

## Preliminary Official Statement Dated March 25, 2026

**New Money Issue: Book-Entry-Only**

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

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



### Town of Cheshire, Connecticut

**\$20,000,000**

### General Obligation Bonds, Issue of 2026

**Dated: Date of Delivery**

**Due: July 15, 2027-2046  
as shown on the inside cover page:**

The \$20,000,000 General Obligation Bonds, Issue of 2026 (the "Bonds") will bear interest payable on July 15, 2026 and semiannually thereafter on January 15 and July 15 in each year until maturity or earlier redemption. The Bonds will be general obligations of the Town of Cheshire, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)

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

**Electronic bids via PARITY® for the Bonds will be received until 12:00 Noon (E.T.) on Wednesday, April 1, 2026, as described in the Notice of Sale. (See Appendix D to this Official Statement).**

The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Registrar, Certifying Agent, Transfer, and Paying 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 Pullman & Comley, LLC, Bond Counsel, 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 April 14, 2026.

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Town of Cheshire, Connecticut**  
**\$20,000,000**  
**General Obligation Bonds, Issue of 2026**

**Dated: Date of Delivery**

**Due: July 15, 2027-2046**  
**as shown below:**

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP <sup>1</sup></b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP <sup>1</sup></b>
2027	\$ 1,000,000	. . %	. . %	165375	2037	\$ 1,000,000	. . %	. . %	165375
2028	1,000,000	. . %	. . %	165375	2038	1,000,000	. . %	. . %	165375
2029	1,000,000	. . %	. . %	165375	2039	1,000,000	. . %	. . %	165375
2030	1,000,000	. . %	. . %	165375	2040	1,000,000	. . %	. . %	165375
2031	1,000,000	. . %	. . %	165375	2041	1,000,000	. . %	. . %	165375
2032	1,000,000	. . %	. . %	165375	2042	1,000,000	. . %	. . %	165375
2033	1,000,000	. . %	. . %	165375	2043	1,000,000	. . %	. . %	165375
2034	1,000,000	. . %	. . %	165375	2044	1,000,000	. . %	. . %	165375
2035	1,000,000	. . %	. . %	165375	2045	1,000,000	. . %	. . %	165375
2036	1,000,000	. . %	. . %	165375	2046	1,000,000	. . %	. . %	165375

<sup>1</sup> CUSIP ® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. which is not affiliated with the Town, and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and 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 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.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth in Appendix B to this Official Statement), and makes no representation that it has independently verified the same.

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

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

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

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

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## Table of Contents

	Page		Page
<b>Bond Issue Summary</b> .....	1	<b>IV. Tax Base Data</b> .....	28
<b>I. Bond Information</b> .....	2	Property Tax Assessments.....	28
Introduction.....	2	Property Tax Levy & Collections.....	29
Public Health Considerations.....	2	Property Tax Collections.....	29
Climate Change.....	2	Property Taxes Receivable.....	29
Cybersecurity.....	3	Principal Taxpayers.....	30
Municipal Advisor.....	3	Comparative Assessed Valuations of Taxable Property..	30
Description of the Bonds.....	3	Tax-Exempt Property.....	31
Redemption Provisions.....	4	<b>V. Debt Summary</b> .....	32
Authorization and Purpose.....	5	Long-Term Bonded Debt.....	32
Book-Entry-Only Transfer System.....	5	Short-Term Debt.....	33
DTC Practices.....	7	Other Commitments.....	33
Replacement Bonds.....	7	Annual Bonded Debt Maturity Schedule.....	33
Security and Remedies.....	7	Overlapping/Underlying Debt.....	33
Qualification for Financial Institutions.....	7	Debt Statement.....	34
Availability of Continuing Disclosure Information...	8	Current Debt Ratios.....	34
Ratings.....	8	Temporary Financing.....	35
Tax Matters.....	9	Clean Water Fund Program.....	35
Bond Insurance.....	10	Authority to Incur Debt.....	36
<b>II. The Issuer</b> .....	11	Statement of Statutory Debt Limitation.....	37
Description of the Municipality.....	11	Limitation of Indebtedness.....	38
Government Organization.....	12	Authorized But Unissued Debt.....	38
Principal Municipal Officials.....	12	Principal Amount of Outstanding Debt.....	39
Key Municipal Officials.....	13	Ratios of Net Long-Term Debt to	
Municipal Services.....	15	Valuation Population and Income.....	39
Employee Relations and Collective Bargaining.....	20	Ratio of Annual Debt Service to total	
Municipal Employees.....	20	General Fund Expenditures.....	39
Employees' Bargaining Organizations.....	20	<b>VI. Financial Information</b> .....	40
School System.....	21	General Fund Revenues, Expenditures	
School Facilities.....	21	and Changes in Fund Balance.....	40
School Enrollment and Projections.....	22	Analysis of General Fund Balance.....	41
<b>III. Economic and Demographic Information</b> .....	23	Historical General Fund Balance Sheet.....	42
Population and Density.....	23	Accounting Policies and Basis of Accounting.....	42
Age Distribution of the Population.....	23	Audit.....	42
Income Distribution.....	23	Certificate of Achievement for	
Income Levels.....	24	Excellence in Financial Reporting.....	43
Educational Attainment.....	24	Budget Adoption Procedure.....	43
Employment Data.....	24	Capital Improvement Plan.....	44
Employment by Industry.....	25	Pension Programs.....	45
Major Employers.....	25	Other Post Employment Benefits.....	46
Building Permits.....	26	Compensated Absences.....	46
Housing Unit Inventory and Vacancy Rates.....	26	Risk Management.....	46
Owner Occupied Housing Values.....	26	Investments.....	47
Age Distribution of Housing.....	27	<b>VII. Legal and Other Information</b> .....	48
Breakdown of Land Use.....	27	Litigation.....	48
		Transcript and Closing Documents.....	48
		Concluding Statement.....	49

### Appendix A - Basic Financial Statements

(Excerpted from the Town's 2025

Annual Comprehensive Financial Report)

### Appendix B - Form of Opinion of Bond Counsel

### Appendix C - Form of Continuing Disclosure Agreement

### Appendix D - Notice of Sale

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## **Bond Issue Summary**

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

<b>Date of Sale:</b>	Wednesday, April 1, 2026 at 12:00 Noon (E.T.).
<b>Issuer:</b>	Town of Cheshire, Connecticut (the "Town").
<b>Issue:</b>	\$20,000,000 General Obligation Bonds, Issue of 2026 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	July 15, 2026 and semiannually thereafter on January 15 and July 15, in each year until maturity or earlier redemption.
<b>Principal Due:</b>	The Bonds are due serially, July 15, 2027 through July 15, 2046, as detailed in this Official Statement.
<b>Authorization and Purpose:</b>	The proceeds of the Bonds will be used to fund various general purpose, school and sewer projects authorized by the Town. See "Authorization and Purpose" herein.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
<b>Security and Remedies:</b>	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated "AAA" from S&P Global Ratings and "AAA" from Fitch Ratings.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Bond Insurance:</b>	The Town does not expect to purchase a credit enhancement facility.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided: (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, not in excess of 10 business days after the occurrence of such event 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, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Bank Qualification:</b>	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC, of Hartford, Connecticut will act as Bond Counsel.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, will act as Municipal Advisor. Telephone (203) 878-4945.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made on or about April 14, 2026, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning this Official Statement should be addressed to James J. Jaskot, Director of Finance & Treasurer, Town Hall, 84 South Main Street, Cheshire, Connecticut 06410. Telephone (203) 271-6610.

## ***I. Bond Information***

### ***Introduction***

This Official Statement, (the “Official Statement”) including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Cheshire, Connecticut (the “Town”), in connection with the original issuance and sale of \$20,000,000 General Obligation Bonds, Issue of 2026 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated March 25, 2026, have been furnished to prospective bidders. Reference is made to the Notice of Sale, attached hereto as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Town since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

### ***Public Health Considerations***

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

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

The Town received \$8.6 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

### ***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. The Town currently maintains an emergency operations plan with the Town’s fire chief as the Emergency Operations Coordinator. An emergency operations center is currently under construction in Town Hall and should be operational in 2026 to provide key services in the event of a disaster.

## **Cybersecurity**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town computers and computer servers are protected by this security software and firewalls. The Town maintains a cyber incident response plan. These security protection systems are evaluated annually for upgrades or replacements.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident recovery from an earlier state for any enterprise application system is possible. The Town currently has a cybersecurity insurance policy. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact financial operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

## **Municipal Advisor**

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

## **Description of the Bonds**

The Bonds will be dated as of the date of delivery, and will mature in annual installments on July 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on July 15, 2026 and semiannually thereafter on January 15 and July 15, in each year until maturity or earlier redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year and will be payable to the registered owners of the Bonds as of the close of business on the last business day of June and December in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds.

*(Remainder of page intentionally left blank)*

## **Redemption Provisions**

The Bonds maturing on or before July 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2034 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on and after July 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 Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u><b>Redemption Date</b></u>	<u><b>Redemption Price</b></u>
July 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 but not more than sixty (60) 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 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 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.

*(Remainder of page intentionally left blank)*

## Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, Revision of 1958, as amended, the Charter of the Town and resolutions approved by the Town Council and voters of the Town.

The projects financed by the Bonds are listed below:

<b>Project Number</b>	<b>Project Name</b>	<b>Bond Authorization</b>	<b>Maturing Notes Due: 4/14/26</b>	<b>THIS ISSUE Bonds</b>
<b>General Purpose</b>				
01520	Road Improvement Program.....	\$ 1,600,000	\$ 350,000	\$ 350,000
01557	Replacement of Parking Lot at Cheshire Community Pool.....	155,000	155,000	155,000
01571	Public Works Dump Trucks and Plows.....	380,000	380,000	380,000
01572	Jarvis / Marion Sidewalk Extensions.....	300,000	300,000	300,000
01573	Paving of Parking Lots and Access Drives - Bartlem Park.....	385,000	385,000	385,000
01574	Lakeview Culvert Improvements.....	420,000	340,000	340,000
01581	Road Improvement Program East Johnson Avenue Section 2 Road Reconstruction.....	2,800,000	1,390,000	1,390,000
<b>Subtotal General Purpose.....</b>		<b>\$ 6,040,000</b>	<b>\$ 3,300,000</b>	<b>\$ 3,300,000</b>
<b>School</b>				
01469	Design and Construction of a New North End Elementary School and a New Norton Elementary School.....	\$ 166,600,000	\$ 15,350,000	\$ 13,850,000
01609	Fire Sprinkler System Replacement - District Wide.....	150,000	-	150,000
01612	Fire Alarm Control System - Cheshire High School.....	1,100,000	-	1,100,000
01621	Elementary School Playground Equipment Replacement.....	250,000	-	250,000
<b>Subtotal Schools.....</b>		<b>\$ 168,100,000</b>	<b>\$ 15,350,000</b>	<b>\$ 15,350,000</b>
<b>Sewer</b>				
01554	Elmwood Pump Station Upgrade.....	\$ 200,000	\$ 200,000	\$ 200,000
01575	Denitrification Upgrade.....	500,000	250,000	250,000
01576	In-Kind Treatment Plant and Pump Stations Equipment Replacement..	300,000	300,000	300,000
01577	SCADA Notification System Upgrade.....	250,000	250,000	250,000
01578	Inflow and Infiltration (I&I) Investigation and Remediation.....	400,000	100,000	100,000
01579	HVAC Upgrade at Water Pollution Control Facility.....	250,000	250,000	250,000
<b>Subtotal Sewers.....</b>		<b>\$ 1,900,000</b>	<b>\$ 1,350,000</b>	<b>\$ 1,350,000</b>
<b>Grand Totals.....</b>		<b>\$ 176,040,000</b>	<b>\$ 20,000,000</b>	<b>\$ 20,000,000</b>

## Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

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

## ***DTC Practices***

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

## ***Replacement Bonds***

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

## ***Security and Remedies***

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

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

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 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 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 debt would also be subject to the applicable provisions of federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. 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 and 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 for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

## **Availability of Continuing Disclosure Information**

The Town prepares, in accordance with State law, annual independent audited financial statements and files such annual audits with the State Office of Policy and Management. The Town provides, and will continue to provide, to Moody's Investor Service, S&P Global Ratings and Fitch Ratings ongoing disclosure in the form of comprehensive annual audited financial statements, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided: (i) certain annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after 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 to be executed in substantially the form attached as in Appendix C to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and notices of events pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

## **Ratings**

The Bonds have been rated "AAA" by S&P Global Ratings ("S&P") and "AAA" by Fitch Ratings ("Fitch") (the "Rating Agencies"). The Town furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the Rating Agencies. 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 the Rating Agencies information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town's Municipal Advisor, Phoenix Advisors, recommends that all bonded debt be submitted for a credit rating.

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## **Tax Matters**

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

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

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

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

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

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

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

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

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

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

Accrued original issue discount on an OID Bond is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

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

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

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

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

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

### ***Bond Insurance***

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

## II. The Issuer



## Connecticut

### **Description of the Municipality**

The Town of Cheshire (the “Town” or “Cheshire”), located in Connecticut’s New Haven County, is a primarily residential community of approximately 29,040 residents encompassing 33 square miles and more than 150 miles of roadway. Settled in 1694 and incorporated in 1780, Cheshire is centrally positioned in south central Connecticut, bordered by Southington and Wolcott to the north; Meriden and Wallingford to the east; Hamden to the south; and Prospect and Waterbury to the west. The Town is approximately 14 miles north of New Haven and 25 miles southwest of Hartford.

The Town benefits from strategic access to major transportation corridors, including Interstate 84, Interstate 691, and Interstate 91, as well as State Routes 10 and 68/70, which intersect at the Town center. Air service is available at Bradley International Airport and Tweed-New Haven Airport, the latter of which has expanded commercial passenger service in recent years. The Port of New Haven provides additional logistical access within a short distance of the community.

For much of its early history, The Town was a rural agricultural community. It is a well-established suburban town that continues to balance residential development, economic activity, and preservation of its agricultural heritage. Thousands of acres of protected open space and active farmland remain integral to the community’s character. The Town has been designated the “Bedding Plant Capital of Connecticut” by the Connecticut General Assembly in recognition of its long-standing concentration of bedding plant growers and horticultural businesses.

The Town is widely recognized for its high quality of life, strong public safety services, and highly regarded school system, including Cheshire Public Schools. Residents benefit from extensive recreational amenities, including parks, athletic facilities, and access to the regional Farmington Canal Heritage Trail, as well as vibrant civic engagement and volunteerism. Its central location provides convenient access to employment, higher education, healthcare, and cultural institutions throughout the New Haven and Hartford regions.

Over the past several decades, the Town’s economy has evolved from predominantly agricultural and small-scale manufacturing roots into a diversified base that includes light manufacturing, distribution, healthcare services, professional services, and small business entrepreneurship. Approximately 2,500 acres remain zoned for industrial use in the north-central section of Town, supporting continued economic opportunity. The Town remains committed to strategic infrastructure investment, responsible land-use planning, and fiscal stewardship to sustain balanced growth and long-term financial stability.

### **Government Organization**

The Town is governed by a Council-Manager form of government, which was adopted under a Town Charter approved by Town voters on June 9, 1971. The most recent Town Charter revisions became effective January 1, 2018.

The legislative function is performed by a nine-member Town Council, one member for each of the four voting districts and five members elected at large (the “Town Council”). Not more than seven persons from any one political party may serve as Town Council members. All Town Council members are elected biennially for two-year terms. The Town Council is empowered to adopt the Town’s budget, fix the mill rate and enact local ordinances. A Mayor is elected from within the Town Council and acts as its Chairman. The Town Council also appoints the members of all boards and commissions, except those positions that are elected.

The Town Council appoints the Town Manager who serves as the Chief Executive Officer of the Town. The Town Manager is responsible, in accordance with the Town Charter, for the operation of the municipality, including the appointment of all department heads.

The Board of Education, a seven-member elected body, is responsible for the operation of the public school system and appoints a Superintendent of Schools who serves as the Chief Executive Officer of the school system.

### **Principal Municipal Officials**

<b>Office</b>	<b>Name</b>	<b>Manner of Selection/Term</b>	<b>Years of Service</b>
Town Manager .....	Sean M. Kimball <sup>1</sup>	Appointed	8 years
Director of Finance/Treasurer .....	James J. Jaskot <sup>2</sup>	Appointed	27 years
Deputy Director of Finance .....	Gina DeFilio	Appointed	14 years
Human Resources Director.....	Ronald Ing	Appointed	< 1 year
Director of Public Works.....	Daniel J. Bombero, Jr. <sup>3</sup>	Appointed	11 years
Chief of Police .....	Frederick J. Jortner	Appointed	< 1 year
Fire Chief .....	Jack Casner	Appointed	29 years <sup>5</sup>
Town Planner .....	Michael Glidden	Appointed	4 years
Assistant Town Manager .....	Andrew Martelli <sup>4</sup>	Appointed	4 years
Superintendent of Schools.....	Jeffrey F. Solan	Appointed	10 years <sup>6</sup>

<sup>1</sup> Mr. Kimball previously served in the roles of Acting Town Manager, Director of Finance/Treasurer, and Deputy Director of Administrative Services in the Town of Simsbury for 7 years.

