBITAs). The SBITA arrangements expire at various dates through 2029 and provide for renewal options.

As of June 30, 2025, SBITA assets and the related accumulated amortization totaled \$782,601 and \$505,183, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 157,633	\$ 9,327
2027	79,954	5,387
2028	43,703	2,956
2029	46,683	1,527
Total	<u>\$ 327,973</u>	<u>\$ 19,197</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2025, are as follows:

	General Fund	Capital Projects	Sewer Operating Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 32,017	\$ 32,017
Prepaid Items	228,488	-	-	57,372	285,860
Restricted for:					
Education	604,102	-	-	1,751,237	2,355,339
Public Safety	-	-	-	239,619	239,619
Public Works	-	-	-	216,488	216,488
Health and Welfare	-	-	-	1,322,247	1,322,247
Committed to:					
General Government	-	-	-	592,001	592,001
Public Safety	-	-	-	99,642	99,642
Public Works	-	-	1,181,942	-	1,181,942
WPCA Capital Improvements	-	4,406,827	-	-	4,406,827
Culture and Recreation	-	-	-	1,482,380	1,482,380
Education	-	-	-	441,816	441,816
Tax Stabilization Program	6,000,000	-	-	-	6,000,000
Assigned to:					
Various Capital Projects					
Subsequent Year's					
Budget:					
General Government	28,057	-	-	-	28,057
Public Safety	32,288	-	-	-	32,288
Public Works	166,779	-	105,617	-	272,396
Health and Welfare	5,233	-	-	-	5,233
Culture and Recreation	19,162	-	-	28,005	47,167
Education	431,633	-	-	-	431,633
Education Non-Lapsing	325,065	-	-	-	325,065
Unassigned	41,136,346	(9,109,775)	-	(16,755)	32,009,816
Total Fund Balances	\$ 48,977,153	\$ (4,702,948)	\$ 1,287,559	\$ 6,246,069	\$ 51,807,833

Significant encumbrances of \$683,152, \$105,617, and \$28,005 are included in the General Fund, Sewer Operating Fund, and nonmajor governmental fund Recreation, respectively, at June 30, 2025.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description and Benefits Provided

The Town is the administrator of two single-employer, defined benefit pension plans, the Town Plan and Board of Education Plan. Plan provisions are established and amended by the Town Council and Board of Education. The first plan includes the following groups of Town employees: management, police union, Town Hall union, highway union, pollution union, library, and dispatchers' union. The second plan covers Board of Education management, custodians, secretaries, and nurses. The two pension plans are part of the Town's financial reporting entity and are accounted for as pension trust funds. The plans do not issue separate, stand-alone financial reports.

Management of the plans rests with the Pension Committee, which consists of nine members. The Pension Committee is comprised of the Town Manager, Finance Director, the Mayor or designee, two members of the Town Council appointed by the Town Council, two Town employees appointed by the Town Manager, and two committee members representing the Town Board of Education. The Pension Committee members appointed by the Town Council are appointed for two-year terms, except that the terms shall expire concurrent with their term of office or when they leave their council position.

As of July 1, 2025, the plans' membership consisted of:

	Town Plan	Board of Education Plan
Retirees and Beneficiaries Currently Receiving Benefits	108	88
Terminated Members Entitled to Benefits But Not Yet Receiving Them	16	24
Current Active Members	40	40
Total	<u>164</u>	<u>152</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

Valuation of Investments

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

C. Benefit Provisions

Town Plan

Employees become eligible to participate in the plan upon completing one year of continuous service, attaining age 21, and agreeing in writing to make required employee contributions. Police officers are 100% vested after completing 10 years of continuous service. Highway, dispatchers, pollution union, town hall, management, and library employees are 100% vested after completing five years of continuous service. Plan is now closed to newly hired employees.

Board of Education Plan

Employees become eligible to participate in the plan upon completing one year of continuous service, attaining age 21, and agreeing in writing to make required employee contributions. Employees are 100% vested after completing five years of continuous service. Plan is now closed to newly hired employees.

D. Funding Policy

Employer Contributions

The Town is required to contribute amounts necessary to fund benefits. The Town's contributions to both plans are actuarially determined on an annual basis using the entry age normal cost method. For both plans, administrative costs are generally financed through investment earnings.

Employee Contributions

Required employee contribution rates under the Town Plan are 7.75% of covered payroll for police employees, 6% for dispatchers, and 4.5% for all other employees. Participants in the Board of Education Plan contribute 4.5% of covered payroll.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

E. Investments

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 by a majority vote of its members. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension 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, 2025:

Asset Class	Targeted Allocation
US Core Fixed Income (Aggregate)	30.50 %
US TIPS (Inflation-Indexed Bonds)	0.90
US High Yield Bonds	2.00
US Large Cap Equity	26.00
US Mid Cap Equity	7.00
US Small Cap Equity	5.00
Global Equity	0.90
Non-US Equity	20.50
Global REITs	4.50
Infrastructure - Public	1.80
Commodities	0.90
Total	<u>100.00 %</u>

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments for the Town and Board of Education plans, net of pension plan investment expense, were 11.22% and 11.33%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town

The components of the net pension liability of the Town and Board of Education plans at June 30, 2025, were as follows:

	Town	Board of Education
Total Pension Liability	\$ 57,426,347	\$ 23,110,847
Plan Fiduciary Net Position	45,828,965	20,608,061
Net Pension Liability	<u>\$ 11,597,382</u>	<u>\$ 2,502,786</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.80%	89.17%

Actuarial Assumptions

The total pension liability for the Town and Board of Education plans were determined by an actuarial valuation as of July 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00%, Average, Including Inflation
Investment Rate of Return	6.00% for the Town and Board of Education, Net of Pension Plan Investment Expense, Including Inflation
Amortization Period	20 Years, Closed

Mortality rates were based on the PubS-2010 for Police and PubG-2010 for all others, Mortality Table with generational projection per the MP-2021 ultimate scale.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2025, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return	
	Town	Board of Education
US Core Fixed Income (Aggregate)	2.20 %	2.20 %
US TIPS (Inflation-Indexed Bonds)	1.65	1.65
US High Yield Bonds	3.48	3.48
US Large Cap Equity	3.78	3.78
US Mid Cap Equity	3.73	3.73
US Small Cap Equity	4.22	4.22
Global Equity	4.39	4.39
Non-US Equity	5.35	5.35
Global REITs	4.57	4.57
Infrastructure - Public	4.18	4.18
Commodities	1.61	1.61

Discount Rate

The discount rate used to measure the total pension liability for the Town and Board of Education plans was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate of 6.00% for the Town and Board of Education plans as of June 30, 2025, did not change from June 30, 2024.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

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

The following presents the net pension liability of the Town and Board of Education, calculated using the discount rate of 6.00%, as well as what the Town and Board of Education's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower or 1-percentage-point-higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Town's Net Pension Liability	\$ 18,193,126	\$ 11,597,382	\$ 6,039,587
Board of Education's Net Pension Liability	4,964,984	2,502,786	392,859