<sup>2</sup> Mr. Jaskot spent thirteen years with the Town as Deputy Finance Director before becoming the Director of Finance/Treasurer in 2011.

<sup>3</sup> Mr. Bombero was hired as Acting Director of Public Works on August 21, 2023, and Director of Public Works on July 1, 2024.

<sup>4</sup> Mr. Martelli was hired as the Director of Economic Development and Grants on August 9, 2021 and appointed to Assistant Town Manager on January 27, 2025.

<sup>5</sup> Fire Chief became a full time position in 2004. Mr. Casner served as Fire Chief in a volunteer capacity for seven years.

<sup>6</sup> Mr. Solan was the Assistant Principal at Dodd Middle School for three years, Principal at Dodd Middle School for four years, and Principal at Cheshire High School for four years before becoming Superintendent of Schools.

## **Key Municipal Officials**

***Sean M. Kimball, Town Manager:*** Sean M. Kimball was appointed Town Manager in May 2018. Prior to coming to Cheshire he worked for the Town of Simsbury, Connecticut for 7 years where he served in the roles of Acting Town Manager, Director of Finance/Treasurer and Deputy Director of Administrative Services. Prior to joining the Town of Simsbury, Mr. Kimball served as a Budget Consultant for the City of New Haven's Office of Management and Budget and as a Local Government Management Fellow in the City Manager's Office in San Jose, CA.

Mr. Kimball graduated with a Bachelor's Degree in Political Science from Santa Clara University and a Master's Degree in Public Administration from the University of Connecticut. He is an active member of the Connecticut City and Town Management Association (CTCMA) and recently served on the CTCMA executive board for five years. Mr. Kimball has also served as a member of the Committee on Taxes and Finance and the Committee on Labor Relations for the Connecticut Conference of Municipalities (CCM) and as member of the Connecticut Government Finance Officers Association (GFOA CT).

***James J. Jaskot, Director of Finance / Treasurer:*** James J. Jaskot has been with the Town since July 1998. Mr. Jaskot served as Deputy Director of Finance for the Town for 13 years and was appointed Director of Finance / Treasurer in July 2011. Prior to coming to Cheshire, Mr. Jaskot worked for over fourteen years in public accounting with emphasis on municipal accounting, auditing and financial reporting.

Mr. Jaskot graduated from the University of Connecticut in 1983 with a Bachelor of Science Degree in Accounting. He is a Certified Public Accountant and member of the American Institute of Certified Public Accountants, Connecticut Society of Certified Public Accountants (CSCPA), and the GFOA CT. He is a past chair of the CSCPA Governmental Accounting and Auditing Committee and served as President of the GFOA CT Board. He has also participated on several task forces for the Governmental Accounting Standards Board (GASB) to deliberate proposed accounting standards.

***Gina M. DeFilio, Deputy Director of Finance:*** Gina M. DeFilio became the Deputy Director of Finance in September 2011. Prior to coming to Cheshire, Ms. DeFilio worked in public accounting at RSM US LLP for over 10 years, with an emphasis on municipal accounting, auditing and financial reporting. She has managed the financial statement and grant audits of a number of Connecticut municipalities.

Ms. DeFilio graduated from the University of Connecticut in 1995 with a Bachelor of Science Degree in Accounting. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Connecticut Society of Certified Public Accountants (CSCPA), and the GFOA CT.

***Ronald Ing, Director of Human Resources:*** Mr. Ing has been employed as the HR Director since February 23, 2026. Prior to his employment with the Town of Cheshire, Mr. Ing was the Director of Human Resources & Risk Management for the Town of Stratford for 16 years as well as the IT Director for 11 years. Prior to joining the Town of Stratford, Mr. Ing was the Director of Human Resources for Uretex LLC. and was the Vice President of Human Resources & Operations for Gregory & Howe, Inc. for 16 years, providing consultant services to both private & public employers.

Mr. Ing graduated from Southern Connecticut State University with a Bachelor of Science in Management & Marketing. Mr. Ing has been a member of the Connecticut Conference of Municipalities for 15 years and is CCMO certified. Additionally, Mr. Ing is a member of the National Public Employer Labor Relations Association (NPELRA) for 14 years as well as ConnPELRA the local affiliate of NPELRA and SHRM.

***Andrew Martelli, Assistant Town Manager:*** Andrew was appointed as the Assistant Town Manager in January of 2025. Prior to this role, he was the Director of Economic Development & Grants for the Town of Cheshire since 2021. Prior to joining the Town of Cheshire, Mr. Martelli served as a senior project manager for the Waterbury Development Corporation for 11 years managing municipal development projects, housing development, grant writing and all facets of economic development.

Mr. Martelli received a bachelor's degree in Urban and Community Studies from the University of Connecticut in 2006 and is currently working toward his Masters of Public Administration from the University of Connecticut. Mr. Martelli has served on various Boards and Commissions including four years on the Town of Cheshire's Board of Education and is currently the Chairman of the Naugatuck Valley Regional Plan of Conservation and Development (NVRPOCD).

**Daniel J. Bombero Jr., Director of Public Works:** Mr. Bombero joined the department in 2014 in the Engineering Division as Engineering Technician before being promoted to the role of Assistant Town Engineer in 2019. Mr. Bombero maintained this role in the Engineering Division until being promoted to the position of Capital Project Manager in 2020, where he had oversight of capital projects for both the Town and Board of Education. Prior to his employment with the Town, Mr. Bombero worked for private engineering firms where he managed accounts and oversaw survey crews. Mr. Bombero also brings with him a history of construction management, having worked as a project manager for a general contractor during his career. Mr. Bombero was appointed to the position of Acting Director of Public Works in August of 2023 before being formally appointed to the Director of Public Works in July of 2024. In his role as the Director of the department Mr. Bombero has successfully implemented his institutional knowledge obtained over his nearly 12 years with the Town to see to the continued success of the department.

Mr. Bombero is a member of the Tree Wardens Association of Connecticut and sits on the Advisory Committee of the Training and Technical Assistance Center (T2) of the Connecticut Transportation Institute of the University of Connecticut.

**Frederick J. Jortner Jr., Chief of Police:** Frederick J. Jortner Jr. was appointed Chief of Police in September 2025 and has served continuously with the Cheshire Police Department since 2003. Prior to beginning his law enforcement career, Chief Jortner served in the United States Army in the U.S. Cavalry.

Chief Jortner graduated from Nova Southeastern University in 1996 with a Bachelor of Arts degree. Chief Jortner later earned a Master of Science degree in Management and Organizational Leadership from Albertus Magnus College in 2019. Chief Jortner is also a graduate of the FBI National Academy, Session 275. Chief Jortner currently serves as Second Vice President of the FBI National Academy Associates (FBINAA) Connecticut Chapter.

**Jack Casner, Fire Chief:** Jack Casner joined the volunteer fire department in 1987 and was appointed to the position of full time fire chief in January of 2004 after serving as a Lieutenant, Captain, and Fire Inspector over the course of his fire service career. Chief Casner was the volunteer fire chief for seven years prior to his appointment in 2004.

A thirty-nine year veteran of the fire service, Chief Casner has gained his education through Connecticut colleges and fire service education through the State of Connecticut Fire Academy. Chief Casner is a member of the International Association of Fire Chiefs, member and past president of the Waterbury Area Fire Chiefs Association, Connecticut Career Fire Chiefs Association, New England Fire Chiefs Association, New York State Fire Chiefs Association and several other related associations. Chief Casner is a member of the National Fire Protection Association and has served on several committees and boards within all of these associations and organizations. Currently Chief Casner is on the Board of Directors and is the Past President of the New England Association of Fire Chiefs. Chief Casner is accredited as a Fire Officer by the Commission on Public Safety Excellence, the third accredited in the State of Connecticut.

**Michael Glidden, Town Planner:** Michael Glidden has been employed by the Town since January 2022. Prior to coming to Cheshire, Mr. Glidden worked for the Town of Simsbury for eight years where he served as Director of Planning and Community Development, Assistant Town Planner, and Code Compliance Officer during his tenure with Simsbury. He has also served as the Zoning Official for the Town of Waterford for six years and was the Assistant Zoning Enforcement Officer for the Town of West Hartford for two years. He is a member of the American Planning Association, Connecticut Association of Zoning Enforcement Officials (where he is the current president), and State Association of Flood Plain Managers.

Mr. Glidden holds a bachelor's degree in geography from Central Connecticut State University. He also possesses certifications as certified zoning official with CAZEO, certified flood plain manager with ASFPM, certified wetlands agent with CTDEEP, certified aquifer protection agent with CTDEEP, and a certified grant administrator with CT Dept of Housing.

**Jeffrey F. Solan, Ed.D. Superintendent of Schools:** Jeffrey F. Solan has been with the Cheshire Public Schools since July, 2005. Dr. Solan served as the Assistant Principal and Principal of Dodd Middle School before spending four years as Principal of Cheshire High School. He was appointed Superintendent of Schools in July, 2016. He has more than two decades of experience in public school administration, including one year with the Ansonia Public School system.

Dr. Solan graduated from the State University of New York, Oswego with a Bachelor's Degree in Psychology and earned a Master's Degree in Counseling and Psychology Services also from the State University of New York, Oswego. He has a Sixth Year Certificate from Southern Connecticut State University, an Executive Leadership Certificate from University of Connecticut. He completed his Educational Doctorate at Southern Connecticut State University in May, 2020. He helps shape the future of educational leadership through mentoring interns from Sacred Heart University, Central Connecticut State University, and Southern Connecticut State University.

Dr. Solan has actively given his time to the community as a volunteer ice hockey coach and currently sits on the Cheshire-Southington YMCA Board of Directors. He is the President of the Connecticut South Central Area Superintendents Association, sits on the Connecticut Association of Public School Superintendents Board of Directors, and is a member of the American Association of School Administrators. Most recently he co-authored a book titled, Leveraging Social Media for District Success with leaders from the Meriden, CT Public School System.

## **Municipal Services**

### **Police**

The Cheshire Police Department is staffed with sixty-one full-time employees, forty-eight of whom are sworn police officers. The Department is organized into three divisions: Patrol, Support Services, and Administration. The Police Department also manages the municipal animal control function consisting of two full-time employees, and employs seven part-time school crossing guards. The Cheshire Police Department is a full service agency providing a full range of police services and is accredited at the Tier 3 level by the Connecticut Police Officer Standards and Training Council.

The headquarters building is a 20,000+ square foot facility, hosting all police department functions including a records division and dispatch facility. The Department is equipped with all appropriate telephone, radio and computer systems common to modern police agencies. The Department operates a fleet of thirty marked and unmarked vehicles equipped with two-way radios, computers, video cameras, less-lethal munitions, first aid supplies, automatic external defibrillators, GPS and traffic safety equipment. The Department also operates two motorcycles, an all-terrain vehicle, and a fleet of bicycles used to patrol Town owned land, recreation spaces, and special events.

### **Fire**

Fire suppression and rescue services are provided by the Cheshire Fire Department. The Department is comprised of approximately 40 volunteer members. A career Fire Chief, appointed by the Town Manager, is responsible for administrative activities and personnel matters in addition to all of the services provided by the Department. The Town appropriates funds annually for the operation of the Department that are used for typical operating expenses such as training, insurance, and fleet maintenance. Apparatus and equipment are funded through the Town's Five-Year Capital Plan.

The Department equipment includes seven fire engines, two heavy-duty rescue units, two aerial ladders and several utility vehicles. The Department maintains three fire stations including an 18,000+ square foot headquarter facility and two substations.

Under the direction of the Fire Chief, the Fire Marshall's Office provides an aggressive prevention/public education/inspection program through its four full-time and three part-time staff, who also serve as firefighters and respond with apparatus while on duty.

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## ***Parks and Recreation***

The Parks & Recreation Department, located at the Harmon Leonard, Jr. Youth Center, offers a wide range of year-round inclusive recreational activities and special events for all age groups- preschool, school-age, teens, adults and senior citizens. Over 330 acres are devoted to parks and active recreation and over 1,500 acres for open space and passive recreation. Parks include Roaring Brook, a natural area with a water course that falls eighty feet; Lock 12 Historical Park, a restored 150 year old canal lock and gatekeeper's home on the Farmington Canal, picnic pavilion and public restrooms; Cheshire Park, 75 acres, 25% set aside for active recreation with 75% remaining undeveloped aside from the Ruth C. Burke trail system. Cheshire Park includes three ball fields one with athletic lighting, picnic pavilion, 2 tennis courts, 8 pickleball courts, basketball court, sand volleyball court, 18-hole disc golf course, playground equipment and public restrooms; Mixville Recreation Area, two picnic pavilions, John G. Martin Outdoor Education Center, playground equipment, basketball court, sand volleyball court, pond for swimming, winter sledding, ice rink, hiking trails and public restrooms; Farmington Canal Linear Trail, a 7 mile paved hiking and biking trail along the Farmington Canal running the length of Cheshire; Bartlem Park features an artificial turf field with lighting, 6 multi use rectangular fields, 1 hardball fields, 1 softball fields, 50 meter year round community pool, boundless playground with equipment, skateboard park, community garden, picnic pavilion, band shell, walking trails and several public restroom buildings; Quinnipiac Park, has 7 multi use rectangular fields, concession stand, picnic pavilion, playground equipment, roller rink 80'x180', and public restrooms; McNamara American Legion Recreation Area, features 4 hardball fields, basketball court, playground equipment and public restrooms.

## ***Public Works***

The Public Works Department is made up of 43 administrative, technical, clerical, and labor personnel. The Department is responsible for the maintenance and repair of 153 miles of roads, sidewalks, stormwater drainage system, wastewater treatment plant, pump stations, sewer system, public buildings and properties, residential curbside garbage and recycling collection, Town tree program, engineering services, parks and open-space. Town roads are replaced/resurfaced on an approximate 15 to 20 year cycle. The Department improves about 10 to 12 miles of roadway annually via milling and paving as well as pavement preservation methods such as crack sealing, chip sealing, micro sealing and cape sealing (to extend the usefulness of the road network). Public works also maintains town vehicles and streetlights, is responsible for winter snow and ice operations, and manages solid waste (curbside garbage and recycle collection for residents). The department inspects town roads, sidewalks, storm drainage system, bridges, and dams/levees.

## ***Engineering***

The Engineering Department has three full-time employees: The Director of Engineering/Town Engineer, Assistant Town Engineer, and Engineering Technician. This Department oversees engineering, the Water Pollution Control Department, and the Water Pollution Control Authority. Responsibilities include performing reviews of PZC and IWC applications, design services for public improvement projects, issuing of permits for construction within the Town's right-of-way, providing construction inspection services, administering the Pavement Management Program, and providing technical support to all other Town Departments.

## ***Library***

The Cheshire Public Library provides library materials, services and programs for all ages. The Library houses a collection of over 90,000 print and audiovisual materials along with over 60 databases and electronic collections. Free Wi-Fi and 23 internet accessible computers are available for public use. There are four study rooms that may be reserved by individuals or small groups.

The Library provides educational and cultural programs including early-literacy classes for preschoolers, teen programs, adult lectures, concerts and art exhibits. The Library also collaborates with the Cheshire Performing and Fine Arts Committee, which provides art and theatre programs to residents.

## ***Human Services Department***

The Human Services Department provides programs, resources, and services to help support the social and emotional health and physical well-being of all Cheshire residents across the life span. There are 6 divisions: Youth Services Programs; Youth & Family Counseling; Crisis Intervention; Social Services; Senior Services; and Transportation Services. Responsibilities of the department include the development, promotion, and implementation of a variety of youth, senior, counseling, and social services programs for the residents of Cheshire to help meet their developmental, psychological, nutritional, social, recreational, and physical needs. The Yellow House program facility provides a wide range of positive youth development programming. The Senior Center offers a variety of social, educational, therapeutic and assistance programs for older adults. Transportation is provided for older adults and people with disabilities. Youth & Family Counseling is provided to school age children and their families through the Youth Services division and substance use and crisis counseling for adults is provided through the Social Services division. A variety of general assistance programs are offered for those residents struggling to meet their basic needs like food, shelter, and utilities.

## ***Inspection***

The Inspection Department issues permits for mechanical, electrical, and demolition and is responsible for the inspection and approval of all permitted construction in the Town in accordance with the Connecticut State Building Code. The Department is staffed by a Building Official, two Assistant Building Officials, and a Clerk.

## ***Planning and Zoning***

Cheshire is served by an elected, nine-member Planning and Zoning Commission (the “Commission”) whose responsibilities include the adoption of the Cheshire Plan of Conservation and Development (“POCD”) as well as the Zoning Regulations and Subdivision Regulations. Additional duties include the review of proposed development projects throughout Cheshire which are governed by these regulations. The Commission also performs an annual review of the Capital Budget in accordance with Section 8-24 of the Connecticut General Statutes. The Planning Department is staffed by a Town Planner/Development Coordinator, Assistant Town Planner, and Land Use Specialist.

## ***Economic Development***

Economic development efforts are guided by the Town Council-appointed Economic Development Commission (EDC) in collaboration with the Town Manager and Assistant Town Manager. EDC promotes high-quality, context-sensitive growth that enhances long-term economic vitality while preserving community character. The Commission regularly evaluates economic indicators, reviews incentive policies, and engages directly with the business community through structured retention visits and public forums.

The Town maintains a proactive business retention and expansion program, with senior management conducting regular outreach to major employers. This consistent engagement supports employer confidence, encourages reinvestment, and strengthens public-private partnerships. The Town also maintains a strong working relationship with the Cheshire Chamber of Commerce, ensuring coordinated support for local enterprises.

The December 2025 dedication of Stone Bridge Commons, a 110-acre master planned development in the North End, represents one of the most significant economic milestones in the Town’s history. Construction began in late 2023, and phased occupancy commenced in 2025.

The retail component, developed by Regency Partners and spanning approximately 160,000 square feet, is fully leased and anchored by Whole Foods Market alongside nationally recognized tenants. The project has significantly exceeded original valuation projections. The retail portion alone was initially estimated to yield an assessed value of \$11.2 million; as of October 1, 2025, partial assessments already total \$33.5 million.

Similarly, the 300-unit Riverpointe luxury residential component was projected at approximately \$43 million in assessed value but currently stands at \$52,790,570. Additional parcels remain under development, including a childcare facility, financial services office, and a 120-room Homewood Suites hotel now under construction and expected to materially exceed original valuation estimates of \$13.1 million upon completion.

Stone Bridge Commons has strengthened the Town's commercial tax base, enhanced housing diversity, and created a regional destination for retail and dining. Importantly, the 300 residential units have generated only 27 public school students, resulting in favorable net fiscal impact to the Town. The development also stimulates ancillary economic activity, benefiting surrounding businesses and reinforcing regional competitiveness.

Cheshire benefits from a diversified employer base spanning distribution, aerospace manufacturing, insurance, and advanced manufacturing. Recent achievements include the following:

- Bozzuto's, Inc., the Town's largest employer, expanded employment to a record 1,281 employees and continues fleet modernization efforts contributing to motor vehicle tax growth.
- The Whole Foods Northeast Distribution Center increased employment from 408 to 455 employees.
- Hanwha Aerospace, an international engine manufacturer, reached 298 employees after adding more than 30 positions.
- Polytech America completed a 12,000 square foot expansion in 2025, reinforcing its role as a global leader in emergency services vehicle outfitting.

The insurance sector continues to demonstrate resilience and growth. Housing Authority Insurance (HAI), headquartered locally, now employs more than 180 individuals and continues national expansion. IAT Insurance also expanded operations at its Cheshire headquarters.

This broad-based employment growth across multiple industries mitigates concentration risk and reflects sustained private-sector confidence in Cheshire's strategic location along the I-84/I-691 corridor between Hartford and New Haven.

The Town continues investment in the West Main Street District, anchored by the Ball & Socket Arts (BaSA) complex and the heavily utilized Farmington Canal Heritage Trail. Public and private capital investments have supported remediation, infrastructure improvements, and adaptive reuse of historic industrial properties.

The relocation of ArtsPlace, the Town's arts school, to the BaSA complex in 2024 strengthened cultural programming and foot traffic. Ongoing roof and fire suppression improvements position the facility for additional mission-driven tenants. Concert series, gallery installations, and community events have attracted regional visitors and stimulated local commerce.

Cheshire Public Schools remain a primary driver of residential demand and property value stability. The district ranks 8th of 166 Connecticut school districts in the State's District Performance Index. Importantly, this ranking reflects not only academic outcomes but graduation rates, arts access, attendance, and broader student wellness indicators. The Town achieves this performance while ranking 122nd of 166 districts in per pupil spending, demonstrating operational efficiency and fiscal discipline.

Cheshire continues to rank among the most desirable communities in Connecticut and nationally. Residential, commercial, and industrial demand remains strong, with supply constraints supporting property value appreciation. Long-standing land use planning, open space preservation, and measured growth policies ensure sustainable development patterns.

## **Health**

Cheshire is a member of the multi-town (Cheshire, Prospect and Wolcott) Chesprocott Health District, which provides public health and sanitation inspection services to the member municipalities.

## **Sewer System**

The Water Pollution Control Authority oversees management of 122 miles of sanitary sewers and 10 pump stations. The sanitary sewer system serves approximately 5,637 commercial, industrial, and residential properties, or 60 percent of the Town's population. The municipal sanitary sewer system has been extended into the western, southern, southeastern, and northern sections of the community. Sewage is received and treated at the Wastewater Treatment Plant, which has a designed capacity of 4,000,000 gallons per day. The Town has both a phosphorus removal system and a denitrification facility, which provides a substantial reduction in the amount of phosphorus and nitrogen discharged to the Quinnipiac River and eventually Long Island Sound. The current average daily flow of the Wastewater Treatment Plant is 3,600,000 gallons per day. The Town recovers a significant portion of construction costs for sewer main extension through sewer assessments collected over a period of several years. Users of the system pay an annual sewer use charge.

## **Water**

The South Central Connecticut Regional Water Authority supplies Cheshire with water from four wells located in Cheshire, with additional capacity available from the Authority's system in the adjacent Town of Hamden.

## **Natural Gas**

Natural gas distribution is provided by Eversource Energy, which currently serves approximately 1,250 customers in Cheshire.

## **Electricity**

Electricity is furnished to approximately 9,900 customers in Cheshire by Eversource Energy.

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**Employee Relations and Collective Bargaining**

**Municipal Employees <sup>1</sup>**

	<b>2025-26</b>	<b>2024-25</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
General Government .....	278	215	210	205	203
Board of Education .....	819	822	810	786	771
<b>Total</b> .....	<b>1,097</b>	<b>1,037</b>	<b>1,020</b>	<b>991</b>	<b>974</b>

<sup>1</sup> Full-time equivalent

Source: 2024 Adopted Budget.

**Employees Bargaining Organizations**

<b>Employee Group</b>	<b>Bargaining Organization</b>	<b>Number of Employees <sup>1</sup></b>	<b>Contract Expiration Date</b>
<b><u>General Government</u></b>			
Police .....	Cheshire Police Union	45	6/30/2028
Public Works .....	Local 1303-202 of AFSCME, Council 4	36	6/30/2029
Dispatchers .....	UPSEU Local 424, Unit 101	8	6/30/2026
Town Hall Employees ..	Local 1303-374 of AFSCME, Council 4	42	6/30/2029
Library .....	Local 1303-431 of AFSCME, Council 4	16	6/30/2026
<b>Total</b> .....		<b>147</b>	
<b><u>Board of Education</u></b>			
Administrators .....	Cheshire Administrative Personnel	19	6/30/2028
Teachers .....	Educational Association of Cheshire	411	6/30/2029
Clerical .....	Cheshire Educational Secretaries and Technicians United	52	6/30/2027
Custodial .....	Cheshire Custodians Local 424-Unit 19 of United Public Service Employees Union	24	6/30/2027
Paraeducators and Lunchroom and Playground Aides ....	Cheshire Instructional Assistants Association, CSEA Inc., SEIU, AFL-CIO, Local 2001 CTW	233	6/30/2028
<b>Total</b> .....		<b>739</b>	

<sup>1</sup> Includes full-time and part-time union employees only.

Source: Finance Director and Superintendent of Schools, Town of Cheshire.

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

**School System**

The Town’s school system services grades pre-kindergarten through grade 12 and is governed by the local Board of Education. Cheshire has a seven-member Board of Education elected to 4-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, submission of budget requests, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation. The Town has 8 schools for grades pre-kindergarten through 12. Enrollment in grades pre-kindergarten through 12 as of October 1, 2025 was 4,332. The rated capacity of the system facilities is 5,168.

**School Facilities**

Facility	Grades	Date of Construction	Most Recent	Number of Classrooms	Enrollment 10/1/2025	Rated Capacity <sup>2</sup>
			Additions & Renovations <sup>1</sup>			
Chapman School.....	K-6	1949	1981	20	388	380
Doolittle School.....	1-6	1962	2018	29	531	600
Highland School.....	K-6	1971	1979	47	934	860
Norton School.....	K-6	1955	1996	23	405	480
Dodd Middle.....	7-8	1958	2004	32	683	820
Cheshire High.....	9-12	1952	2000	71	1,176	1,575
Humiston School <sup>3</sup> .....	Sp.Ed.	1912	1971	6	28	29
Darcey School <sup>4</sup> .....	Pre-School	1947	1985	4	134	100
Darcey Kindergarten <sup>4</sup> .....	K	1990	1990	9	53	324
<b>Total .....</b>				<b>241</b>	<b>4,332</b>	<b>5,168</b>

<sup>1</sup> Other additions and renovations to school buildings include: Chapman School 1954, 1962; Doolittle 1981, 1994, 2018; Norton School 1956, 1981, 1994; Dodd Middle 1969, 1980, 1994, 2004; Cheshire High School 1955, 1961, 1971, 1979, 1993; Humiston 1919, 1925; and Darcey School 1954, 1961, 1984.

<sup>2</sup> Capacities were taken from Cheshire Public Schools – 2005 Study per Kaestle Boos Associates, Inc., dated 4/17/97. Since the study, some space has been converted to be used as classroom space to accommodate the increased enrollment. As a result, total capacity has increased to 5,168.

<sup>3</sup> Renovated in 1971 for use for certain special education students and is also the site for the Cheshire Public Schools administrative offices.

<sup>4</sup> A portion of the facility is used for pre-school students and kindergarten.  
Source: Superintendent of Schools, Town of Cheshire.

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## School Enrollment and Projections

As of October 1	Special Education				
	Pre-K	Grades K-6	Grades 7-8	Grades 9-12	Total
<b>Actual</b> <sup>1</sup>					
2016	65	2,028	783	1,465	4,341
2017	97	1,969	783	1,435	4,284
2018	100	2,003	682	1,486	4,271
2019	103	1,989	651	1,445	4,188
2020	94	1,979	633	1,403	4,109
2021	109	2,107	614	1,355	4,185
2022	115	2,182	622	1,279	4,198
2023	116	2,262	638	1,234	4,250
2024	159	2,238	660	1,242	4,299
2025	134	2,266	689	1,243	4,332
<b>Projected</b> <sup>2</sup>					
2026	135	2,258	683	1,215	4,291
2027	135	2,328	681	1,234	4,378
2028	136	2,372	680	1,271	4,459

<sup>1</sup> Student Census Report/Racial Survey filed with the State Department of Education as of October 1.

<sup>2</sup> These are projections, they are intended as such, and not as representations of fact. No representation is made that such statements will be realized.

Source: Superintendent of Schools, Town of Cheshire.

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### III. Economic and Demographic Information

#### Population and Density

Year	Town of Cheshire		Density <sup>1</sup>
	Population	% Change	
2024 <sup>2</sup>	29,040	1.07%	880.0
2020	28,733	(1.80%)	870.7
2010	29,261	2.52%	886.7
2000	28,543	11.13%	864.9
1990	25,684	17.88%	778.3
1980	21,788	14.37%	660.2

<sup>1</sup> Density based on 33 square miles.

<sup>2</sup> American Community Survey, 2020-2024.

Source: U.S. Department of Commerce, Bureau of the Census, 1980 –2020.

#### Age Distribution of the Population

Age	Town of Cheshire		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years.....	1,181	4.1%	181,691	5.0%
5 to 9 years.....	1,765	6.1	195,164	5.4
10 to 14 years.....	2,116	7.3	214,972	5.9
15 to 19 years.....	1,787	6.2	239,710	6.6
20 to 24 years.....	1,577	5.4	238,387	6.6
25 to 34 years.....	2,723	9.4	454,892	12.6
35 to 44 years.....	3,396	11.7	460,916	12.7
45 to 54 years.....	3,970	13.7	453,917	12.5
55 to 59 years.....	2,102	7.2	256,068	7.1
60 to 64 years.....	2,239	7.7	258,234	7.1
65 to 74 years.....	3,319	11.4	386,232	10.7
75 to 84 years.....	2,091	7.2	196,373	5.4
85 years and over.....	774	2.7	87,952	2.4
<b>Total.....</b>	<b>29,040</b>	<b>100.0%</b>	<b>3,624,508</b>	<b>100.0%</b>

Source: American Community Survey, 2020-2024.

#### Income Distribution

	Town of Cheshire		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	75	1.0%	22,973	2.5%
\$10,000 - 14,999.....	51	0.7	12,547	1.4
\$15,000 - 24,999.....	34	0.5	29,893	3.3
\$25,000 - 34,999.....	86	1.2	35,598	3.9
\$35,000 - 49,999.....	179	2.5	61,793	6.7
\$50,000 - 74,999.....	727	10.2	108,046	11.8
\$75,000 - 99,999.....	467	6.5	108,216	11.8
\$100,000 - 149,999.....	1,059	14.8	185,242	20.2
\$150,000 - 199,999.....	1,490	20.8	128,574	14.0
\$200,000 and over.....	2,990	41.8	224,258	24.5
<b>Total.....</b>	<b>7,158</b>	<b>100.0%</b>	<b>917,140</b>	<b>100.0%</b>

Source: American Community Survey, 2020-2024.

### Income Levels

	<b>Town of Cheshire</b>	<b>State of Connecticut</b>
Per Capita Income, 2024.....	\$ 65,820	\$ 55,915
Per Capita Income, 2010.....	\$ 40,498	\$ 35,078
Median Family Income, 2024.....	\$ 221,695	\$ 168,657
Percent Below Poverty (Families), 2024.....	2.9%	6.9%

*Source: U.S. Department of Commerce, Bureau of Census, 2010.*

*Source: American Community Survey, 2020-2024.*

### Educational Attainment

(Years of School Completed Age 25 and Over)

	<b>Town of Cheshire</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
Less than 9th grade.....	532	2.6%	101,458	4.0%
Grades 9-12 – no diploma.....	725	3.5	114,887	4.5
High School graduate.....	3,116	15.1	647,192	25.3
Some College - no degree.....	2,695	13.1	410,903	16.1
Associate Degree.....	1,034	5.0	195,081	7.6
Bachelors Degree.....	6,727	32.6	595,631	23.3
Graduate or Professional Degree...	5,785	28.1	489,432	19.2
<b>Totals.....</b>	<b>20,614</b>	<b>100.0%</b>	<b>2,554,584</b>	<b>100.0%</b>

Percent High School Graduate or Higher..... 93.9% 91.5%

Percent Bachelor Degree or Higher..... 60.7% 42.5%

*Source: American Community Survey, 2020-2024.*

### Employment Data

	<b>Town of Cheshire</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Town of Cheshire</b>	<b>New Haven Labor Market</b>	<b>State of Connecticut</b>
December 2025.....	13,510	464	3.3	4.0	4.1
<b>Annual Average</b>					
2024.....	15,846	386	2.4	3.3	3.5
2023.....	15,746	440	2.7	3.5	3.7
2022.....	15,572	463	2.9	3.9	4.1
2021.....	14,487	638	4.2	6.2	6.6
2020.....	14,835	740	6.9	6.8	7.3
2019.....	15,501	404	2.5	3.6	3.7
2018.....	15,297	469	3.0	4.0	4.1
2017.....	15,204	511	3.3	4.7	4.7
2016.....	14,931	560	3.6	5.3	5.3

*Source: State of Connecticut, Department of Labor.*

### **Employment by Industry**

<b>Industry</b>	<b>Town of Cheshire</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing/hunting, & mining .....	101	0.7%	7,132	0.4%
Construction .....	524	3.8	113,006	6.1
Manufacturing .....	1,856	13.4	198,526	10.7
Wholesale trade .....	429	3.1	35,592	1.9
Retail trade .....	959	6.9	192,698	10.4
Transportation and warehousing, and utilities .....	283	2.0	87,076	4.7
Information .....	230	1.7	37,488	2.0
Finance, insurance, real estate, rental & leasing .....	1,293	9.3	161,226	8.7
Professional, scientific, management, administrative, and waste mgmt services .....	2,196	15.8	228,229	12.3
Education, health and social services .....	4,116	29.7	496,559	26.8
Arts, entertainment, recreation, accommodation and food services .....	889	6.4	143,851	7.8
Other services (except public administration) .....	493	3.6	80,617	4.4
Public Administration .....	488	3.5	67,864	3.7
<b>Total Labor Force, Employed .....</b>	<b>13,857</b>	<b>100.0%</b>	<b>1,849,864</b>	<b>100.0%</b>

Source: American Community Survey, 2020-2024.

### **Major Employers As of March 2026**

<b>Employer</b>	<b>Nature of Business</b>	<b>Number of Full-Time Employees</b>
Bozzuto's Inc. ....	Wholesale Food Distribution	1,260
State of Connecticut.....	Correctional Facilities	1,047
Town of Cheshire.....	Municipality	1,020
Macy's Logistics.....	Distribution	560
Collins Aerospace.....	Manufacturing	408
Whole Foods.....	Distribution	349
Hanwha Aerospace.....	Manufacturing	266
Omnicare.....	Pharmaceutical Services	240
Elim Park.....	Retirement Community	209
Housing Authority Insurance .....	Insurance	178

Source: Economic Development Coordinator, Town of Cheshire.