Changes in the Net Pension Liability

	Town Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2024	\$ 56,516,390	\$ 42,315,166	\$ 14,201,224
Changes for the Year:			
Service Cost	597,706	-	597,706
Interest on Total Pension Liability	3,331,241	-	3,331,241
Differences Between Expected and Actual Experience	214,930	-	214,930
Changes in Assumptions	-	-	-
Employer Contributions	-	1,825,910	(1,825,910)
Member Contributions	-	224,859	(224,859)
Net Investment Income	-	4,769,545	(4,769,545)
Benefit Payments, Including Refund to Employee			
Contributions	(3,233,920)	(3,233,920)	-
Administrative Expenses	-	(72,595)	72,595
Net Changes	909,957	3,513,799	(2,603,842)
Balances - June 30, 2025	<u>\$ 57,426,347</u>	<u>\$ 45,828,965</u>	<u>\$ 11,597,382</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Changes in the Net Pension Liability (Continued)

	Board of Education Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2024	\$ 22,411,687	\$ 19,412,807	\$ 2,998,880
Changes for the Year:			
Service Cost	369,809	-	369,809
Interest on Total Pension Liability	1,328,707	-	1,328,707
Differences Between Expected and Actual Experience	292,224	-	292,224
Changes in Assumptions	-	-	-
Employer Contributions	-	280,000	(280,000)
Member Contributions	-	129,253	(129,253)
Net Investment Income (Loss)	-	2,131,946	(2,131,946)
Benefit Payments, Including Refund to Employee			
Contributions	(1,291,580)	(1,291,580)	-
Administrative Expenses	-	(54,365)	54,365
Net Changes	699,160	1,195,254	(496,094)
Balances - June 30, 2025	\$ 23,110,847	\$ 20,608,061	\$ 2,502,786

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

For the year ended June 30, 2025, the Town and Board of Education pension plans recognized pension expense of \$946,212 and \$330,469, respectively. At June 30, 2025, the Town and Board of Education pension plans reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 80,599	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	1,676,198
Total	\$ 80,599	\$ 1,676,198

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

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

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 155,941	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	701,348
Total	<u>\$ 155,941</u>	<u>\$ 701,348</u>

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>	Town	Board of Education
2026	\$ 695,829	\$ 463,620
2027	(1,039,381)	(457,765)
2028	(798,440)	(352,282)
2029	(453,607)	(198,980)
Total	<u>\$ (1,595,599)</u>	<u>\$ (545,407)</u>

G. Combining Financial Statements

	Town Plan	Board of Education Plan	Other Post Employment Benefit Trust Fund	Total
Assets:				
Cash and Cash Equivalent Investments, at Fair Value:				
Mutual Funds	45,507,338	20,362,610	5,888,012	71,757,960
Total Assets	<u>\$ 45,828,965</u>	<u>\$ 20,608,061</u>	<u>\$ 5,944,378</u>	<u>\$ 72,381,404</u>
Net Position Restricted for Pension Benefits	<u>\$ 45,828,965</u>	<u>\$ 20,608,061</u>	<u>\$ 5,944,378</u>	<u>\$ 72,381,404</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

G. Combining Financial Statements (Continued)

	Town Plan	Board of Education Plan	Other Post Employment Benefit Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 1,825,910	\$ 280,000	\$ 907,735	\$ 3,013,645
Employee	224,859	129,253	-	354,112
Total Contributions	2,050,769	409,253	907,735	3,367,757
Investment Income:				
Net Change in Fair Value of Investments	4,769,545	2,131,946	606,291	7,507,782
Total Additions	6,820,314	2,541,199	1,514,026	10,875,539
Deductions:				
Benefits	3,233,920	1,291,580	841,549	5,367,049
Administration	72,595	54,365	7,755	134,715
Total Deductions	3,306,515	1,345,945	849,304	5,501,764
Changes in Net Position	3,513,799	1,195,254	664,722	5,373,775
Net Position - Beginning of Year	42,315,166	19,412,807	5,279,656	67,007,629
Net Position - End of Year	<u>\$ 45,828,965</u>	<u>\$ 20,608,061</u>	<u>\$ 5,944,378</u>	<u>\$ 72,381,404</u>

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

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

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the State was \$15,074,263 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit.

Effective July 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2025, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	152,932,191
Total	<u><u>\$ 152,932,191</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2025, the Town recognized pension expense and revenue of \$17,541,651 in Exhibit II.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

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

Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

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

Asset Class	Expected Rate of Return	Target Allocation
Global Equity	6.80 %	37.00 %
Public Credit	2.90	2.00
Core Fixed Income Fund	0.40	13.00
Liquidity Fund	(0.40)	1.00
Risk Mitigation	0.10	5.00
Private Equity	11.20	15.00
Private Credit	6.10	10.00
Real Estate	6.20	10.00
Infrastructure and National Resources	7.70	7.00
Total		<u>100.00 %</u>

F. Discount Rate

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

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

Defined Contribution Plan

A. Plan Description

The Town is the administrator of a single-employer, defined contribution pension plan, the Town of South Windsor Employee Benefit Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan covers Town nonbargaining unit employees, members of the Police Union hired after July 1, 2005, and members of the Public Works, Community Service Officers, and Pollution Control Unions hired after July 1, 2008.

B. Plan Provisions

Town nonbargaining unit employees, members of the Police Union hired after July 1, 2005, and members of the Public Works, Community Service Officers, and Pollution Control Unions hired after July 1, 2008, who have completed a 12-month period of service shall be eligible to participate in the Plan at the beginning of the payroll period next commencing thereafter. There is no minimum age requirement. For Police, Public Works, Community Service Officers, and Pollution Control Union members, benefits vest 20% per year, reaching 100% after five years of participation. For Town nonbargaining unit employees, benefits vest 100% upon eligibility of the employee. Plan provisions and the authority to amend the provisions are established by the Town Council.

C. Contribution Requirements and Contributions Made

The employer contribution for members of the Police Union hired after July 1, 2005, and Public Works, Community Service Officers, and Pollution Control Unions hired after July 1, 2008, is 6.0% of earnings. The total Town contribution during the year ended June 30, 2025, for these groups was \$415,875 and represented 6.0% of covered payroll. The employees' contributions were \$459,555 and represented the required 6.0% of covered payroll plus any additional contributions up to the IRS allowable maximum. The employer contribution for Town management group employees is 12.07% of earnings. The total Town contribution during the year ended June 30, 2025, for this group was \$515,479 and represented 12.07% of covered payroll. The employees required contributions were \$203,370 and represented 4.5% of covered payroll. The authority to establish and amend contribution requirements is by the Town Council.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Plan (Continued)

D. Employer and Employee Obligations

Members are required to contribute between 4.5% and 6.0% of their annual earnings. The Town is required to contribute between 6.0% and 12.07% of the members' annual earnings.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

OPEB Plan

A. Plan Description

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan is a single-employer plan that covers Police, Town, Teachers, and Board of Education employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2023, actuarial valuation, the entry age normal actuarial cost method was used. The ADC reflects a closed period, level dollar amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 6.25% investment rate of return and inflation rate of 2.50%.

Management of the postemployment benefit plan is vested with the Town Manager and the Finance Office. General oversight is provided by the Pension Committee, which consist of nine members.