**Building Permits  
(Values in 000s)**

<b>Fiscal Year</b>	<b>Residential <sup>1</sup></b>		<b>Industrial/Commercial</b>		<b>Other</b>		<b>Total</b>	
	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
2026 <sup>2</sup>	39	\$ 8,610	54	\$ 8,646	1,473	\$ 37,817	1,566	\$ 55,073
2025	86	32,432	68	133,510	2,662	62,060	2,816	228,002
2024	96	48,651	5	3,142	2,892	51,578	2,993	103,371
2023	63	19,704	8	6,130	2,771	45,055	2,842	70,889
2022	44	14,424	4	8,681	2,463	44,508	2,511	67,613
2021	41	11,034	2	5,736	2,459	39,581	2,502	56,351
2020	18	14,040	1	9,864	1,998	34,199	2,017	58,103
2019	16	3,249	4	10,725	2,111	26,210	2,131	40,184
2018	32	6,879	3	4,799	1,668	28,782	1,703	40,460
2017	25	5,276	3	3,297	1,833	21,597	1,861	30,170

<sup>1</sup> Includes single, multi-family condominiums, apartments.

<sup>2</sup> As of December 31, 2025.

Source: Building Official, Town of Cheshire.

**Housing Unit Inventory and Vacancy Rates**

<b>Type</b>	<b>Town of Cheshire</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
1-unit, detached.....	8,401	77.7%	902,771	58.6%
1-unit, attached.....	856	7.9	99,493	6.5
2 units.....	220	2.0	115,211	7.5
3 or 4 units.....	220	2.0	125,486	8.1
5 to 9 units.....	304	2.8	76,014	4.9
10 to 19 units.....	272	2.5	54,675	3.5
20 or more units.....	370	3.4	156,730	10.2
Mobile home.....	35	0.3	10,890	0.7
Boat, RV, van, etc.....	135	1.2	552	0.0
<b>Total Inventory.....</b>	<b>10,813</b>	<b>100.0%</b>	<b>1,541,822</b>	<b>100.0%</b>

Source: American Community Survey, 2020-2024.

**Owner Occupied Housing Units**

<b>Specified Owner-Occupied Units</b>	<b>Town of Cheshire</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	83	0.9%	23,262	2.4%
\$50,000 to \$99,999.....	45	0.5	14,209	1.5
\$100,000 to \$149,999.....	155	1.7	31,134	3.3
\$150,000 to \$199,999.....	302	3.4	65,851	6.9
\$200,000 to \$299,999.....	1,174	13.1	205,349	21.5
\$300,000 to \$499,999.....	3,951	44.1	350,277	36.8
\$500,000 to \$999,999.....	2,983	33.3	197,853	20.8
\$1,000,000 or more.....	270	3.0	65,054	6.8
<b>Total.....</b>	<b>8,963</b>	<b>100.0%</b>	<b>952,989</b>	<b>100.0%</b>
<b>Median Sales Price.....</b>	<b>\$ 440,000</b>		<b>\$ 366,900</b>	

Source: American Community Survey, 2020-2024.

### Age Distribution of Housing

<b>Year Built</b>	<b>Town of Cheshire</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
2010 or Later .....	484	4.5%	80,407	5.2%
2000 to 2009 .....	807	7.5	109,783	7.1
1990 to 1999 .....	1,152	10.7	115,803	7.5
1980 to 1989 .....	1,976	18.3	199,083	12.9
1970 to 1979 .....	1,551	14.3	210,797	13.7
1940 to 1969 .....	3,861	35.7	514,365	33.4
1939 or earlier .....	982	9.1	311,584	20.2
<b>Total Housing Units.....</b>	<b>10,813</b>	<b>100.0%</b>	<b>1,541,822</b>	<b>100.0%</b>
Percent Owner Occupied.....	86.6%		66.5%	

Source: American Community Survey, 2020-2024.

### Breakdown of Land Use

<b>Land Use Category</b>	<b>Total Area</b>		<b>Residential</b>		<b>Commercial</b>		<b>Industrial</b>	
	<b>Acres</b>	<b>Percent</b>	<b>Acres</b>	<b>Percent</b>	<b>Acres</b>	<b>Percent</b>	<b>Acres</b>	<b>Percent</b>
Developed .....	8,606.94	40.7%	6,801.00	37.2%	97.30	49.6%	1,708.64	64.2%
Undeveloped ....	12,521.06	59.3	11,471.00	62.8	98.70	50.4	951.36	35.8
<b>Total.....</b>	<b>21,128.00</b>	<b>100.0%</b>	<b>18,272.00</b>	<b>100.0%</b>	<b>196.00</b>	<b>100.0%</b>	<b>2,660.00</b>	<b>100.0%</b>

Source: Town Planner, Town of Cheshire, 2024.

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## **IV. Tax Base Data**

### **Property Tax Assessment**

The Assessor's Office is responsible for the revaluation of real property. The Town had a full physical property revaluation effective October 1, 2023. Under Connecticut General Statutes Section 12-62, the Town must next undergo a revaluation effective October 1, 2028 and every fifth year thereafter, with a full physical revaluation occurring every 10 years. Public Act 06-148 permits the phase in of a real property assessment increase resulting from a revaluation over a period of up to five years. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1 of each year. Each year 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% of the estimated market value at the time of the last general revaluation while assessments for motor vehicles are computed at 70% of the depreciated Manufacturer's Suggested Retail Price (MSRP). All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Section 12-124a of the Connecticut State Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 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% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien.

Public Act 06-176 permits a municipality, upon approval by its legislative body, to freeze the property taxes due for certain low income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

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

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management. For the October 1, 2024 grand list, OPM recommended using 70% of the depreciated MSRP. 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 supplemental property tax as if the motor vehicle had been included on the October Grand List. The assessment is prorated, and the proration is based on the number of months of ownership between October 1 and the following September 30. Motor vehicles purchased in August and September are not assessed until the next October 1 Grand List. The supplemental motor vehicle tax is not due until January 1, a year and three months after the Grand List date. If the motor vehicle replaces a motor vehicle that was assessed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the depreciated MSRP.

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 29.74 mills.

## Property Tax Levy and Collection

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real property taxes are payable in two installments on July 1 and January 1. Motor vehicle supplemental bills are payable on January 1. An estimate for interest and lien fees outstanding anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year in April following legal demands. These liens may then be assigned to a third party prior to June 30 for collection. Delinquent motor vehicle and personal property accounts may be placed with a State Marshal or a private collection agency following legal demands. If no payment is received on any account within one year of being placed with a State Marshal or a private collection agency, the account will be deemed uncollectible and placed on suspense, at which time it will cease to be carried as a receivable. Suspense accounts remain collectible for 15 years from the original due date.

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

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

### Property Tax Collections

Grand List as of 10/1	Fiscal Year Ended 6/30	Net Taxable			Percent of Annual Levy Collected at End of Fiscal Year	Uncollected	
		Grand List (000's)	Mill Rate	Adjusted Annual Levy		Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/25
2024	2026 <sup>2</sup>	\$ 4,032,082	29.74	\$ 120,621,316		<i>IN COLLECTION</i>	
2023 <sup>1</sup>	2025	\$ 3,998,150	27.46	109,789,199	99.69%	0.31%	0.31%
2022	2024	3,032,258	35.09	106,029,674	99.65	0.35	0.15
2021	2023	2,965,614	34.32	102,018,743	99.62	0.38	0.08
2020	2022	2,878,503	33.72	97,693,803	99.71	0.29	0.04
2019	2021	2,844,122	33.22	94,844,902	99.70	0.30	0.01
2018 <sup>1</sup>	2020	2,801,801	33.22	93,368,389	99.65	0.35	0.00
2017	2019	2,778,822	32.62	91,049,638	99.78	0.22	0.00
2016	2018	2,763,741	31.94	88,471,517	99.78	0.22	0.00
2015	2017	2,750,532	31.19	86,120,878	99.78	0.22	0.00

<sup>1</sup> Revaluation.

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

Source: Collector of Revenue, Town of Cheshire.

### Property Taxes Receivable

For the Fiscal Year Ending 6/30	Total Uncollected Taxes	Uncollected for Current Year of Levy
2025	\$347,065	\$650,346
2024	376,118	703,210
2023	620,315	388,256
2022	416,232	281,857
2021	475,380	280,525
2020	510,454	330,461
2019	340,324	202,327
2018	313,357	192,246
2017	275,303	192,237
2016	250,115	186,611

Source: Collector of Revenue, Town of Cheshire.

**Principal Taxpayers**

<b>Taxpayer</b>	<b>Nature of Business</b>	<b>Assessment</b>	<b>Percent of Net Taxable Grand List</b> <sup>1,2</sup>
Connecticut Light & Power.....	Utility	\$ 65,926,940	1.59%
Bozzuto's Inc.....	Wholesale Food Distribution	54,586,330	1.32
EastPointe Cheshire Owner LLC.....	Real Estate	52,790,570	1.27
Industrial Ave LLC.....	Wholesale Food Distribution	41,098,540	0.99
Cheshire Regency LLC .....	Real Estate	33,482,750	0.81
181 W Johnson Holdings LLC.....	Real Estate	24,746,680	0.60
Cheshire Surgery Center.....	Real Estate/Medical	24,407,630	0.59
WFM Properties Cheshire LLC.....	Real Estate	21,631,120	0.52
Yankee Gas Service SVC.....	Utility	19,289,780	0.47
Cheshire Industrial Owner.....	Real Estate	16,413,600	0.40
<b>Total .....</b>		<b>\$ 354,373,940</b>	<b>8.56%</b>

<sup>1</sup> Based on a Net Taxable Grand List for October 1, 2025 of \$4,141,473,000.

<sup>2</sup> Before Board of Assessment Appeals.

Source: Tax Assessor, Town of Cheshire.

**Comparative Assessed Valuations of Taxable Property**

<b>Grand List as of 10/1</b> <sup>1</sup>	<b>Comercial and</b>					<b>Gross Taxable</b>	<b>Less</b>	<b>Net Taxable</b>	<b>Percent Change</b>
	<b>Residential Real Property</b>	<b>Industrial Real Property</b>	<b>Other Real Property</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Grand List (000's)</b>	<b>Exemptions (000's)</b>	<b>Grand List (000's)</b>	
2025	69.8%	14.5%	2.4%	5.4%	7.9%	\$ 4,257,098	\$ 115,625	\$ 4,141,473	2.7%
2024	71.0	14.1	1.6	5.5	7.8	4,137,882	105,800	4,032,082	0.8%
2023 <sup>2</sup>	71.1	14.2	0.9	5.3	8.5	4,091,240	93,090	3,998,150	31.9%
2022	68.0	13.2	0.7	6.4	11.8	3,111,519	79,261	3,032,258	2.2%
2021	68.8	13.4	0.7	6.0	11.1	3,048,391	82,777	2,965,614	3.0%
2020	70.5	13.6	0.7	6.0	9.2	2,950,758	72,255	2,878,503	1.2%
2019	71.1	13.5	0.7	5.9	8.8	2,918,554	74,432	2,844,122	1.5%
2018 <sup>2</sup>	71.5	13.8	0.8	5.5	8.4	2,877,728	75,927	2,801,801	0.8%
2017	72.2	13.3	0.7	5.3	8.5	2,861,827	83,005	2,778,822	0.5%
2016	70.7	13.3	0.7	6.5	8.8	2,836,633	72,892	2,763,741	0.5%

<sup>1</sup> After Board of Assessment Appeals, except October 1, 2018.

<sup>2</sup> Revaluation.

Source: Tax Assessor, Town of Cheshire.

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## Tax-Exempt Property

The following categories of exempt real estate and personal properties are not included in the grand lists.

<b>Category</b>	<b>Assessed Value</b>
<b>Public</b>	
State of Connecticut <sup>1</sup> .....	\$ 196,071,960
Town of Cheshire .....	219,328,900
South Central CT Regional Water Authority <sup>1</sup> .....	26,221,078
City of Meriden .....	1,886,010
<b>Sub-Total Public</b> .....	<b>\$ 443,507,948</b>
<b>Private</b>	
Scientific .....	\$ 5,109,930
Educational .....	24,074,000
Historical .....	313,040
Charitable .....	8,318,310
Cemeteries .....	714,840
Churches .....	25,748,240
Hospitals and Sanitariums .....	58,554,090
Private College .....	28,808,360
<b>Sub-Total Private</b> .....	<b>\$ 151,640,810</b>
<b>Total Exempt</b> .....	<b>\$ 595,148,758</b>
Percent Compared to Net Taxable Grand List <sup>2,3</sup> .....	14.37%

<sup>1</sup> The Town has received a pilot payment from the State of Connecticut of (prorated due to legislation) for fiscal year 2025-26 for tax exempt property in the amount of \$2,000,342. Also, the Town has received \$738,326 from the South Central

<sup>2</sup> Based on a Net Taxable Grand List for October 1, 2025 of \$4,141,473,000.

<sup>3</sup> Before Board of Assessment Appeals.

Source: Tax Assessor, Town of Cheshire.

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**V. Debt Summary**  
**Long-Term Bonded Debt**  
**As of April 14, 2026**  
**(Pro Forma)**

<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Rate</b>	<b>Purpose</b>	<b>Original Issue Amount</b>	<b>Balance Outstanding<sup>2</sup></b>
<b>General Purpose</b>					
02/26/15	07/15/34	2.00-5.00	General Purpose Bonds	\$ 12,044,268	\$ 5,703,000
03/13/15	01/15/29	2.00-5.00	General Purpose Refunding Bonds	2,977,000	705,000
03/31/16	07/15/30	2.00-4.00	General Purpose Refunding Bonds	3,226,000	1,262,000
03/06/17	07/15/36	2.00-5.00	General Purpose Bonds	12,015,000	6,952,000
03/06/19	07/15/38	3.00-5.00	General Purpose Bonds	10,016,472	6,870,000
04/20/21	07/15/40	2.00-4.00	General Purpose Bonds	10,690,000	8,430,000
04/20/21	07/15/32	2.00-4.00	General Purpose Refunding Bonds	6,200,000	2,403,000
04/18/23	07/15/42	4.00-5.00	General Purpose Bonds	10,828,303	9,690,000
04/18/24	07/15/43	4.00-5.00	General Purpose Bonds	4,617,000	4,375,000
<b>Sub-total General Purpose</b>				\$ 72,614,043	\$ 46,390,000
<b>Schools</b>					
02/26/15	07/15/34	2.00-5.00	School Bonds	\$ 2,909,732	\$ 1,379,000
03/13/15	01/15/29	2.00-5.00	School Refunding Bonds	980,000	230,000
03/31/16	07/15/30	2.00-4.00	School Refunding Bonds	1,476,000	593,000
03/06/17	07/15/36	2.00-5.00	School Bonds	2,985,000	1,725,000
03/06/19	07/15/38	3.00-5.00	School Bonds	3,533,500	2,420,000
04/20/21	07/15/40	2.00-4.00	School Bonds	2,860,000	2,250,000
04/20/21	07/15/32	2.00-4.00	School Refunding Bonds	2,940,000	1,237,000
04/18/23	07/15/42	4.00-5.00	School Bonds	6,506,697	5,815,000
04/18/24	07/15/43	4.00-5.00	School Bonds	14,803,000	14,030,000
04/15/25	07/15/45	4.00-5.00	School Bonds	40,000,000	40,000,000
<b>Sub-total Schools</b>				\$ 78,993,929	\$ 69,679,000
<b>Sewers</b>					
09/30/07	03/31/27	2.00	CWF 481-C / WWT Plant <sup>1,3</sup>	\$ 5,226,439	\$ 310,946
09/30/07	03/31/27	2.00	CWF 112-CSL / WWT Plant <sup>1,3</sup>	1,497,614	89,100
02/26/15	07/15/34	2.00-5.00	Sewer Bonds	46,000	18,000
03/13/15	01/15/29	2.00-5.00	Sewer Refunding Bonds	1,008,000	230,000
03/31/16	07/15/30	2.00-4.00	Sewer Refunding Bonds	1,238,000	490,000
03/06/17	07/15/36	2.00-5.00	Sewer Bonds	2,500,000	1,443,000
07/01/17	07/01/37	2.00	CWF 618-DC / WWT Plant <sup>1,3</sup>	24,428,785	13,130,471
03/06/19	07/15/38	3.00-5.00	Sewer Bonds	950,028	650,000
04/20/21	07/15/40	2.00-4.00	Sewer Bonds	450,000	360,000
04/20/21	07/15/32	2.00-4.00	Sewer Refunding Bonds	585,000	125,000
04/18/23	07/15/42	4.00-5.00	Sewer Bonds	165,000	145,000
04/18/24	07/15/43	4.00-5.00	Sewer Bonds	580,000	550,000
<b>Sub-total Sewers</b>				\$ 38,674,866	\$ 17,541,518
<b>Total Outstanding Long Term Debt</b>				\$ 190,282,838	\$ 133,610,518
<b>This Issue</b>					
04/14/26	07/15/46	<i>tbd</i>	General Purpose Bonds	\$ 3,300,000	\$ 3,300,000
04/14/26	07/15/46	<i>tbd</i>	School Bonds	15,350,000	15,350,000
04/14/26	07/15/46	<i>tbd</i>	Sewer Bonds	1,350,000	1,350,000
<b>Sub-Total This Issue</b>				\$ 20,000,000	\$ 20,000,000
<b>Grand-Total</b>				\$ 210,282,838	\$ 153,610,518

<sup>1</sup> Permanently financed under the State of Connecticut Clean Water Fund Program.

<sup>2</sup> Excludes bonds previously refunded.

<sup>3</sup> Debt service will be paid directly from the Water Pollution Control Fund with usage fees.

**Short Term Debt  
As of April 14, 2026  
(Pro-Forma)**

As of April 14, 2026, the Town does not have any short-term debt.