At July 1, 2023, plan membership consisted of the following:

Active Members	839
Retired Members	81
Beneficiaries	5
Spouses of Retired Members	33
Total Participants	<u>958</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

B. Funding Policy

The Town currently pays for postemployment healthcare benefits on a pay-as-you-go basis. The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town have also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums. The funding strategy for postemployment obligations is based on the following:

Teachers and Administrators

- Those individuals retired under the Connecticut State Teachers Retirement system shall be eligible to receive health benefits for self and spouse.
- Earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.
- 100% of premium is paid by retiree.

Board of Education SWESS (Support Staff), BOE Nonunion, BOE Custodians/Maintenance, BOE Food-Service Staff, and BOE Nurses

- A retired member shall be eligible to continue health benefits (medical only for Custodians/Maintenance and Nurses) for self and spouse.
- Retirement date is the later of age 62 or the completion of 10 years of service. Early retirement is the first of any month within 10 years of Normal Retirement Date.
- Nurses must be at least age 55 with 10 years of continuous service as a school nurse.
- 100% of premium is paid by retiree.

Police

- Completion of 25 years of service or attainment of age 50.
- The Town contributes 75% of the cost of the health insurance for members hired before July 1, 2006. Members hired after July 1, 2006, have the option of continuing medical benefits at their own expense. The retiree shall contribute the remainder of the cost. Coverage is pre-65 only.
- In the event of an employee's death in the line of duty, the Town shall contribute 100% of the health insurance cost coverage for spouse and dependents. Such contribution shall not exceed a period of 12 months.

Town Hall Union and Nonbargaining (Management and Library)

- Retired employees with at least 10 years of service shall be eligible to continue health coverage at the Town's group rates.
- Retirement eligibility is age 62 for Town Hall and Management employees and age 65 for the Library.
- 100% of premium is paid by retiree.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

B. Funding Policy (Continued)

Town (Pollution Union, Dispatchers and Public Works)

- Retired employees with attainment of age 60 may continue health coverage at the Town group rates.
- 100% of premium is paid by retiree.

C. Investments

Investment Policy

OPEB Benefit Plan's policy in regard to the allocation of invested assets is established and may be amended by the trust document. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town'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.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured at June 30, 2025. The components of the net OPEB liability of the Town at June 30, 2025, were as follows:

	<u>OPEB Plan</u>
Total OPEB Liability	\$ 11,932,422
Plan Fiduciary Net Position	5,944,378
Net OPEB Liability	<u>\$ 5,988,044</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.82%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Graded by Age for Teachers and Administrators; 3.00% for all Others
Investment Rate of Return	6.25%
Healthcare Cost Trend Rates	Varies By Year
Amortization Method	Level Dollar Closed, 21 Years

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

D. Net OPEB Liability of the Town (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the PubT-2010 Mortality Table with generational projection per the MP-2021 ultimate scale for Teachers and Administrators, and PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale for Police and PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale for all others. This assumption includes a margin for mortality improvements in longevity beyond the valuation date.

The plan has not had a formal actuarial experience study performed.

Long-Term Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2025, are summarized in the following table:

Asset Class	Targeted Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income (Aggregate)	30.50 %	2.20 %
US TIPS (Inflation-Indexed Bonds)	0.90	1.65
US High Yield Bonds	2.00	3.48
US Large Cap Equity	26.00	3.78
US Mid Cap Equity	7.00	3.73
US Small Cap Equity	5.00	4.22
Global Equity	0.90	4.39
Non-US Equity	20.50	5.35
Global REITs	4.50	4.57
Infrastructure - Public	1.80	4.18
Commodities	0.90	1.61
Total	100.00 %	

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

D. Net OPEB Liability of the Town (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - July 1, 2024	\$ 11,794,928	\$ 5,279,656	\$ 6,515,272
Changes for the Year:			
Service Cost	252,009	-	252,009
Interest on Total Pension Liability	727,034	-	727,034
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions	-	907,735	(907,735)
Net Investment Income (Loss)	-	606,291	(606,291)
Benefit Payments	(841,549)	(841,549)	-
Administrative Expenses	-	(7,755)	7,755
Net Changes	137,494	664,722	(527,228)
Balances - June 30, 2025	<u>\$ 11,932,422</u>	<u>\$ 5,944,378</u>	<u>\$ 5,988,044</u>

The liability changes include assumption changes to the discount rate, the healthcare cost rate, and annual salary increases.

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.25%) or 1-percentage-point-higher (7.25%) than the current discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 6,972,215	\$ 5,988,044	\$ 5,108,310

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

G. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease <u>(2.90% - 5.50%)</u>	Current Trend Rate <u>(3.90% - 6.50%)</u>	1% Increase <u>(4.90% - 7.50%)</u>
Net OPEB Liability	\$ 4,825,477	\$ 5,988,044	\$ 7,325,700

H. OPEB Expense, and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Town recognized OPEB expense of \$370,174. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,328,179	\$ 2,792,637
Changes of Assumptions or Other Inputs	479,562	1,593,085
Net Difference Between Projected and Actual Earning	-	229,101
Total	<u>\$ 2,807,741</u>	<u>\$ 4,614,823</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (117,158)
2027	(44,547)
2028	(247,710)
2029	(258,572)
2030	(203,675)
Thereafter	(935,420)
Total	<u>\$ (1,807,082)</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing, multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

There are two types of the healthcare benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one-third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the State was \$211,053 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	31,371,650
Total	<u>\$ 31,371,650</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2024. At June 30, 2025, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2025, the Town recognized OPEB expense and revenue of \$434,674 in Exhibit II.

F. Actuarial Assumptions

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

Inflation	2.50%
Healthcare Costs Trend Rate	Local Coverage – 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare – Medicare rates known for 2025, 4.50% increase for all subsequent years.
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	3.00%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.64% to 3.93%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change;

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

F. Actuarial Assumptions (Continued)

- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

Long-Term Expected Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is 1.26%.

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2024.

In addition to the actuarial methods and assumptions of the June 30, 2024, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate and the Discount Rate

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain the risk for the Town and Board of Education employees' medical claims. This fund is reported as an Internal Service Fund. During the year, deductibles paid by the Town were insignificant. Settled claims have not exceeded insurance in any of the past three years. There were no significant reductions in insurance coverage from amounts held the prior year.

Town health benefits are provided through an Internal Service Fund. The Self Insurance Reserve Fund accounts for medical claim activity and service fees on a self-insured basis. Town liability is limited through the purchase of Individual Stop Loss (ISL) and that caps the Town's liability annually to \$200,000 per participant. Anthem provides medical and dental services to the Town and administers payment of claims directly to providers. The town works with a consultant to analyze claims, calculate the incurred but not reported (IBNR) claims liability at year-end as well as advise the town on all health-related issues throughout the year.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 RISK MANAGEMENT (CONTINUED)

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
Medical Insurance Fund:				
2023 - 2024	\$ 739,900	\$ 16,869,849	\$ 16,760,849	\$ 848,900
2024 - 2025	848,900	18,035,301	17,585,701	1,298,500

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal 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 Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, public officials, and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

NOTE 12 CONTINGENT LIABILITIES

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in a judgment or judgments that would materially affect the Town's financial position.