**Other Commitments**

On May 16, 2014, the Town entered into a \$9,765,000 capital lease for the purchase of energy conservation improvements in various Town and school buildings. The lease has a contract interest rate of 3.17% and an effective rate of 2.77% after an interest subsidy from Eversource Energy. The lease matures on March 15, 2031 and it is expected that the lease payments will be offset by the resulting energy cost savings. The Town, as lessee, holds title to the equipment in which the lessor is granted a priority security interest or lien.

**Annual Bonded Debt Maturity Schedule  
As of April 14, 2026  
(Pro Forma)**

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	This Issue			Total This Issue	Cumulative Principal Retired (%)
				General Purpose	Schools	Sewer		
2026 <sup>1</sup>	\$ 302,837	\$ 45,434	\$ 348,270	\$ -	\$ -	\$ -	\$ -	0.20%
2027	10,347,222	4,650,513	14,997,735	-	-	-	-	6.93
2028	9,761,439	4,265,786	14,027,226	165,000	767,500	67,500	1,000,000	13.94
2029	9,751,439	3,896,283	13,647,722	165,000	767,500	67,500	1,000,000	20.94
2030	9,361,439	3,527,766	12,889,206	165,000	767,500	67,500	1,000,000	27.68
2031	9,361,439	3,177,013	12,538,452	165,000	767,500	67,500	1,000,000	34.43
2032	8,901,439	2,848,946	11,750,385	165,000	767,500	67,500	1,000,000	40.87
2033	8,896,439	2,540,993	11,437,432	165,000	767,500	67,500	1,000,000	47.32
2034	8,401,439	2,252,689	10,654,128	165,000	767,500	67,500	1,000,000	53.44
2035	8,401,439	1,978,735	10,380,174	165,000	767,500	67,500	1,000,000	59.56
2036	7,616,439	1,715,503	9,331,942	165,000	767,500	67,500	1,000,000	65.17
2037	7,112,506	1,465,090	8,577,596	165,000	767,500	67,500	1,000,000	70.45
2038	5,480,000	1,247,050	6,727,050	165,000	767,500	67,500	1,000,000	74.67
2039	5,480,000	1,047,844	6,527,844	165,000	767,500	67,500	1,000,000	78.88
2040	4,710,000	861,150	5,571,150	165,000	767,500	67,500	1,000,000	82.60
2041	4,710,000	687,450	5,397,450	165,000	767,500	67,500	1,000,000	86.32
2042	3,975,000	521,100	4,496,100	165,000	767,500	67,500	1,000,000	89.56
2043	3,980,000	362,000	4,342,000	165,000	767,500	67,500	1,000,000	92.80
2044	3,060,000	221,200	3,281,200	165,000	767,500	67,500	1,000,000	95.44
2045	2,000,000	120,000	2,120,000	165,000	767,500	67,500	1,000,000	97.40
2046	2,000,000	40,000	2,040,000	165,000	767,500	67,500	1,000,000	99.35
2047	-	-	-	165,000	767,500	67,500	1,000,000	100.00
<b>Total .....</b>	<b>\$ 133,610,518</b>	<b>\$ 37,472,544</b>	<b>\$ 171,083,062</b>	<b>\$ 3,300,000</b>	<b>\$ 15,350,000</b>	<b>\$ 1,350,000</b>	<b>\$ 20,000,000</b>	

<sup>1</sup> Excludes \$8,744,277 in principal payments and \$5,008,987 in interest payments made or coming due between July 1, 2025 and April 14, 2026.

Note: Includes State of Connecticut Clean Water Fund loan debt and excludes bonds previously refunded.

**Overlapping/Underlying Debt**

The Town has neither overlapping nor underlying debt.

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

**Debt Statement  
As of April 14, 2026  
(Pro Forma)**

**Long-Term Debt:**

General Purpose (Includes this issue) .....	\$ 49,690,000
Schools (Includes this issue) .....	85,029,000
Sewers (Includes this issue) <sup>1</sup> .....	18,891,518
<b>Total Long-Term Debt</b> .....	<u>153,610,518</u>
<b>Short-Term Debt</b> .....	<u>-</u>
<b>TOTAL DIRECT DEBT</b> .....	153,610,518
Less: Sewer Assessments Receivable (As of 12/31/25) .....	(6,053)
<b>TOTAL NET DIRECT DEBT</b> .....	<u>153,604,465</u>
Plus: Overlapping/Underlying Debt .....	<u>-</u>
<b>TOTAL OVERALL NET DEBT</b> .....	<u><u>\$ 153,604,465</u></u>

<sup>1</sup> Partially supported by benefit assessments.

**Current Debt Ratios  
As of April 14, 2026  
(Pro Forma)**

Population (2024) <sup>2</sup> .....	29,040
Net Taxable Grand List (10/1/25) .....	\$ 4,141,473,000
Estimated Full Value .....	\$ 5,916,390,000
Equalized Net Taxable Grand List (10/1/23) <sup>1</sup> .....	\$ 5,706,709,765
Income per Capita (2010) <sup>3</sup> .....	\$ 40,498
Income per Capita (2024) <sup>2</sup> .....	\$ 65,820

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$153,610,518</b>	<b>\$153,604,465</b>	<b>\$153,604,465</b>
Per Capita .....	\$5,289.62	\$5,289.41	\$5,289.41
Ratio to Net Taxable Grand List .....	3.71%	3.71%	3.71%
Ratio to Estimated Full Value .....	2.60%	2.60%	2.60%
Ratio to Equalized Net Taxable Grand List .....	2.69%	2.69%	2.69%
Debt per Capita to Income per Capita (2010) ...	13.06%	13.06%	13.06%
Debt per Capita to Income per Capita (2024) ...	8.04%	8.04%	8.04%

<sup>1</sup> Office of Policy and Management, State of Connecticut.

<sup>2</sup> American Community Survey, 2020-2024.

<sup>3</sup> U.S. Bureau of Census.

## **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) subject to the exception set forth in C.G.S. 10-287f. 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).

## **Clean Water Fund Program**

The Town is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 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 qualifying municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow, and phosphorous removal projects which are financed with a 50% grant and a 50% loan, and denitrification projects, which are financed with a 30% grant and a 70% loan).

Loans to each municipality are made pursuant to a Project Grant and Project Loan Agreement ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. 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.

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 payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, and thereafter in monthly 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.

As of the date of this Official Statement, the Town has Clean Water Fund permanent loan obligations outstanding reflected in the Town's "Debt Summary" herein.

## ***Authority to Incur Debt***

The Town has the power to incur indebtedness by issuing its bonds and notes as provided by the Connecticut General Statutes and the Town Charter, subject to statutory debt limitations. The issuance of bonds and notes is authorized by resolution approved by the Town Council and subject to the following Town Charter provisions:

1. Any appropriation and bond authorization not exceeding \$250,000 may be approved by the Town Council.
2. Any appropriation and bond authorization which exceeds \$250,000 but does not exceed \$500,000 may be approved by the Town Council following a public hearing called by the Council and noticed pursuant to the Town Charter. Such appropriation and bond authorization is subject to referendum if a petition requesting the same signed by at least 10% of the electors of the Town is submitted to the Town Clerk within 21 days following the publication of notice of the making of such appropriation and bond authorization.
3. Any appropriation and bond authorization which exceeds \$500,000 may be approved by the Town Council only following a public hearing called by the Town Council and noticed pursuant to the Town Charter. Such appropriation and bond authorization must be approved by the voters of the Town at a referendum held pursuant to the Charter. The referendum shall be held no later than 90 days following the Council vote to approve said appropriation.
4. To the extent any appropriation in excess of \$250,000 is to be funded from the proceeds of grants, insurance, gifts, or other off-setting reimbursements, the amount of the appropriation to be funded from such sources shall not be included in determining whether a referendum is required under the Charter.
5. The approval limits are cumulative for a five-year period for any capital budget appropriations for a single, specified purpose.

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**Statement of Statutory Debt Limitation  
As of April 14, 2026  
(Pro Forma)**

**Total Tax Collections** (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2025 ..... \$ 106,032,790

**Reimbursement For Revenue Loss:**

Tax relief for elderly ..... -

**Base for Debt Limitation Computation**..... \$ 106,032,790

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 1/4 times base.....	\$ 238,573,778	-	-	-	-
4 1/2 times base.....	-	\$ 477,147,555	-	-	-
3 3/4 times base.....	-	-	\$397,622,963	-	-
3 1/4 times base.....	-	-	-	\$ 344,606,568	-
3 times base.....	-	-	-	-	\$ 318,098,370
<b>Total Debt Limitation</b> .....	\$ 238,573,778	\$ 477,147,555	\$397,622,963	\$ 344,606,568	\$ 318,098,370

**Indebtedness:**

Bonds & CWF PLO's Outstanding.....	46,390,000	69,679,000	17,541,518	-	-
Bonds – This Issue.....	3,300,000	15,350,000	1,350,000	-	-
Debt Authorized But Unissued.....	14,582,693	78,467,033	2,599,062	-	-
<b>Total Indebtedness</b> .....	64,272,693	163,496,033	21,490,580	-	-
Less:					
State School Grants - Principal Receivable.....	-	-	-	-	-
Estimated Grants Receivable .....	(706,925)	(69,505,118)	(54,808)	-	-
Sewer & Water Assessments Receivable.....	-	-	(6,053)	-	-
<b>Total Net Indebtedness</b> .....	63,565,768	93,990,915	21,429,719	-	-

**DEBT LIMITATION IN EXCESS**

**OF OUTSTANDING INDEBTEDNESS**..... \$ 175,008,010 \$ 383,156,640 \$376,193,243 \$ 344,606,568 \$ 318,098,370

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$742,229,530.

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## 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 Connecticut General Statutes Section 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

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

### Authorized but Unissued Debt As of April 14, 2026 (Pro Forma)

<i>Project</i>	<i>Amount Authorized</i>	<i>Amount Previously Bonded</i>	<i>Grants Received</i>	<i>Maturing Notes Due: 4/14/26</i>	<i>This Issue: Bonds</i>	<i>Authorized &amp; Unissued</i>	<i>Estimated Grants Receivable<sup>1</sup></i>
General Purpose...	\$ 62,163,193	\$ 36,450,570	\$ 7,829,930	\$ 3,300,000	\$ 3,300,000	\$ 14,582,693	\$ 706,925
Schools.....	186,589,000	68,651,925	24,120,042	15,350,000	15,350,000	78,467,033	69,505,118
Sewers.....	5,813,000	1,593,938	270,000	1,350,000	1,350,000	2,599,062	54,808
<b>Total.....</b>	<b>\$ 254,565,193</b>	<b>\$ 106,696,433</b>	<b>\$ 32,219,972</b>	<b>\$ 20,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 95,648,788</b>	<b>\$ 70,266,851</b>

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

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

<b>Fiscal Year Ending 6/30</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Long-Term Debt .....	\$ 146,882,675	\$ 115,413,696	\$ 107,246,644	\$ 96,839,038	\$ 98,499,218
Short-Term Debt .....	20,000,000	-	-	-	-
<b>Total .....</b>	<b>\$ 166,882,675</b>	<b>\$ 115,413,696</b>	<b>\$ 107,246,644</b>	<b>\$ 96,839,038</b>	<b>\$ 98,499,218</b>

Source: Annual audited financial statements.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Net Estimated Full Value</b>	<b>Net Long-Term Debt<sup>1</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value</b>	<b>Population<sup>2</sup></b>	<b>Ratio of Net Long-Term Debt per Capita to Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income<sup>3</sup></b>
2025	\$ 4,032,082	\$ 5,760,117	\$ 146,883	3.64%	2.55%	29,040	\$ 5,057.94	7.68%
2024	3,998,150	5,711,643	115,414	0.03	0.02	29,040	3,974.30	0.06
2023	3,032,258	4,331,797	107,247	3.54	2.48	29,040	3,693.07	5.61
2022	2,965,614	4,236,591	96,839	3.27	2.29	29,040	3,334.68	5.07
2021	2,878,503	4,112,147	98,499	3.42	2.40	29,040	3,391.84	5.15

<sup>1</sup> Total debt less school building grants receivable (water and sewer assessments receivable are not deducted).

<sup>2</sup> American Community Survey (ACS), 2020-2024.

<sup>3</sup> U.S Department of Commerce, Bureau of Census, ACS 2024: Income Per Capita: \$65,820.

**Ratio of Annual Debt Service to  
Total General Fund Expenditures**

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures<sup>1</sup></b>	<b>Ratio of Debt Service To General Fund Expenditures (%)</b>
2026 <sup>2</sup>	\$ 11,542,771	\$ 159,270,216	7.25%
2025	9,221,592	153,660,297	6.00
2024	7,634,493	147,640,817	5.17
2023	7,403,323	138,057,835	5.36
2022	6,809,077	132,667,721	5.13
2021	7,105,682	125,541,910	5.66
2020	6,640,186	122,840,553	5.41
2019	6,574,924	115,710,793	5.68
2018	6,591,782	120,075,276	5.49
2017	6,727,183	119,988,739	5.61

<sup>1</sup> Presented on a GAAP basis (includes transfers out).

<sup>2</sup> Budgeted.

## VI. Financial Information

The General Fund Revenues, Expenditures and Changes in Fund Balance for the fiscal years ended June 30, 2021 through June 30, 2025 have been derived from audited financial statements on a GAAP basis. The Adopted Budget for fiscal year 2025-2026 is provided by the Town on a budgetary basis.

The financial information presented herein is the responsibility of the Town's management. (Appendix A -- "Financial Statements" was taken from the Annual Comprehensive Financial Report of the Town for the fiscal year ended June 30, 2025.)

### General Fund Revenues, Expenditures and Changes in Fund Balance

<b>Revenues:</b>	<b>Adopted Budget 2026</b>	<b>Actual 2025</b>	<b>Actual 2024</b>	<b>Actual 2023</b>	<b>Actual 2022</b>	<b>Actual 2021</b>
Property Taxes .....	\$ 118,946,033	\$ 111,473,010	\$ 106,822,592	\$ 102,457,866	\$ 98,172,328	\$ 94,843,375
Intergovernmental <sup>1</sup> .....	16,794,839	32,023,037	32,399,565	30,050,443	31,459,841	26,300,228
Investment Income (Loss).....	3,360,000	3,479,330	3,338,768	1,230,646	(761,650)	40,698
Charges for services .....	3,765,000	5,150,864	5,043,809	4,645,771	3,756,809	3,146,569
Other <sup>2</sup> .....	2,449,675	287,087	274,952	262,328	286,656	317,901
<b>Total Revenues</b> .....	<b>145,315,547</b>	<b>152,413,328</b>	<b>147,879,686</b>	<b>138,647,054</b>	<b>132,913,984</b>	<b>124,648,771</b>
<b>Expenditures:</b>						
Administration and Finance <sup>4</sup> .....	16,953,969	16,590,016	16,043,195	14,798,997	13,921,872	13,320,873
Planning and Development .....	375,745	381,890	415,494	419,523	513,128	563,412
Public Safety .....	10,022,586	9,497,998	9,096,726	8,563,663	7,766,411	7,655,412
Public Works .....	8,184,868	7,622,550	7,578,730	6,937,183	6,804,071	6,600,135
Public Health .....	598,188	636,556	714,835	722,488	641,717	522,637
Social Services .....	1,220,837	1,224,517	1,133,806	1,075,108	995,453	928,056
Cultural services .....	2,169,962	2,102,296	2,036,894	1,879,384	1,870,925	1,874,050
Leisure services .....	1,307,307	2,118,692	2,057,123	1,796,362	1,488,791	1,366,472
Education <sup>1</sup> .....	93,124,314	103,130,542	98,278,129	92,646,308	89,856,276	83,714,181
Capital Outlay .....	-	33,648	751,392	315,496	-	-
Debt Service .....	11,542,771	9,221,592	7,634,493	7,403,323	6,809,077	7,105,682
<b>Total Expenditures</b> .....	<b>145,500,547</b>	<b>152,560,297</b>	<b>145,740,817</b>	<b>136,557,835</b>	<b>130,667,721</b>	<b>123,650,910</b>
<b>Excess (deficiency) of revenues over expenditures</b> .....	<b>(185,000)</b>	<b>(146,969)</b>	<b>2,138,869</b>	<b>2,089,219</b>	<b>2,246,263</b>	<b>997,861</b>
<b>Other financing sources (uses):</b>						
Refunding Bond Proceeds .....	-	-	-	-	-	9,725,000
Bond Premiums/Accrued Interest.....	-	-	-	-	-	1,074,437
Payment to Refunded Bond Escrow .....	-	-	-	-	-	(10,659,736)
Subscription Based Information						
Technology Arrangements .....	-	-	73,536	315,496	-	-
Proceeds from Leases .....	-	33,648	677,856	-	-	-
Transfer in .....	685,000	743,271	766,813	820,242	689,712	724,151
Transfer out <sup>3</sup> .....	(500,000)	(1,100,000)	(1,900,000)	(1,500,000)	(2,000,000)	(1,891,000)
<b>Net other financing sources (uses)</b> .....	<b>185,000</b>	<b>(323,081)</b>	<b>(381,795)</b>	<b>(364,262)</b>	<b>(1,310,288)</b>	<b>(1,027,148)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses ...</b>	<b>-</b>	<b>(470,050)</b>	<b>1,757,074</b>	<b>1,724,957</b>	<b>935,975</b>	<b>(29,287)</b>
<b>Fund Balance, July 1</b> .....	<b>20,517,299</b>	<b>20,987,349</b>	<b>19,230,275</b>	<b>17,505,318</b>	<b>16,569,343</b>	<b>16,598,630</b>
<b>Fund Balance, June 30</b> .....	<b>\$ 20,517,299</b>	<b>\$ 20,517,299</b>	<b>\$ 20,987,349</b>	<b>\$ 19,230,275</b>	<b>\$ 17,505,318</b>	<b>\$ 16,569,343</b>
<b>Operating Expenditures</b>						
<b>(including transfers out)</b> .....	<b>N/A</b>	<b>\$ 153,660,297</b>	<b>\$ 147,640,817</b>	<b>\$ 138,057,835</b>	<b>\$ 132,667,721</b>	<b>\$ 125,541,910</b>
<b>Fund Balance as Percent of General Fund</b>						
<b>Expenditures (including transfers out)</b> .....	<b>N/A</b>	<b>13.4%</b>	<b>14.2%</b>	<b>13.9%</b>	<b>13.2%</b>	<b>13.2%</b>

<sup>1</sup> GAAP basis includes payments made by the State of Connecticut on behalf of Town of Cheshire for the State Teachers' Retirement System including: \$12,998,419 (6/30/2025), \$13,269,669 (6/30/2024), \$12,165,612 (6/30/23), \$10,819,198 (6/30/22), and \$10,470,293 (6/30/21).

<sup>2</sup> Included in the "Other" revenue line item is application of \$2,250,000 of Fund Balance in the fiscal year 2026 adopted budget.

<sup>3</sup> Includes transfers to the Capital and Non-Recurring Fund: \$1,100,000 (6/30/2025), \$1,900,000 (6/30/24), \$1,500,000 (6/30/23), \$1,000,000 (6/30/22), \$1,000,000 (6/30/21).

<sup>4</sup> Fiscal Year 2026 Budget includes \$125,000 for contingency.

**Analysis of General Fund Balance**

	<b>Budget 2026</b>	<b>Actual 2025</b>	<b>Actual 2024</b>	<b>Actual 2023</b>	<b>Actual 2022</b>	<b>Actual 2021</b>
Nonspendable .....	N/A	\$ 102,285	\$ 95,975	\$ 96,786	\$ 95,116	\$ 86,667
Committed .....	N/A	-	-	-	-	-
Assigned .....	N/A	3,384,586	4,342,664	4,817,218	4,312,324	4,361,022
Unassigned .....	N/A	17,030,428	16,548,710	14,316,271	13,097,878	12,121,654
<b>Total General Fund Balance .....</b>	<b>\$ -</b>	<b>\$ 20,517,299</b>	<b>\$ 20,987,349</b>	<b>\$ 19,230,275</b>	<b>\$ 17,505,318</b>	<b>\$ 16,569,343</b>

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.

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## Historical General Fund Balance Sheet

	<i>Actual</i> 6/30/2025	<i>Actual</i> 6/30/2024	<i>Actual</i> 6/30/2023	<i>Actual</i> 6/30/2022	<i>Actual</i> 6/30/2021
<b>Assets:</b>					
Cash and Cash Equivalents .....	\$ 21,997,938	\$ 20,126,629	\$ 21,668,589	\$ 18,218,906	\$ 18,751,761
Receivables .....	2,715,762	2,699,936	1,813,366	1,765,335	871,440
Investments .....	16,470,931	15,856,220	15,172,580	15,339,736	12,769,938
Due from other funds .....	6,390	198,483	155,896	-	-
Other Assets .....	102,285	95,975	96,786	95,116	86,667
Bond Proceeds, held in trust .....	-	-	-	-	-
Prepays .....	-	-	-	-	-
<b>Total Assets .....</b>	<b>\$ 41,293,306</b>	<b>\$ 38,977,243</b>	<b>\$ 38,907,217</b>	<b>\$ 35,419,093</b>	<b>\$ 32,479,806</b>
<b>Liabilities:</b>					
Accounts Payable .....	\$ 1,986,570	\$ 2,365,203	\$ 2,314,333	\$ 2,163,620	\$ 2,297,678
Accrued Payroll .....	7,888,997	5,837,898	5,788,589	7,247,142	7,362,853
Deferred Revenue .....	-	-	-	-	-
Unearned Revenue .....	42,358	1,359,761	2,948,551	47,147	4,391,450
Due to bond escrow agent .....	-	-	3,729	-	-
Due to other funds .....	-	-	-	-	-
<b>Total Liabilities .....</b>	<b>\$ 9,917,925</b>	<b>\$ 9,562,862</b>	<b>\$ 11,055,202</b>	<b>\$ 9,457,909</b>	<b>\$ 14,051,981</b>
<b>Deferred Inflows of Resources:</b>					
Advance Tax Collections .....	\$ 8,605,576	\$ 6,368,982	\$ 7,364,014	\$ 7,283,170	\$ 1,417,725
Leases .....	1,818,436	1,458,954	669,874	732,608	-
Unavailable Resources .....	434,070	599,096	587,852	440,088	440,757
<b>Total Deferred Inflows of Resources .....</b>	<b>\$ 10,858,082</b>	<b>\$ 8,427,032</b>	<b>\$ 8,621,740</b>	<b>\$ 8,455,866</b>	<b>\$ 1,858,482</b>
<b>Fund Balance:</b>					
Nonspendable .....	\$ 102,285	\$ 95,975	\$ 96,786	\$ 95,116	\$ 86,667
Committed .....	-	-	-	-	-
Assigned .....	3,384,586	4,342,664	4,817,218	4,312,324	4,361,022
Unassigned .....	17,030,428	16,548,710	14,316,271	13,097,878	12,121,654
<b>Total Fund Balance .....</b>	<b>\$ 20,517,299</b>	<b>\$ 20,987,349</b>	<b>\$ 19,230,275</b>	<b>\$ 17,505,318</b>	<b>\$ 16,569,343</b>

### Accounting Policies and Basis of Accounting

The Town's accounting system conforms to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. As a reporting entity, the Town's financial statements include all funds, account groups, agencies, boards, and commissions that are controlled by or dependent on the Town's executive and legislative branches. All accounts are organized on the basis of fund accounting and account groups. (See Appendix A – “Basic Financial Statements (Excerpted from the Town’s Annual Comprehensive Financial Report)” herein.)

### Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes, Sections 7-391 through 7-397), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town is in full compliance with said provisions. CliftonLarsonAllen LLP of West Hartford, Connecticut have audited the Town’s finances for fiscal year ended 2025.

## ***Certificate of Achievement for Excellence in Financial Reporting***

The Town was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its annual comprehensive financial reports for fiscal years ended June 30, 1993 through June 30, 2024. This is the highest form of recognition for governmental accounting and financial reporting. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program. In addition, the “Distinguished Budget Presentation Award” has been presented to the Town by the GFOA for the fiscal year 2025-2026 Town budget. This is the twenty-first year that the Town has received this award.

## ***Budget Adoption Procedure***

Section 7-1 of the Town Charter requires that each department, office, board or commission of the Town, including the Board of Education, submit a budget request detailing estimates of the expenditures and anticipated revenues for the ensuing fiscal year to the Town Manager no later than February 15 in accordance with a format prescribed by the Town Manager. By March 10 the Town Manager must present an itemized annual operating budget to the Town Council detailing the Town Manager's recommendations for expenditures and revenues which must be balanced together with a budget message describing the recommended budget and outlining the financial policy for the Town for the upcoming fiscal year. The Town Manager, in making his recommendations, may make adjustments to any budget upwards or downwards except for the budget submitted by the Board of Education for which he may only offer recommendations but may not make any adjustments thereto.

Subsequent to the submission of the budget to the Town Council, a three-member Budget Committee of the Town Council conducts a series of public meetings concerning the Town Manager's proposed budget. By no later than March 24 the Town Council must hold one or more public hearings concerning the budget, public notice of which must be given at least five days prior to said hearing. By April 30 the Town Council must adopt a budget and fix a tax rate in mills. The Town Council has the authority to increase or decrease the operating budget submitted by the Town Manager, including that portion pertaining to the Board of Education. The adopted budget must be filed with the Town Clerk and published in its entirety in a local newspaper and/or by electronic media maintained by the Town, including but not limited to the Town website, by no later than May 10. In the event that the Council fails to adopt a budget by April 30 the budget submitted to the Town Council by the Town Manager is deemed to have been adopted and the Town Manager shall establish the tax rate.

The budget adopted by the Town Council is subject to referendum by petition of at least 10% of the registered electors. Said petition must be filed by May 20 and the Council shall call a referendum to be held no later than June 20. In order for a vote of a referendum to be effective, at least 20% of the qualified electors have to vote and in the event that the budget is rejected, the Council has to adopt a new budget and tax rate and file it with the Town Clerk by June 27.

*See “Authority to Incur Debt” herein for a discussion of a capital expenditure appropriation.*

**Capital Improvement Plan**

Annually, the Town Manager prepares a Five-Year Capital Expenditure Plan, which is reviewed by the Planning and Zoning Commission and the Town Council in accordance with the Town Charter. Included in the Five-Year Capital Expenditure Plan is a recommended Annual Capital Expenditure Budget for the current fiscal year.

<b>Department</b>	<b>Fiscal Year</b>					<b>Total</b>
	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	
<b><u>Administration &amp; Finance</u></b>						
Finance .....	\$ 360	\$ 660	\$ 360	\$ 485	\$ 360	\$ 2,225
General Services.....	302	470	500	389	431	2,092
Public Property.....	275	1,835	670	-	310	3,090
<b><u>Planning &amp; Development</u></b>						
Land Acquisition .....	1,500	250	-	-	-	1,750
<b><u>Public Safety</u></b>						
Police .....	-	-	-	-	-	-
Fire .....	1,400	-	1,525	-	3,250	6,175
<b><u>Public Works</u></b>						
Roads, Sidewalk, Drainage & Trees...	187	846	1,445	720	1,154	4,352
Engineering.....	1,435	7,290	2,100	2,360	3,700	16,885
Sewer & Water .....	1,703	625	4,400	1,000	250	7,978
<b><u>Leisure Services</u></b>						
Recreation .....	1,567	1,970	75	310	820	4,742
Education .....	1,700	2,200	2,735	7,765	4,925	19,325
<b>Total .....</b>	<b>\$ 10,429</b>	<b>\$ 16,146</b>	<b>\$ 13,810</b>	<b>\$ 13,029</b>	<b>\$ 15,200</b>	<b>\$ 68,614</b>
<b><u>Funding Sources</u></b>						
Bond/Note Proceeds .....	\$ 8,394	\$ 13,416	\$ 12,725	\$ 12,155	\$ 13,109	\$ 59,799
Grants .....	1,153	1,900	-	75	800	3,928
<b>Capital &amp; Non-recurring</b>						
Expenditures Fund .....	882	830	1,085	799	1,291	4,887
<b>Total Funding Sources .....</b>	<b>\$ 10,429</b>	<b>\$ 16,146</b>	<b>\$ 13,810</b>	<b>\$ 13,029</b>	<b>\$ 15,200</b>	<b>\$ 68,614</b>

*(Remainder of page intentionally left blank)*

## Pension Programs

The Town contributes to three single employer, defined benefit pension plans: Town, Police, and Volunteer Firefighters. Certificated teachers and certificated school administrators contribute to the Connecticut State Teachers' Retirement System which does not require Town funding.

As of the actuarial valuation for July 1, 2025, the Town, Police and Volunteer Firefighter plans were funded at 74.8%, 53.6% and 48.3%, respectively. Cheshire's pension contributions are actuarially determined and valuations are based on a 6.75% rate of return assumption on investments, projected salary increases of 2.5%-4.75% for the Town Plan and 2.5%-8% for the Police plan (not applicable for the Firefighters plan), and inflation rate increases of 2.75% for the Police and Firefighters plans. As of July 1, 2024, there were 682 members in the Town's three plans with 384 retirees receiving benefits, 97 terminated employees entitled to benefits at a future date, and 201 active plan members. Town and Police employees must have ten years of continuous service to be 100% vested. Volunteer firefighters are vested on a percentage basis after 5 years of credited service.

The Town defined benefit pension plan was closed to new employees at various times between July 1, 2006 and June 30, 2012, depending on the union or nonunion group. The original Police pension plan was closed to new employees effective December 31, 2013 however a new tier plan was approved effective October 25, 2025. In lieu of these plans, the Town has instituted defined contribution plans and is contractually required to contribute a percentage of compensation to an eligible 457(b) plan for Town employees, a 403(b) plan for Board of Education employees, and a 401(a) plan for police officers and the Town Manager. Town contributions vary but are generally 8% of compensation, 6% plus an additional 2% match depending on the union or nonunion group, except for police officers that require a 10.50% contribution from the Town and 8.5% from the officers based on compensation that includes overtime but excludes special duty.

Below is the past five years of funding of the Plans:

<b>Town Plan</b>			
<b>Fiscal Year Ended</b>	<b>Actuarially</b>		
	<b>Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>
6/30/2027 <sup>1</sup>	\$ 1,998,317	N/A	N/A
6/30/2026 <sup>2</sup>	2,182,509	\$ 2,182,509	100.0%
6/30/2025	2,211,932	2,211,932	100.0%
6/30/2024	2,333,139	2,333,139	100.0%
6/30/2023	2,242,681	2,242,681	100.0%

<b>Police Plan</b>			
<b>Fiscal Year Ended</b>	<b>Actuarially</b>		
	<b>Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>
6/30/2027 <sup>1</sup>	\$ 3,047,474	N/A	N/A
6/30/2026 <sup>2</sup>	2,841,762	\$ 2,841,762	100.0%
6/30/2025	2,752,918	2,752,918	100.0%
6/30/2024	2,591,655	2,591,655	100.0%
6/30/2023	2,282,448	2,282,448	100.0%

<b>Volunteer Fire</b>			
<b>Fiscal Year Ended</b>	<b>Actuarially</b>		
	<b>Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>
6/30/2027 <sup>1</sup>	\$ 594,722	N/A	N/A
6/30/2026 <sup>2</sup>	567,831	\$ 567,831	100.0%
6/30/2025	536,291	536,291	100.0%
6/30/2024	504,685	504,685	100.0%
6/30/2023	259,357	259,357	100.0%

<sup>1</sup> Budget has not been approved yet.

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

**Other Post-Employment Benefits**

The Town provides other postemployment benefits (OPEB), including health and life insurance benefits, for certain retired employees. Police, other Town and Board of Education employees, and teachers are provided benefits when they retire if they meet their contractual eligibility requirements. A brief description of the benefits follows:

The Town administers an elective OPEB plan for Police personnel. The plan offers medical benefits until Medicare eligible. Officers contribute 2% of their base salary and 10% of premium when retired for single or couple coverage, 100% for additional family coverage for dependent children. As of July 1, 2023, this plan was 7.4% funded with actuarial assets valued at \$884,332 and had actuarial accrued liabilities valued at \$11,889,370.

The Town administers another OPEB trust for all retiree medical benefits other than Police. Town employees, other than Police, are provided a subsidy ranging from \$2,000 to \$2,500 towards health insurance coverage for up to five years or until Medicare eligible. In addition, health and life insurance has been provided to some Town and Board of Education early retirees for a limited duration. This OPEB trust also provides funds for an implicit rate subsidy pertaining to teacher post-retirement medical premiums. Teachers are allowed to continue participating in the Town’s health insurance program after retirement until Medicare eligible, but must reimburse the Town for premiums paid on their behalf. Since the premiums are based on a pool of current and retired employees, the Town incurs an implicit rate subsidy in providing these benefits. As of July 1, 2023, this plan was 4.0% funded with actuarial assets valued at \$766,829 and had an actuarial accrued liability of \$18,975,739.

Below is the past five years of funding of the Plans:

<b>Fiscal Year</b> <b>Ended</b>	<b>Actual Contribution</b> <sup>1</sup>	
	<b>Town Plan</b>	<b>Police Plan</b>
6/30/2025	\$ 1,099,868	\$ 577,848
6/30/2024	1,035,133	626,826
6/30/2023	1,049,000	611,000
6/30/2022	934,262	628,869
6/30/2021	929,891	543,164

<sup>1</sup> Actual contributions are made on a pay as you go basis.

For more information, please refer to Note #8 – Other Post-Employment Benefits (OPEB) in the Notes to the Financial Statements included as Appendix A herein.

**Compensated Absences**

Employees may accumulate a limited amount of vested vacation and sick leave. At the end of the fiscal year 2025, the accumulated value was \$6,222,411. The Town and Board of Education were also liable for early retirement contracts totaling \$148,991.

**Risk Management**

The Town is exposed to various risks of loss relating to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies, except for self-insured medical benefits provided under its three health insurance plans, prescription drug plan, and dental plans. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from coverage in the prior year.