NOTE 13 TAX ABATEMENTS

The Town has entered into multiple tax abatement agreements with developers and real property owners in order to assist in the economic development of the Town. The Town has agreed to provide a reduction to the real property assessments for a period of time to offset the cost of developing the area pursuant to Chapter 203 of the Connecticut General Statutes. The Town reduced its property tax revenue by \$1,315,005 for the year ended June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
REVENUES				
Property Taxes:				
Current Taxes	\$ 128,501,915	\$ 128,501,915	\$ 128,693,990	\$ 192,075
Delinquent Taxes	500,000	500,000	382,168	(117,832)
Supplemental Motor Vehicles	1,000,000	1,000,000	1,357,934	357,934
Interest	500,000	500,000	496,594	(3,406)
Liens	5,000	5,000	4,070	(930)
Housing Authority - Pilot (in Lieu of Taxes)	33,000	33,000	40,402	7,402
Telephone Access Relief	35,000	35,000	81,288	46,288
Total Property Taxes	130,574,915	130,574,915	131,056,446	481,531
Intergovernmental:				
State Assistance - Education:				
Education Equalization	11,000,000	11,000,000	11,204,013	204,013
Other Assistance:				
Property Tax Reimbursements	247,519	247,519	247,519	-
Elderly Tax Freeze	1,800	1,800	2,272	472
State in Lieu of Taxes	142,250	142,250	142,250	-
DOT Elderly Transportation	33,444	33,444	32,951	(493)
State Sundry Grants	20,000	20,000	28,953	8,953
Youth Service Grants	20,746	20,746	20,848	102
Municipal Stabilization	57,854	57,854	57,854	-
Municipal Grants-In-Aid	2,187,387	2,187,387	2,187,387	-
Veterans' Exemption	11,000	11,000	8,891	(2,109)
Total Intergovernmental	13,722,000	13,722,000	13,932,938	210,938
Charges for Services:				
Public Works Compost Revenue	100,000	100,000	84,684	(15,316)
Building Permits	1,000,000	1,000,000	1,356,963	356,963
Town Manager's Rents	4,000	4,000	3,982	(18)
Probate Court Rentals	18,475	18,475	13,566	(4,909)
Town Clerk Fees	700,000	700,000	900,118	200,118
Planning and Zoning Fees	20,000	20,000	25,825	5,825
General Government Sundry	250,000	250,000	339,438	89,438
Police	20,000	20,000	20,305	305
Recycling Rebate	-	-	2,479	2,479
Health Permits	33,000	33,000	33,442	442
Engineering Permits	14,000	14,000	15,290	1,290
Zoning Board of Appeals	-	-	-	-
Refuse and Recycling	80,000	80,000	106,709	26,709
Fire Marshal Fees	125,000	125,000	205,804	80,804
Total Charges for Services	2,364,475	2,364,475	3,108,605	744,130
Investment Earnings	2,500,000	2,500,000	3,084,430	584,430
Other Revenues:				
Cancellation of Prior Year Encumbrances	-	-	232,207	232,207
Total Revenues	149,161,390	149,161,390	151,414,626	2,253,236

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
OTHER FINANCING SOURCES				
Transfers In:				
Sewer Operating	\$ 45,000	\$ 45,000	\$ 47,500	\$ 2,500
Recreation Fund	50,000	50,000	50,000	-
Library Funds	5,000	5,000	5,697	697
Transfer Budget	97,000	97,000	97,000	-
Fund Balance Appropriation	2,500,000	2,500,000	-	(2,500,000)
Total Other Financing Sources	<u>2,697,000</u>	<u>2,697,000</u>	<u>200,197</u>	<u>(2,496,803)</u>
 Total Revenues and Other Financing Sources	 <u>\$ 151,858,390</u>	 <u>\$ 151,858,390</u>	 151,614,823	 <u>\$ (243,567)</u>
Budgetary revenues are different from GAAP revenues because:				
Special Ed Reserve Revenue Not Budgeted			10,984	
Cancellation of Prior Year Encumbrances			(232,207)	
State of Connecticut On-Behalf Payment to the State Teachers'				
Retirement System for Town Teachers Not Budgeted - OPEB			211,053	
State of Connecticut On-Behalf Payment to the State Teachers'				
Retirement System for Town Teachers Not Budgeted - Pension			<u>15,074,263</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of				
Revenues, Expenditures, and Changes in Fund Balances - Governmental				
Funds - Exhibit IV				
			<u>\$ 166,678,916</u>	

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES				
General Government:				
Legislative:				
Town Council	\$ 176,555	\$ 137,175	\$ 127,569	\$ 9,606
Boards and Commissions:				
Human Relations Commission	500	500	-	500
Historic District Commission	350	350	150	200
Public Building Commission	1,550	1,550	623	927
South Windsor Redevelopment Agency	-	-	-	-
Inland/Wetlands - Conservation	4,900	4,900	3,308	1,592
Land Preservation Advisory	300	300	-	300
Open Space Task Force	500	500	81	419
Juvenile Firesetter Commission	500	500	-	500
Social Justice / racial Equity	1,000	1,000	-	1,000
Park and Recreation Commission	3,900	3,900	595	3,305
Planning and Zoning	10,700	10,700	10,517	183
Zoning Board of Appeals	2,900	2,900	862	2,038
Economic Development Coordinator	1,750	1,750	208	1,542
Total Boards and Commissions	28,850	28,850	16,344	12,506
Judicial:				
Probate Court	31,318	31,318	22,850	8,468
Elections:				
Registrar of Voters	234,790	234,790	208,928	25,862
Executive:				
Town Manager	281,256	296,256	295,117	1,139
Human Resources	383,530	383,530	368,549	14,981
Total Executive	664,786	679,786	663,666	16,120
Community Development:				
Economic Development	3,500	3,500	2,000	1,500
Planning Department	397,946	397,946	376,404	21,542
Building Department	378,836	378,836	368,494	10,342
Total Community Development	780,282	780,282	746,898	33,384
Finance:				
Assessor	351,181	351,181	336,737	14,444
Board of Tax Review	1,134	1,134	-	1,134
Collector of Revenue	247,408	247,408	246,822	586
Finance Office	371,704	371,704	362,113	9,591
Total Finance	971,427	971,427	945,672	25,755
Recording and Reporting:				
Town Clerk	262,620	262,620	260,820	1,800
Law:				
Town Attorney	240,000	246,700	242,452	4,248