The Town utilizes an internal service fund, the Health Insurance Fund, to account for and finance employee medical benefits claims for eligible employees of both the Town and Board of Education. The Town retains the risk of loss under the three medical plans it offers, along with dental and prescription drugs. A third party processes the claims filed under the self-insured health plans for which the Town is charged an administrative fee. The Town is a member of CT Prime, Inc, a captive established to provide a stop-loss policy for health insurance claims exceeding \$175,000. CT Prime, Inc. is an association sponsored, non-profit, non-stock specialty insurance company, fully regulated by the Connecticut Department of Insurance. Incurred but not reported (“IBNR”) claims are accrued for in the Health Insurance Fund.

The Town utilizes another internal service fund, Heart and Hypertension, to account for the financing of heart and hypertension claims. Payments to the Health Insurance Fund are based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. For the Heart and Hypertension Fund, payments to the fund are based upon estimates of claim reserves necessary to pay annual commitments as well as future claims. The claims liability for the Health Insurance Fund and Heart and Hypertension Fund, respectively, reported in the fund at June 30, 2025, is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for IBNR claims be recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claims accrual is based on the ultimate costs of settling the claims, which includes past experience data, inflation and other future economic and societal factors and incremental claims adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

**Investments**

Town policy for eligible investments is governed by the Connecticut General Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivisions rated within the top three rating categories of any nationally recognized rating service. For the Capital Nonrecurring Fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town has investment policies for its pension and other postemployment benefit (OPEB) funds that provide an asset allocation average, over a full market cycle, of approximately 65% equities (or alternative investment strategies as equivalents) and 35% fixed income and cash (or alternative investment strategies equivalents). For purposes of the policy, a full market cycle is defined by the Board to be no less than three years, or more than seven years. However, within a market cycle, Plan allocations should not exceed the following parameters:

	<u>Target</u>	<u>Range</u>
A. Global Equities .....	65%	35% - 80%
B. Fixed Income and Cash .....	35%	20% - 65%
C. Domestic Equities .....	60%	40% - 80%
D. International Equities .....	40%	20% - 60%

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

### **Litigation**

Following consultation with the Town Attorney, and other attorneys providing legal services to the Town, Town officials advise that the Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits. It is the Town Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position. For the purposes of this Official Statement judgments "which would materially adversely affect its financial position" means judgments for which "there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to invest".

### **Transcript and Closing Documents**

The winning bidder will be furnished the following documents when the Bonds are delivered:

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

2. A certificate on behalf of the Town signed by the Town Manager and the Director of Finance & Treasurer, which will be dated the date of delivery, and which will certify that, to the best of said officials' knowledge and belief, at the time bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached as Appendix B.

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

6. The Town has prepared an Official Statement for the Bonds, which is dated April \_\_, 2026. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town will be kept on file at the offices of U.S. Bank Trust Company, National Association, Hartford, Connecticut 06103 and will be available for examination upon reasonable notice.

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**Concluding Statement**

This Official Statement is not to be construed as a contract or agreement between the Town and the 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 are 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.

Additional information may be obtained from James J. Jaskot, Director of Finance, Town of Cheshire, 84 South Main Street, Cheshire, Connecticut 06410, and telephone number (203) 271-6610. 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 CHESHIRE, CONNECTICUT**

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Sean M. Kimball, *Town Manager*

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James J. Jaskot, *Director of Finance & Treasurer*

Dated: April \_\_, 2026

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## ***Appendix A***

### ***2025 Basic Financial Statements***

The following includes the Basic Financial Statements of the Town for the fiscal year ended June 30, 2025. The supplemental data, which was a part of that report, has not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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## INDEPENDENT AUDITORS' REPORT

Audit Committee  
Town of Cheshire, Connecticut

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cheshire, 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 Cheshire, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cheshire, 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.

#### ***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 Cheshire, 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 Cheshire, 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 Cheshire, 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 Cheshire, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***

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

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

Audit Committee  
Town of Cheshire, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of the Town of Cheshire, 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 Cheshire, 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 Cheshire, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
March 16, 2026

## **Town of Cheshire, Connecticut Management's Discussion and Analysis - *unaudited* June 30, 2025**

As management of the Town of Cheshire, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report as well as the Town's basic financial statements that follow this section.

To better understand the Town's financial activities, an overview of how the financial statements are presented in this book and the differences between the various financial statements are discussed below:

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's 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 other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a summary of the Town's finances, on a full accrual basis, taking into account both long-term assets and liabilities.

The Statement of Net Position presents information on all Town assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows or outflows in future fiscal periods, e.g. uncollected taxes and earned but unused, vacation leave.

Both of the government-wide financial statements distinguish functions of the Town between two categories: governmental activities that are principally supported by taxes and intergovernmental revenues and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include administration and finance, planning and development, public safety, public works, public health, social services, cultural services, leisure services and education. The Town has no business type activities.

It is important to note that fiduciary funds are not presented in the government-wide statements as their assets cannot be used for Town operations. The Town is simply a conduit for these funds.

The government-wide financial statements can be found on pages 15-16 of this report.

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Therefore, long-term liabilities and capital assets are not presented.

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

The Town maintains 23 individual governmental funds that are classified as either major or non-major funds. The information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The Town's 3 major funds are the General Fund, which includes 2 funds that were reclassified to the General Fund as they did not meet the definition of a special revenue fund per GASB No. 54, the Capital Improvements Fund and the Debt Reserve Fund. The other 18 funds are nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Combining and Individual Nonmajor Fund Financial Statements and Schedules section of this report.

The Town adopts an annual budget for its General Fund, Water Pollution Control, and Community Pool funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their adopted budget.

The basic governmental fund financial statements can be found on pages 17-21 of this report.

**Proprietary Funds.** The Town maintains one type of proprietary fund: internal service funds. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical benefits and heart and hypertension payments. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplemental and Combining and Individual Fund Financial Statements and Other Schedules section of this report. These services have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

**Fiduciary funds.** The Town has one type of fiduciary funds: pension and other postemployment benefit trust funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not available to support Town's programs. Therefore, these funds do not appear in the government-wide financial statements and appear separately in the fund financial statements.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-75 of this report.

**Required Supplementary Information.** The required supplementary information presents the Town's progress in funding its obligation to provide pension and other postemployment benefits to employees. This information for pensions and other postemployment benefits can be found on pages 76-87 of this report. Also included in the required supplementary information is the General Fund budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 88-89 of this report.

Supplemental and combining nonmajor fund statements and schedules showing detail for nonmajor governmental funds, internal service funds, fiduciary funds and capital assets are presented on pages 90-124 of this report.

### ***Financial Highlights-Government-wide Financial Statements***

- Total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources resulting in a net position of \$117.632 million. The net position includes \$166.451 million invested in capital assets. The balance also includes \$17.818 million restricted for various programs and a unrestricted net position (deficit) of \$(66.637) million. Unrestricted net position, if any, may be used to meet the Town's ongoing obligations to citizens and creditors.
- Net position increased during the year by \$26.373 million to \$117.632 million. The net investment in capital assets portion of net position increased by \$20.142 million. Restricted net position increased by \$9.817 million due to an increase in net assets restricted for capital projects. Unrestricted net position decreased by only \$3.586 million, consistent with a minimal change in budgetary fund balance for the year.
- Overall, revenues increased by \$31.165 million, or 18.93%, primarily due to an increase in Capital Grants and Contributions of \$26.534 million, and Property Taxes of \$4.464 million. Capital Grants and Contributions increased mainly due to an increase in School Construction grant revenue pertaining to the construction of two new schools.
- Overall, expenses increased by \$12.498 million, or 7.96% mainly due to an \$11.925 million increase in Education expenses. General Fund Education expenses increased by \$4.852 million, consistent with the increase to the Board of Education budget. There was also a \$3.656 million increase in contributions for teacher pension and other postemployment benefit plans that the State funds on behalf of the Town – these contributions are recorded as both a Town revenue and expense. In addition, the expense associated with compensated absences for Education employees increased by \$3.259 million, mainly due to a new accounting standard requiring governments to recognize a liability for leave (sick, vacation and other paid time off) that is *more likely than not* to be used or paid, based on actual usage patterns, historical trends, and current employment policies, rather than just termination-based payouts. Interest on Long-term Debt increased by \$.527 million due to an uptick in bond issuance, mainly for the construction of two new schools, and interest rates. Other functional categories, year over year variances were comparatively minor.

### ***Financial Highlights - Fund Financial Statements***

- As of the close of the current fiscal year, the overall increase in fund balance for governmental funds is \$16.875 million resulting in an ending fund balance of \$67.555 million. This increase was generated mostly from a \$15.632 million increase in the Capital Improvements fund balance. This increase resulted mainly from bond sale proceeds of \$40 million and grants of \$17.627 million; offset by capital outlay totaling \$41.772 million. The General Fund balance decreased by \$.470 million; and, although there was a \$2.073 million General Fund budgetary surplus for the year with significant favorable variances in tax collections, building permit revenue, and expenditures in various departments, the Town used \$2.250 million of fund balance to mitigate the tax increase impact on taxpayers. The favorable variance in 2025 tax collections was in part due to the 99.69% collection rate realized, .49% more than the 99.2% collection rate conservatively used when developing the revenue budget. In addition, the Debt Reserve Fund increased by \$1.753 million, mostly due to a premium that was realized on the \$40 million bond sale during the year. Nonmajor Governmental fund balances decreased by only \$.041 million.

- The General Fund balance at June 30, 2025 was \$20.517 million, a decrease of \$.470 million from the prior fiscal year as noted above. For reporting purposes, the Insurance Proceeds and Community Pool funds are combined with the General Fund as they did not meet the definition of a special revenue fund per GASB No. 54.
- The \$20.517 million fund balance of the General Fund on June 30, 2025 includes \$17.030 million of unassigned fund balance, or 11.16% of GAAP operating expenditures. There is also \$.102 million of nonspendable fund balance earmarked for prepaid expenditures and \$3.385 million of assigned fund balance. Assigned fund balance includes \$2.000 million assigned for the 2026 fiscal year budget, \$1.331 million for outstanding 2025 fiscal year encumbrances, and \$.053 million for the Insurance Proceeds and Community Pool funds that are combined with the General Fund for reporting purposes under GASB 54, as noted in the bullet above.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$117.632 million at the close of the most recent fiscal year.

**Town of Cheshire, Connecticut**  
**Summary Statement of Net Position**  
**June 30, 2025 and 2024**

	Governmental Activities	
	2025	2024
Current and Other Assets	\$ 146,148,353	\$ 83,357,209
Capital Assets (net)	282,538,668	249,060,955
<b>Total assets</b>	<b>428,687,021</b>	<b>332,418,164</b>
Pension / OPEB related items	4,231,326	5,273,620
Deferred charge on refundings	384,807	474,600
<b>Total deferred outflows of resources</b>	<b>4,616,133</b>	<b>5,748,220</b>
Current Liabilities	63,404,571	28,120,891
Long-Term Liabilities	232,080,835	204,274,219
<b>Total liabilities</b>	<b>295,485,406</b>	<b>232,395,110</b>
Pension / OPEB related items	9,761,478	6,683,690
Advance tax collections	8,605,576	6,368,982
Leases	1,818,436	1,458,954
<b>Total deferred inflows of resources</b>	<b>20,185,490</b>	<b>14,511,626</b>
Net Position		
Net investment in capital assets	166,451,169	146,309,572
Restricted	17,817,712	8,000,529
Unrestricted (Deficit)	(66,636,623)	(63,050,453)
<b>Total net position</b>	<b>\$ 117,632,258</b>	<b>\$ 91,259,648</b>

The net investment in capital assets, e.g. land, buildings, machinery and equipment, and infrastructure, represents \$166.451 million, or 141.5% of the Town's net position. These assets are used to provide services to Town citizens; and, it should be noted that these assets are not available for future spending. While the net investment in capital assets is reported net of related debt, 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 is calculated as follows:

Capital Assets, net of depreciation	\$ 282,538,668
Less: Related Debt	(146,882,675)
Deferred Loss	384,807
Bond Premium	(6,278,519)
Accounts Payable for Capital Outlay	(16,954,176)
Lease Payable	(684,528)
Subscriptions Payable	(137,171)
Unspent Bond Proceeds	54,464,763
Net Investment in Capital Assets	<u><u>\$ 166,451,169</u></u>

A portion of the Town's net position, \$17.818 million, represents resources that are subject to external restrictions from grantors on how they may be used.

The remainder is a deficit, unrestricted net position (deficit) of \$(66.637) million. Unrestricted net position, if any, may be used to meet the Town's ongoing obligations to citizens and creditors.

**Town of Cheshire  
Summary Statement of Activities  
Years Ended June 30, 2025 and 2024**

	Governmental Activities		
	2025	2024	% Change
Revenues			
Program Revenues:			
Charges for services	\$ 13,618,490	\$ 12,930,770	5.32%
Operating grants and contributions	32,160,002	32,390,890	-0.71%
Capital grants and contributions	27,737,896	1,203,448	2204.87%
General Revenues:			
Property taxes	111,307,984	106,843,537	4.18%
Grants and contributions not restricted to specific programs	6,211,410	7,019,344	-11.51%
Investment income and other	4,798,683	4,281,059	12.09%
<b>Total revenues</b>	<u>195,834,465</u>	<u>164,669,048</u>	18.93%
Expenses			
Administration & Finance	7,852,680	8,556,274	-8.22%
Planning and Development	1,159,392	953,306	21.62%
Public Safety	17,376,530	16,788,966	3.50%
Public Works	16,700,097	16,836,751	-0.81%
Public Health	636,556	714,835	-10.95%
Social Services	2,121,346	2,055,412	3.21%
Cultural Services	3,192,808	3,151,483	1.31%
Leisure Services	2,769,297	2,705,899	2.34%
Education	114,510,030	102,585,362	11.62%
Interest on long-term debt	3,143,119	2,616,036	20.15%
<b>Total expenses</b>	<u>169,461,855</u>	<u>156,964,324</u>	7.96%
<b>Change in net position</b>	<b>26,372,610</b>	<b>7,704,724</b>	
Net Position, beginning	<u>91,259,648</u>	83,554,924	
Net Position, ending	<u><u>\$ 117,632,258</u></u>	<u><u>\$ 91,259,648</u></u>	

**Governmental Activities.** The Town’s net position for Governmental activities increased by \$26.373 million.

Major revenue factors include:

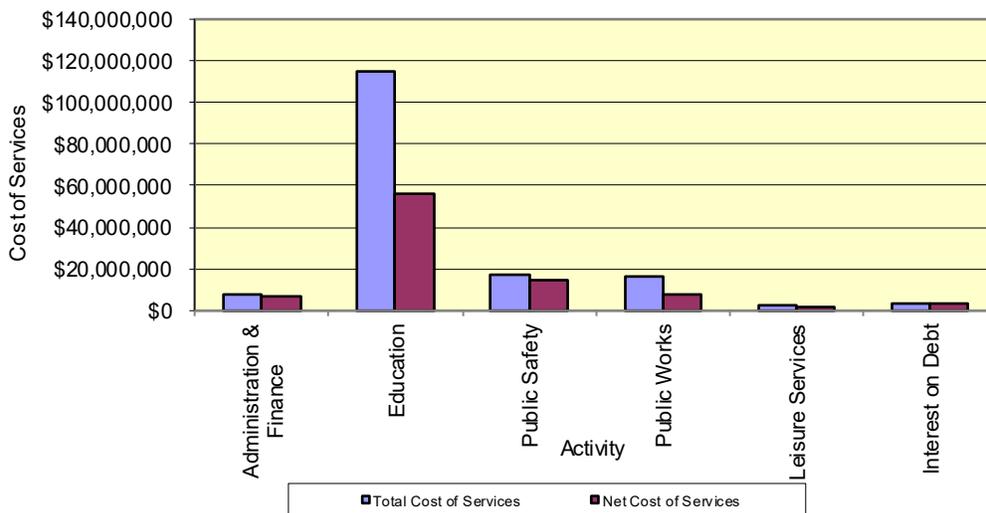
- Overall, revenues increased by \$31.165 million, or 18.93%, primarily due to an increase in Capital Grants and Contributions of \$26.534 million, and Property Taxes of \$4.464 million. Capital Grants and Contributions increased mainly due to an increase in School Construction grant revenue pertaining to the construction of two new schools.
- The Property Taxes revenue increase of \$4.464 million was consistent with the fiscal year 2025 budget increase of \$6.952 million that was supported in part by an overall increase in non-tax revenues of \$2.903 million. Increases in non-tax revenue included various state grant revenue and the American Rescue Plan Act (ARPA) federal grant. There were also increases in building permit revenue due to robust building activity and investment income mainly due to rising interest rates.