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
General Government (Continued):				
Central Services:				
Town Hall	\$ 255,687	\$ 313,377	\$ 307,276	\$ 6,101
Information Technology	1,529,760	1,489,750	1,426,999	62,751
Media	48,801	48,801	47,383	1,418
Total Central Services	1,834,248	1,851,928	1,781,658	70,270
Total General Government	5,224,876	5,224,876	5,016,857	208,019
Public Safety:				
Police Protection:				
Police Administration	675,435	675,435	655,640	19,795
Operations	5,059,022	5,246,522	5,238,605	7,917
Support Services	2,281,186	2,118,686	2,055,667	63,019
Community Services	201,067	201,067	168,086	32,981
Total Police Protection	8,216,710	8,241,710	8,117,998	123,712
Fire Protection:				
Fire Marshal	358,615	341,513	323,008	18,505
Volunteer Fire Department	1,183,315	1,183,315	1,183,315	-
Hydrants and Water Lines	1,030,174	1,047,276	1,047,276	-
Total Fire Protection	2,572,104	2,572,104	2,553,599	18,505
Emergency Management	43,860	43,860	35,669	8,191
Other Protection:				
Street Lights	307,500	307,500	278,187	29,313
Total Public Safety	11,140,174	11,165,174	10,985,453	179,721
Public Works:				
Engineering:				
Technical Support	469,272	486,972	486,970	2
Street Services:				
Highway Maintenance	3,436,571	3,433,671	3,398,316	35,355
Fleet Services	1,184,287	1,184,287	1,123,951	60,336
Total Street Services	4,620,858	4,617,958	4,522,267	95,691
Public Buildings:				
Building Maintenance	1,996,319	2,056,319	2,037,622	18,697
Pollution Control:				
Refuse and Recycling	2,584,661	2,509,861	2,440,405	69,456
Total Public Works	9,671,110	9,671,110	9,487,264	183,846

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
Human Services:				
Conservation of Health:				
Environmental Health	\$ 228,870	\$ 210,870	\$ 192,652	\$ 18,218
Visiting Nurse Community Care	1,000	1,000	-	1,000
Total Conservation of Health	229,870	211,870	192,652	19,218
Human Service Programs:				
Administration	131,345	161,345	160,511	834
Youth and Family Services	388,180	376,180	368,305	7,875
Adult and Senior Services	507,465	507,465	499,226	8,239
Senior Bus Service	127,292	127,292	117,239	10,053
Sheltered Workshops	5,000	5,000	5,000	-
Total Human Services Programs	1,159,282	1,177,282	1,150,281	27,001
Total Human Services	1,389,152	1,389,152	1,342,933	46,219
Culture and Recreation:				
Recreation Administration	2,515,665	2,515,665	2,356,686	158,979
Library	1,196,027	1,196,027	1,187,324	8,703
Total Culture and Recreation	3,711,692	3,711,692	3,544,010	167,682
Education	94,580,656	94,580,656	94,255,591	325,065
Insurance and Benefits:				
Municipal Insurance:				
Insurance - Casualty	345,975	356,845	356,844	1
Pension Contributions:				
Pension	2,998,481	2,987,611	2,965,649	21,962
Social Security	1,385,309	1,385,064	1,333,426	51,638
Total Pension Contributions	4,383,790	4,372,675	4,299,075	73,600
Health and Life Insurance	3,587,978	3,588,223	3,588,209	14
Workers' Compensation	399,775	404,196	404,196	-
Unemployment Compensation	40,000	35,579	31,675	3,904
Salary Contingency	25,000	-	-	-
Total Insurance and Benefits	8,782,518	8,757,518	8,679,999	77,519
Other:				
Contingency	165,000	165,000	34,000	131,000
South Windsor Patriotic Commission	17,775	17,775	17,769	6
Cemeteries	32,000	32,000	32,000	-
Wood Memorial Library	25,000	25,000	25,000	-
Total Other	239,775	239,775	108,769	131,006

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
Debt Service:				
Principal	\$ 8,826,000	\$ 8,826,000	\$ 8,826,000	\$ -
Interest	4,927,870	4,927,870	4,925,257	2,613
Total Debt Service	13,753,870	13,753,870	13,751,257	2,613
 Total Expenditures	148,493,823	148,493,823	147,172,133	1,321,690
OTHER FINANCING USES				
Transfer Out	3,364,567	3,364,567	3,364,567	-
 Total Expenditures and Other Financing Uses	<u>\$ 151,858,390</u>	<u>\$ 151,858,390</u>	150,536,700	<u>\$ 1,321,690</u>
Budgetary expenditures are different from GAAP expenditures because:				
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			(198,488)	
Accrued payroll not budgeted			61,699	
State of Connecticut on-behalf payment to the State Teachers' Retirement System for Town teachers not budgeted - OPEB			211,053	
State of Connecticut on-behalf payment to the State Teachers' Retirement System for Town teachers not budgeted - Pension			15,074,263	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 165,685,227</u>	

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL – BUDGETARY BASIS
SEWER OPERATING FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
REVENUES				
Charges for Services	\$ 6,274,533	\$ 6,274,533	\$ 5,737,543	\$ (536,990)
Investment Income	50	50	29	(21)
Miscellaneous	123,200	123,200	87,363	(35,837)
Total Revenues	6,397,783	6,397,783	5,824,935	(572,848)
EXPENDITURES				
Full-Time Salaries	1,208,862	1,208,862	1,199,994	8,868
Overtime	128,205	128,205	101,185	27,020
Longevity	-	-	-	-
Employee Benefits	516,174	516,174	315,450	200,724
Office Supplies	2,100	2,100	915	1,185
Operating Material	264,435	264,435	205,023	59,412
Motor Vehicle Supplies	40,025	40,025	12,302	27,723
Uniforms and Clothing	15,500	15,500	11,821	3,679
Fleet and Equipment Repair	160,000	160,000	102,925	57,075
Advertising	2,000	2,000	2,671	(671)
Professional	184,850	184,850	166,682	18,168
Rental and Leases	35,400	35,400	22,422	12,978
Utilities	572,300	572,300	551,757	20,543
Maintenance Contracts	1,222,980	1,222,980	1,019,352	203,628
Repair and Maintenance Equipment	38,500	38,500	15,792	22,708
Fees and Memberships	2,000	2,000	1,751	249
Recruitment and Training	24,035	24,035	13,925	10,110
Other Purchase Services	374,000	374,000	298,607	75,393
Capital Projects	195,000	195,000	185,000	10,000
Department Equipment	58,000	58,000	5,548	52,452
Boards and Commissions - Office Supplies	200	200		200
Boards and Commissions - Advertising	2,000	2,000	142	1,858
Boards and Commissions - Fees and Memberships	1,000	1,000	150	850
Debt Service	317,953	317,953	315,023	2,930
Total Expenditures	5,365,519	5,365,519	4,548,437	817,082
EXCESS OF REVENUES OVER EXPENDITURES	1,032,264	1,032,264	1,276,498	244,234

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
SEWER OPERATING FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 20,000	\$ 20,000	\$ 21,591	\$ 1,591
Transfers Out	(1,187,500)	(1,187,500)	(2,137,500)	(950,000)
Total Other Financing Sources (Uses)	(1,167,500)	(1,167,500)	(2,115,909)	(948,409)
NET CHANGE IN FUND BALANCE	\$ (135,236)	\$ (135,236)	(839,411)	\$ (704,175)
Fund Balance - Beginning of Year			2,051,579	
FUND BALANCE - END OF YEAR			\$ 1,212,168	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures		
Balance, Budgetary Basis - End of Year	\$ 5,824,935	\$ 4,548,437		
Accrued Payroll Not Budgeted	-	3,236		
Encumbrances Outstanding at Beginning of Year, Liquidated and Cancelled During the Current Year	(12,849)	65,788		
Encumbrances Charged to Budgetary Expenditures During the Current Year	-	(105,617)		
Balance, GAAP Basis - End of Year	\$ 5,812,086	\$ 4,511,844		

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TOWN PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability:										
Service Cost	\$ 566,952	\$ 532,281	\$ 516,713	\$ 729,114	\$ 674,483	\$ 683,048	\$ 668,222	\$ 648,613	\$ 630,981	\$ 597,706
Interest	2,931,266	3,052,104	3,073,845	2,877,916	2,965,310	3,021,228	3,105,018	3,221,417	3,236,055	3,331,241
Differences Between Expected and Actual Experience	234,828	(996,542)	1,521,292	100,366	(393,226)	107,712	1,565,349	767,243	897,955	214,930
Changes of Assumptions	3,242,915	1,164,263	(4,354,897)	-	-	1,855,754	1,232,180	732,714	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)	(2,693,469)	(2,863,532)	(3,059,189)	(3,233,920)
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	5,179,709	1,954,730	(1,293,854)	1,261,710	979,093	3,076,474	3,877,300	2,506,455	1,705,802	909,957
Total Pension Liability - Beginning	37,268,971	42,448,680	44,403,410	43,109,556	44,371,266	45,350,359	48,426,833	52,304,133	54,810,588	56,516,390
Total Pension Liability - Ending	42,448,680	44,403,410	43,109,556	44,371,266	45,350,359	48,426,833	52,304,133	54,810,588	56,516,390	57,426,347
Plan Fiduciary Net Position:										
Contributions - Employer	1,727,470	1,820,733	1,956,477	2,856,477	2,133,752	2,952,021	2,566,211	1,766,211	2,079,745	1,825,910
Contributions - Member	345,568	397,315	356,918	340,504	437,496	309,496	223,027	271,565	238,545	224,859
Net Investment Income (Loss)	(276,685)	2,772,961	2,256,287	911,856	1,230,917	9,682,823	(5,540,223)	3,459,016	4,043,680	4,769,545
Benefit Payments, Including Refunds of Member Contributions	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)	(2,693,469)	(2,863,532)	(3,059,189)	(3,233,920)
Administrative Expense	(72,564)	(71,177)	(90,956)	(56,241)	(64,036)	(76,646)	(78,033)	(68,475)	(64,772)	(72,595)
Net Change in Plan Fiduciary Net Position	(72,463)	3,122,456	2,427,919	1,606,910	1,470,655	10,276,426	(5,522,487)	2,564,785	3,238,009	3,513,799
Plan Fiduciary Net Position - Beginning	23,202,956	23,130,493	26,252,949	28,680,868	30,287,778	31,758,433	42,034,859	36,512,372	39,077,157	42,315,166
Plan Fiduciary Net Position - Ending	23,130,493	26,252,949	28,680,868	30,287,778	31,758,433	42,034,859	36,512,372	39,077,157	42,315,166	45,828,965
Net Pension Liability - Ending	<u>\$ 19,318,187</u>	<u>\$ 18,150,461</u>	<u>\$ 14,428,688</u>	<u>\$ 14,083,488</u>	<u>\$ 13,591,926</u>	<u>\$ 6,391,974</u>	<u>\$ 15,791,761</u>	<u>\$ 15,733,431</u>	<u>\$ 14,201,224</u>	<u>\$ 11,597,382</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.49%	59.12%	66.53%	68.26%	70.03%	86.80%	69.81%	71.29%	74.87%	79.80%
Covered Payroll	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107	\$ 5,078,360	\$ 5,089,679	\$ 4,644,460	\$ 4,166,359	\$ 3,867,121
Net Pension Liability as a Percentage of Covered Payroll	409.57%	399.72%	345.36%	249.94%	244.98%	125.87%	310.27%	338.76%	340.85%	299.90%

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BOARD OF EDUCATION PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability:										
Service Cost	\$ 391,848	\$ 378,717	\$ 423,746	\$ 466,647	\$ 437,107	\$ 428,841	\$ 451,020	\$ 433,979	\$ 421,277	\$ 369,809
Interest	1,108,213	1,167,003	1,174,269	1,105,965	1,152,394	1,224,594	1,268,936	1,304,303	1,293,288	1,328,707
Differences Between Expected and Actual Experience	28,823	(566,948)	67,085	229,078	608,927	(90,391)	246,717	(171,113)	134,315	292,224
Changes of Assumptions	1,346,357	407,690	(1,226,220)	-	-	834,870	476,623	241,060	-	-
Benefit Payments, Including Refunds of Member Contributions	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)	(1,064,897)	(1,093,914)	(1,125,040)	(1,291,580)
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	2,232,672	675,762	(357,069)	850,771	976,297	1,382,365	1,378,399	714,315	723,840	699,160
Total Pension Liability - Beginning	13,834,335	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768	19,595,133	20,973,532	21,687,847	22,411,687
Total Pension Liability - Ending	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768	19,595,133	20,973,532	21,687,847	22,411,687	23,110,847
Plan Fiduciary Net Position:										
Contributions - Employer	535,965	549,460	603,433	530,051	1,424,037	570,615	624,728	637,460	635,381	280,000
Contributions - Member	203,726	190,579	190,968	181,837	172,844	165,128	154,977	149,450	136,203	129,253
Net Investment Income (Loss)	(126,326)	1,390,852	1,093,561	495,218	600,459	4,504,993	(2,559,909)	1,564,015	1,833,544	2,131,946
Benefit Payments, Including Refunds of Member Contributions	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)	(1,064,897)	(1,093,914)	(1,125,040)	(1,291,580)
Administrative Expense	(42,202)	(43,369)	(49,869)	(40,352)	(45,216)	(44,552)	(54,257)	(44,837)	(44,239)	(54,365)
Net Change In Plan Fiduciary Net Position	(71,406)	1,376,822	1,042,144	215,835	929,993	4,180,635	(2,899,358)	1,212,174	1,435,849	1,195,254
Plan Fiduciary Net Position - Beginning	11,990,119	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507	19,664,142	16,764,784	17,976,958	19,412,807
Plan Fiduciary Net Position - Ending	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507	19,664,142	16,764,784	17,976,958	19,412,807	20,608,061
Net Pension Liability (Asset) - Ending	<u>\$ 4,148,294</u>	<u>\$ 3,447,234</u>	<u>\$ 2,048,021</u>	<u>\$ 2,682,957</u>	<u>\$ 2,729,261</u>	<u>\$ (69,009)</u>	<u>\$ 4,208,748</u>	<u>\$ 3,710,889</u>	<u>\$ 2,998,880</u>	<u>\$ 2,502,786</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.18%	79.41%	87.50%	84.43%	85.01%	100.35%	79.93%	82.89%	86.62%	89.17%
Covered Payroll	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396	\$ 3,779,805	\$ 3,705,922	\$ 3,684,165	\$ 3,378,882	\$ 3,164,464
Net Pension Liability as a Percentage of Covered Payroll	132.86%	105.27%	65.36%	68.84%	68.17%	-1.83%	113.57%	100.73%	88.75%	79.09%

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN PLAN
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 1,727,470	\$ 1,820,733	\$ 1,956,477	\$ 1,714,348	\$ 1,733,752	\$ 1,602,021	\$ 1,766,211	\$ 1,755,005	\$ 1,779,745	\$ 1,825,910
Contributions in Relation to the Actuarially Determined Contribution	<u>1,727,470</u>	<u>1,820,733</u>	<u>1,956,477</u>	<u>2,856,477</u>	<u>2,133,752</u>	<u>2,952,021</u>	<u>2,566,211</u>	<u>1,766,211</u>	<u>2,079,745</u>	<u>1,825,910</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,142,129)</u>	<u>\$ (400,000)</u>	<u>\$ (1,350,000)</u>	<u>\$ (800,000)</u>	<u>\$ (11,206)</u>	<u>\$ (300,000)</u>	<u>\$ -</u>
Covered Payroll	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107	\$ 5,078,360	\$ 5,089,679	\$ 4,644,460	\$ 4,166,359	\$ 4,166,359
Contributions as a Percentage of Covered Payroll	36.62%	40.10%	46.83%	50.69%	38.46%	58.13%	50.42%	38.03%	49.92%	43.83%

Notes to Schedule:

Valuation Date July 1, 2024

Measurement Date June 30, 2025

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Non-Asymptotic
Inflation	2.5%
Salary Increases Including Inflation	3.00%
Turnover	Graded Rates by Age and Gender
Investment Rate of Return	6.00%
Retirement Age	Graded Rates by Age and Group
Mortality	PubS-2010 (Police) and PubG-2010 (All Others) Mortality Table with generational projection per the MP-2021 ultimate scale.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BOARD OF EDUCATION PLAN
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 535,965	\$ 549,460	\$ 603,433	\$ 530,051	\$ 557,209	\$ 570,615	\$ 624,728	\$ 637,460	\$ 635,381	\$ 627,685
Contributions in Relation to the Actuarially Determined Contribution	535,965	549,460	603,433	530,051	1,424,037	570,615	624,728	637,460	635,381	280,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (866,828)	\$ -	\$ -	\$ -	\$ -	\$ 347,685
Covered Payroll	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396	\$ 3,779,805	\$ 3,705,922	\$ 3,684,165	\$ 3,378,882	\$ 3,164,464
Contributions as a Percentage of Covered Payroll	17.17%	16.78%	19.26%	13.60%	35.57%	15.10%	16.86%	17.30%	18.80%	8.85%

Notes to Schedule:

Valuation Date July 1, 2024
Measurement Date June 30, 2025

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Non-Asymptotic
Inflation	2.5%
Salary Increases Including Inflation	3.00%
Turnover	Graded Rates by Age and Gender
Investment Rate of Return	6.00%
Retirement Age	Graded Rates by Age
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
Town Plan	-1.15%	11.54%	8.27%	3.09%	3.97%	29.94%	-13.05%	9.38%	10.27%	11.22%
Board of Education Plan	-1.07%	11.64%	8.31%	3.51%	3.93%	29.79%	-13.29%	9.39%	10.45%	11.33%

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Town's Proportion of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Town	91,603,357	118,505,418	112,326,595	109,538,605	142,062,712	164,034,106	129,916,402	170,653,861	160,533,218	152,932,191
Total	\$ 91,603,357	\$ 118,505,418	\$ 112,326,595	\$ 109,538,605	\$ 142,062,712	\$ 164,034,106	\$ 129,916,402	\$ 170,653,861	\$ 160,533,218	\$ 152,932,191
Town's Covered Payroll	\$ 56,460,373	\$ 57,676,185	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431	\$ 64,043,289	\$ 67,683,515	\$ 72,943,961	\$ 77,750,709
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%	54.06%	58.39%	62.68%

Notes to Schedule:

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	25.9 Years
Asset Valuation Method	4-Year Smoothed Fair Value
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST NINE FISCAL YEARS

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability:									
Service Cost	\$ 300,153	\$ 241,568	\$ 248,909	\$ 323,084	\$ 332,611	\$ 440,843	\$ 253,043	\$ 243,564	\$ 252,009
Interest	752,807	781,604	624,382	653,559	839,734	878,068	845,998	899,056	727,034
Differences Between Expected and Actual Experience	-	(2,610,995)	-	2,328,437	-	2,768,154	-	(3,077,824)	-
Changes of Assumptions	-	215,571	-	64,347	-	(2,588,765)	613,866	22,539	-
Benefit Payments, Including Refunds of Member Contributions	(566,113)	(600,465)	(499,040)	(531,909)	(712,671)	(712,671)	(854,513)	(854,513)	(841,549)
Net Change In Total OPEB Liability	486,847	(1,972,717)	374,251	2,837,518	459,674	785,629	858,394	(2,767,178)	137,494
Total OPEB Liability - Beginning	10,732,510	11,219,357	9,246,640	9,620,891	12,458,409	12,918,083	13,703,712	14,562,106	11,794,928
Total OPEB Liability - Ending	11,219,357	9,246,640	9,620,891	12,458,409	12,918,083	13,703,712	14,562,106	11,794,928	11,932,422
Plan Fiduciary Net Position:									
Contributions - Employer	880,974	915,326	755,791	763,348	1,055,879	1,055,879	1,001,919	1,001,919	907,735
Net Investment Income	11,450	27,212	79,090	122,082	1,054,505	(657,442)	412,053	530,855	606,291
Benefit Payments, Including Refunds of Member Contributions	(566,113)	(600,465)	(499,040)	(531,909)	(712,671)	(712,671)	(854,513)	(854,513)	(841,549)
Administrative Expense	(1,125)	(26,500)	(1,717)	(36,141)	(2,523)	(2,583)	(33,669)	(36,383)	(7,755)
Net Change In Plan Fiduciary Net Position	325,186	315,573	334,124	317,380	1,395,190	(316,817)	525,790	641,878	664,722
Plan Fiduciary Net Position - Beginning	1,741,352	2,066,538	2,382,111	2,716,235	3,033,615	4,428,805	4,111,988	4,637,778	5,279,656
Plan Fiduciary Net Position - Ending	2,066,538	2,382,111	2,716,235	3,033,615	4,428,805	4,111,988	4,637,778	5,279,656	5,944,378
Net OPEB Liability - Ending	<u>\$ 9,152,819</u>	<u>\$ 6,864,529</u>	<u>\$ 6,904,656</u>	<u>\$ 9,424,794</u>	<u>\$ 8,489,278</u>	<u>\$ 9,591,724</u>	<u>\$ 9,924,328</u>	<u>\$ 6,515,272</u>	<u>\$ 5,988,044</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.42%	25.76%	28.23%	24.35%	34.28%	30.01%	31.85%	44.76%	49.82%
Covered Payroll	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$58,699,042	\$ 58,699,042	\$ 61,525,281	\$ 61,525,281	\$ 67,597,128
Net OPEB Liability as a Percentage of Covered Payroll	17.08%	12.81%	12.87%	17.57%	14.46%	16.34%	16.13%	10.59%	8.86%

Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 1,007,276	\$ 880,974	\$ 880,974	\$ 755,791	\$ 755,791	\$ 1,055,879	\$ 1,055,879	\$ 1,001,919	\$ 1,001,919	\$ 907,735
Contributions in Relation to the Actuarially Determined Contribution	<u>1,025,696</u>	<u>880,974</u>	<u>915,326</u>	<u>755,791</u>	<u>763,348</u>	<u>1,055,879</u>	<u>1,055,879</u>	<u>1,001,919</u>	<u>1,001,919</u>	<u>907,735</u>
Contribution Deficiency (Excess)	<u>\$ (18,420)</u>	<u>\$ -</u>	<u>\$ (34,352)</u>	<u>\$ -</u>	<u>\$ (7,557)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 51,315,810	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$ 58,699,042	\$ 58,699,042	\$ 61,525,281	\$ 61,525,281	\$ 67,597,128
Contributions as a Percentage of Covered Payroll	2.00%	1.64%	1.71%	1.41%	1.42%	1.80%	1.80%	1.63%	1.63%	1.34%

Notes to Schedule:

Valuation Date July 1, 2023
Measurement date June 30, 2025
Actuarially determined contribution rates are collected as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:
Actuarial Cost Method Entry Age Normal
Inflation 2.50%
Medical Trend Rate Varies By Year
Salary Increases Including Inflation Graded by Age for Teachers and Administrators; 3.00% for All Others.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
LAST NINE FISCAL YEARS**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.56%	1.15%	3.00%	4.19%	31.24%	-13.78%	9.80%	11.15%	11.39%

Note: This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS**

	2018	2019	2020	2021	2022	2023	2024	2025
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	28,911,595	21,897,445	22,155,482	24,465,693	14,154,154	14,945,364	15,039,758	31,371,650
Total	\$ 28,911,595	\$ 21,897,445	\$ 22,155,482	\$ 24,465,693	\$ 14,154,154	\$ 14,945,364	\$ 15,039,758	\$ 31,371,650
Town's Covered Payroll	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431	\$ 64,043,289	\$ 67,683,515	\$ 72,943,961	\$ 77,750,709
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79%	1.49%	2.08%	2.50%	6.11%	9.46%	11.92%	7.40%

Notes to Schedule:

Changes in Benefit Terms

There were no changes to benefit terms since the prior Measurement Date..

Changes of Assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024, was updated to equal the SEIR of 3.93% as of June 30, 2024;

Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change; and

Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

Actuarial Cost Method

Entry Age

Amortization Method

Level Percent of Payroll Over an Open Period

Remaining Amortization Period

30 Years

Asset Valuation Method

Fair Value of Assets

Investment Rate of Return

3.00%, Net of Investment Related Expense Including Price Inflation

Price Inflation

2.50%

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

Appendix B

Form of Opinion of Bond Counsel

[FORM OF OPINION OF BOND COUNSEL]

February ___, 2026

Town of South Windsor,
South Windsor, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of South Windsor, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated February ___, 2026 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$14,600,000 Town of South Windsor, Connecticut General Obligation Bonds, Issue of 2026, dated February ___, 2026 (the “Bonds”), maturing on February 15 in each of the years, in the principal amounts and bearing interest payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2027	\$810,000	[]%	2036	\$810,000	[]%
2028	810,000	[]	2037	810,000	[]
2029	810,000	[]	2038	810,000	[]
2030	810,000	[]	2039	810,000	[]
2031	810,000	[]	2040	810,000	[]
2032	810,000	[]	2041	815,000	[]
2033	810,000	[]	2042	815,000	[]
2034	810,000	[]	2043	815,000	[]
2035	810,000	[]	2044	815,000	[]

with principal payable at the principal office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of January and July in each year, by check mailed to such registered owner at the address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory 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 shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, 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 computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

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

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

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

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

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

Respectfully,

Appendix C

Form of Continuing Disclosure Agreement

[FORM OF CONTINUING DISCLOSURE AGREEMENT]

CONTINUING DISCLOSURE AGREEMENT

Town of South Windsor, Connecticut
\$14,600,000 General Obligation Bonds, Issue of 2026
dated February ___, 2026

February ___, 2026

WHEREAS, the Town of South Windsor, Connecticut (the “Town”) has heretofore authorized the issuance of \$14,600,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2026, dated February ___, 2026 (the “Bonds”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated February 11, 2026 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated February 4, 2026 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Fiscal Year End” shall mean the last day of the Town’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;

(G) the ratios of total direct debt and total overall net debt of the Town to the Town’s net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Town’s pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town’s audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. 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, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in 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, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners 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 after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**TOWN OF SOUTH WINDSOR,
CONNECTICUT**

By: _____
Name: Michael Maniscalco
Title: Town Manager

By: _____
Name: Rose Maturo
Title: Town Treasurer

Appendix D

Notice of Sale

NOTICE OF SALE
\$14,600,000
TOWN OF SOUTH WINDSOR, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2026

Electronic bids (as described herein) will be received by the **TOWN OF SOUTH WINDSOR, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Wednesday,

FEBRUARY 11, 2026

(the “Sale Date”) for the purchase of all, but not less than all, of the \$14,600,000 Town of South Windsor, Connecticut General Obligation Bonds, Issue of 2026 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated February 25, 2026, mature in the principal amounts of \$810,000 on February 15 in each of the years 2027 to 2040, both inclusive, and \$815,000 on February 15 in each of the years 2041 to 2044, both inclusive, bear interest payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated February 4, 2026 (the “Preliminary Official Statement”).

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

<u>Redemption Date</u>	<u>Redemption Price</u>
February 15, 2033 and thereafter	100%

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and 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 winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments 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 to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

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

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. 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.

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

Bid Specifications/Basis of Award

Each bid must be for the entire \$14,600,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, computed and rounded to six decimal places.

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 February 25, 2026, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to February 25, 2026, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut ("Bond Counsel"), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

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 Matthew A. Spoerndle, Senior Managing Director, a division of First Security Municipal Advisors, Inc. ("Phoenix Advisors"), Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town (the "Municipal Advisor").

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid 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 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, the form of which is attached hereto, 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. 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 a 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 of the Bonds, 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 sale 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 third party 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 of the Bonds, 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 such 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 third party 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 third party 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.

Settlement of the Bonds

The Bonds will be available for delivery on or about February 25, 2026. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply 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 winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished a reasonable number of copies of the final Official Statement prepared for the Bonds at the Town’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Town will undertake 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 (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, Email: mspoerndle@muniadvisors.com, Telephone: (203) 878-4945, municipal advisor to the Town.

MICHAEL MANISCALCO
Town Manager

ROSE MATURO
Town Treasurer

February 4, 2026

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of South Windsor, Connecticut
\$14,600,000 General Obligation Bonds, Issue of 2026

The undersigned, on behalf of _____, on behalf of itself and _____, 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 February 4, 2026 (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 Price 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>
02/15/2027	\$810,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2028	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2029	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2030	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2031	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2032	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2033	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2034	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2035	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2036	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2037	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2038	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2039	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2040	810,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2041	815,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2042	815,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2043	815,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2044	815,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

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

By: _____
Name: _____
Title: _____

Email this completed and executed certificate to the following by 5:00 P.M. on February 12, 2026:

Bond Counsel: dpanico@rc.com

Municipal Advisor: mspoerndle@muniadvisors.com