Major expense factors include:

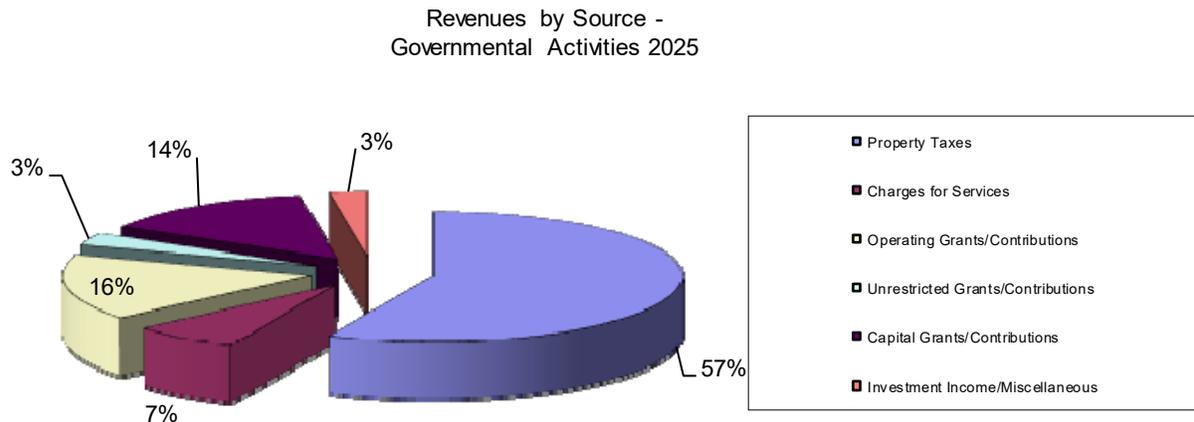
- Overall, expenses increased by \$12.498 million, or 7.96% mainly due to a \$11.925 million increase in Education expenses. Several factors contributed to the increase in Education expenses. General Fund Education expenses increased by \$4.852 million, consistent with the increase to the Board of Education budget. There was also a \$3.656 million increase in contributions for teacher pension and other postemployment benefit plans that the State funds on behalf of the Town – these contributions are recorded as both a Town revenue and expense. In addition, the expense associated with compensated absences for Education employees increased by \$3.259 million, mainly due to a new accounting standard requiring governments to recognize a liability for leave (sick, vacation and other paid time off) that is *more likely than not* to be used or paid, based on actual usage patterns, historical trends, and current employment policies, rather than just termination-based payouts. Public Works decreased by \$.137 million, mostly due to emergency repair work on a sewer main during the prior year. Interest on Long-term Debt increased by \$.527 million due to an uptick in bond issuance, mainly for the construction of two new schools, and interest rates.

The chart below presents the costs of six of the Town’s major governmental activities as well as their 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 - Cost of Services - 2025



The chart below represents all Town revenues by source:



### Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund or modified accrual accounting to demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$67.555 million, an increase of \$16.875 million from the prior year. The \$67.555 million fund balance consists of \$71.919 million that is either nonspendable, restricted, committed, or assigned as defined by Governmental Accounting Standards Board No. 54, and a negative unassigned fund balance of \$(4.365) million. Definitions for these fund balance classifications can be found in Note 1 to the financial statements.

#### General Fund

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund is \$17.030 million while total fund balance is \$20.517 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.16% of total General Fund expenditures while total fund balance represents 13.45% of that same amount.

#### Capital Improvements Fund

The Capital Improvements fund balance was \$33.290 million, an increase of \$15.632 million. Bond proceeds of \$40.000 million, a premium on bonds issued of \$1.884 million, and grants totaling \$17.627 million exceeded capital outlay of \$41.772 million and a transfer to the Debt Reserve Fund of \$2.107 million.

## Debt Reserve Fund

The Debt Reserve Fund balance was \$6.163 million, an increase of \$1.753 million. A transfer of bond premium from the Capital Improvements Fund of \$2.107 million and investment income totaling \$.160 million exceeded debt service payments of \$.514 million. Debt service payments from this fund help mitigate the impact on taxpayers from spikes in the mil rate associated with financing major projects such as a Water Pollution Control Plant upgrade or construction of new schools.

## Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets, net of accumulated depreciation, for its governmental activities as of June 30, 2025, amounts to \$282.539 million. This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, infrastructure, subscription and lease assets, and construction in progress.

Major capital asset activity during the current fiscal year follows: Land improvements of \$.189 million include a parking lot and ice rink at Mixville Park. Buildings and improvements of \$3.704 million placed in service during the year were mainly for improvements at various schools including renovations at the west gym locker room, flooring, roofing and masonry at Cheshire High School; a new fire alarm system, boiler replacements and roofing at Dodd Middle School; Lavatory improvements at Doolittle Elementary School; and Mobile Classrooms at Highland Elementary School. Vehicle purchases of \$.764 million were for new fleet vehicles at various departments. Machinery and Equipment additions of \$1.311 million included Wastewater Treatment Plant equipment upgrades, new Cheshire High School cafeteria equipment, various technology upgrades, and ground crew maintenance equipment. Infrastructure additions of \$3.059 million included sidewalks and road paving projects under the Town's maintenance programs. Subscription and lease assets totaling \$.034 million were mainly for copiers. Construction in progress had a balance of \$51.281 million, including work done on the new Barlem Park South project, various school projects including two new elementary schools, and various infrastructure projects – mainly road construction.

### Town of Cheshire, Capital Assets Net of Accumulated Depreciation

	Governmental Activities	
	June 30,	
	2025	2024
Land	\$ 25,717,733	\$ 25,717,733
Building and improvements	108,143,255	108,852,264
Land Improvements	5,149,645	5,261,374
Machinery and equipment	10,604,930	10,381,672
Motor vehicles	7,079,600	6,988,845
Infrastructure	73,391,943	72,830,463
Subscription Assets	161,776	254,977
Right of Use - Lease Assets	1,008,580	1,053,454
Construction in progress	51,281,206	17,720,173
<b>Total</b>	<b>\$ 282,538,668</b>	<b>\$ 249,060,955</b>

Additional information on the Town's capital assets can be found in Note 5 on page 42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Town had total gross bonded debt and notes payable outstanding of \$153.161 million including \$6.279 million of unamortized bond premiums. The Town added bonded debt of \$41.884 million and retired \$9.202 million during the year, resulting in an increase in gross bonded debt outstanding of 27.13% over the prior year.

The Town maintains an "AAA" rating from both Fitch Ratings and Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections, including interest and lien fees. The current debt limit for the Town is \$742.230 million. The Town had outstanding and authorized debt totaling \$265.036 million, or 35.70% of the total debt limitation.

Additional information on the Town's long-term debt can be found in Note 6 on pages 43-47 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Median household income was \$150,787 and per capita income was \$65,820, based on most recently published data. For the fiscal year ended June 30, 2025, unassigned fund balance in the General Fund was \$17.030 million. These factors were among those considered in preparing the Town's budget for the 2026 fiscal year.

The 2026 General Fund adopted budget was \$146,001 million, an increase \$6.047 million, or 4.32%. The mill rate increased by 2.28 mills to 29.74 mills, or 8.30%, The Water Pollution Control Authority sewer use rate was set at \$490, an increase of \$25 for the 2026 budget year.

### **Requests for Information**

This financial report is designed to provide a general overview for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director/Treasurer James Jaskot, Town of Cheshire, 84 South Main Street, Cheshire, CT 06410.

## **Basic Financial Statements**

**Statement of Net Position  
June 30, 2025**

	Primary Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 40,904,172
Investments	17,251,591
Receivables, net of allowance for collection losses:	
Property taxes	514,072
Assessments and user charges	148,610
Intergovernmental	29,752,395
Other	2,957,268
Other assets	155,482
<b>Total current assets</b>	<u>91,683,590</u>
Noncurrent assets:	
Capital assets not being depreciated	76,998,939
Capital assets being depreciated, net of accumulated depreciation	205,539,729
Restricted cash	54,464,763
<b>Total noncurrent assets</b>	<u>337,003,431</u>
<b>Total assets</b>	<u>428,687,021</u>
Deferred outflows of resources:	
Pension related items	1,547,557
OPEB related items	2,683,769
Deferred charge on refundings	384,807
<b>Total deferred outflows of resources</b>	<u>4,616,133</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	20,936,169
Accrued payroll	7,907,136
Accrued interest payable	1,817,785
BANS payable	20,222,800
Unearned revenue	1,578,974
Current portion of long-term debt obligations	10,941,707
<b>Total current liabilities</b>	<u>63,404,571</u>
Noncurrent	
Noncurrent portion of long-term debt obligations	232,080,835
<b>Total noncurrent liabilities</b>	<u>232,080,835</u>
<b>Total liabilities</b>	<u>295,485,406</u>
Deferred inflows of resources:	
Pension related items	3,014,239
OPEB related items	6,747,239
Advance tax collections	8,605,576
Leases	1,818,436
<b>Total deferred inflows of resources</b>	<u>20,185,490</u>
Net position:	
Net investment in capital assets	166,451,169
Restricted for various programs:	
Permanent Trust Purposes - Expendable	30,825
Permanent Trust Purposes - Nonexpendable	78,361
Administration and finance	584,497
Planning and development	220,166
Public safety	847,590
Public works	673,367
Social services	175,468
Cultural services	101,204
Leisure services	56,202
Education	2,672,352
Capital outlay	12,132,313
Debt service	245,367
Unrestricted (deficit)	(66,636,623)
<b>Total net position</b>	<u>\$ 117,632,258</u>

See notes to financial statements.



**Balance Sheet - Governmental Funds**  
**June 30, 2025**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvements Fund	Debt Reserve Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ 21,997,938	\$ -	\$ 6,162,559	\$ 7,558,621	\$ 35,719,118
Receivables (net of allowances for collection losses):					
Property taxes	514,072	-	-	-	514,072
Assessments and user charges				148,610	148,610
Intergovernmental	32,661	28,667,293	-	1,052,441	29,752,395
Other	2,169,029	5,000	-	30,905	2,204,934
Investments	16,470,931	-	-	780,660	17,251,591
Restricted cash	-	54,464,763	-	-	54,464,763
Due from other funds	6,390	-	-	-	6,390
Other assets	102,285	-	-	-	102,285
Inventory	-	-	-	53,197	53,197
<b>Total assets</b>	<b>\$ 41,293,306</b>	<b>\$ 83,137,056</b>	<b>\$ 6,162,559</b>	<b>\$ 9,624,434</b>	<b>\$ 140,217,355</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,986,570	\$ 16,923,629	\$ -	\$ 662,701	\$ 19,572,900
BANS payable	-	20,222,800	-	-	20,222,800
Accrued payroll	7,888,997	-	-	18,139	7,907,136
Due to other funds	-	-	-	6,390	6,390
Unearned revenues	42,358	568,598	-	968,018	1,578,974
<b>Total liabilities</b>	<b>9,917,925</b>	<b>37,715,027</b>	<b>-</b>	<b>1,655,248</b>	<b>49,288,200</b>
Deferred inflows of resources:					
Advance tax collections	8,605,576	-	-	-	8,605,576
Leases	1,818,436	-	-	-	1,818,436
Unavailable resources	434,070	12,132,313	-	384,225	12,950,608
<b>Total deferred inflows of resources</b>	<b>10,858,082</b>	<b>12,132,313</b>	<b>-</b>	<b>384,225</b>	<b>23,374,620</b>
Fund balances:					
Nonspendable	102,285	-	-	131,558	233,843
Restricted	-	54,464,763	-	5,368,546	59,833,309
Committed	-	-	6,162,559	2,059,285	8,221,844
Assigned	3,384,586	-	-	245,738	3,630,324
Unassigned	17,030,428	(21,175,047)	-	(220,166)	(4,364,785)
<b>Total fund balances</b>	<b>20,517,299</b>	<b>33,289,716</b>	<b>6,162,559</b>	<b>7,584,961</b>	<b>67,554,535</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 41,293,306</b>	<b>\$ 83,137,056</b>	<b>\$ 6,162,559</b>	<b>\$ 9,624,434</b>	<b>\$ 140,217,355</b>

See notes to financial statements.

**Reconciliation of Fund Balance to Net Position of Governmental Activities  
June 30, 2025**

Amounts reported for governmental activities in the statement of net position are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Page 17)	\$ 67,554,535
Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures; however, the statement of net position includes those capital assets among the assets of the Town as a whole.	282,538,668
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds: Property tax and other receivables not currently available	12,950,608
Some expenses including deferred outflows/inflows 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.	
Deferred outflows of resources - pension related items	1,547,557
Deferred outflows of resources - OPEB related items	2,683,769
Deferred loss on refunding	384,807
Deferred inflows of resources - pension related items	(3,014,239)
Deferred inflows of resources - OPEB related items	(6,747,239)
Internal service funds are used by management to charge the cost of medical insurance to individual departments: The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	3,020,543
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(146,882,675)
Net pension liability	(55,563,254)
Net OPEB liability	(25,182,959)
Bond premium	(6,278,519)
Accrued interest payable	(1,817,785)
Landfill accrual	(341,000)
Compensated absences	(6,222,411)
Claims	(27,458)
Lease payable	(684,528)
Subscription based information technology arrangements	(137,171)
Early retirement	(148,991)
<b>Net position of governmental activities (page 15)</b>	<b>\$ 117,632,258</b>

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2025**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvements Fund	Debt Reserve Fund		
<b>Revenues:</b>					
Property taxes	\$111,473,010	\$ -	\$ -	\$ -	\$ 111,473,010
Intergovernmental	32,023,037	17,626,911	-	3,611,683	53,261,631
Income from investments	3,479,330	-	159,839	163,886	3,803,055
Charges for services	5,150,864	-	-	8,455,019	13,605,883
Contributions	-	-	-	468,224	468,224
Other	287,087	-	-	549,292	836,379
<b>Total revenues</b>	<b>152,413,328</b>	<b>17,626,911</b>	<b>159,839</b>	<b>13,248,104</b>	<b>183,448,182</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Administration and benefits	16,590,016	-	-	453,161	17,043,177
Planning and development	381,890	-	-	616,299	998,189
Public safety	9,497,998	-	-	429,502	9,927,500
Public works	7,622,550	-	-	3,141,532	10,764,082
Public health	636,556	-	-	-	636,556
Social services	1,224,517	-	-	171,021	1,395,538
Cultural services	2,102,296	-	-	62,432	2,164,728
Leisure services	2,118,692	-	-	15,081	2,133,773
Education	103,130,542	-	-	6,315,825	109,446,367
Debt service	9,221,592	-	513,923	1,289,720	11,025,235
Capital outlay	33,648	41,771,616	-	1,151,055	42,956,319
<b>Total expenditures</b>	<b>152,560,297</b>	<b>41,771,616</b>	<b>513,923</b>	<b>13,645,628</b>	<b>208,491,464</b>
<b>Revenues over (under) expenditures</b>	<b>(146,969)</b>	<b>(24,144,705)</b>	<b>(354,084)</b>	<b>(397,524)</b>	<b>(25,043,282)</b>
<b>Other financing sources (uses):</b>					
Issuance of bonds	-	40,000,000	-	-	40,000,000
Premiums on bonds issued	-	1,884,140	-	-	1,884,140
Issuance of leases	33,648	-	-	-	33,648
Transfers in	743,271	-	2,106,940	1,100,000	3,950,211
Transfers out	(1,100,000)	(2,106,940)	-	(743,271)	(3,950,211)
<b>Total other financing sources (uses)</b>	<b>(323,081)</b>	<b>39,777,200</b>	<b>2,106,940</b>	<b>356,729</b>	<b>41,917,788</b>
<b>Change in fund balances</b>	<b>(470,050)</b>	<b>15,632,495</b>	<b>1,752,856</b>	<b>(40,795)</b>	<b>16,874,506</b>
Fund balances, beginning	20,987,349	17,657,221	4,409,703	7,625,756	50,680,029
Fund balances, ending	\$ 20,517,299	\$ 33,289,716	\$ 6,162,559	\$ 7,584,961	\$ 67,554,535

See notes to financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2025**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds (Page 19) \$ 16,874,506

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

Capital outlay	42,622,223
Depreciation expense	<u>(9,133,931)</u>
<b>Total</b>	<u><u>33,488,292</u></u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net position. 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 capital assets sold.

(10,579)

Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Grants	9,596,605
Property tax, sewer use and sewer and water assessment interest and lien revenue	<u>(148,315)</u>
<b>Total</b>	<u><u>9,448,290</u></u>

Change in deferred outflows of resources - pension and OPEB related items:

Pension related items	(367,861)
OPEB related items	<u>(674,433)</u>
<b>Total</b>	<u><u>(1,042,294)</u></u>

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

Debt issued or incurred:	
Bond proceeds	(40,000,000)
Leases payable	(33,648)
Bond premiums issued	(1,884,140)
Amortization of premium	670,937
Amortization of deferred charge on refunding	(89,793)
Principal repayments:	
Leases payable	62,353
Subscription based information technology arrangements	65,587
Notes payable	833,557
General obligation bonds	<u>7,697,737</u>
<b>Total</b>	<u><u>(32,677,410)</u></u>

(Continued)

See notes to financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities (Continued)  
For the Year Ended June 30, 2025**

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents the changes in various liability accounts that impact expenses/expenditures:

Compensated absences	\$ (3,414,099)
Early retirement	20,674
Landfill closure	31,000
Net pension liability	3,101,567
Net OPEB liability	3,246,952
Claims	17,318
Accrued interest payable	(392,834)
<b>Total</b>	<u>2,610,578</u>
The change in net position of the Internal Service Fund is reported with governmental activities	<u>759,015</u>
Change in deferred inflows of resources - pension and OPEB related items:	
Pension related items	(1,474,598)
OPEB related items	(1,603,190)
<b>Total</b>	<u>(3,077,788)</u>
<b>Change in net position of governmental activities (page 16)</b>	<u><u>\$ 26,372,610</u></u>

See notes to financial statements.

**Statement of Net Position - Proprietary Funds**  
**June 30, 2025**

	Governmental Activities
	<u>Internal Service Funds</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 5,185,054
Accounts receivable	<u>752,334</u>
<b>Total assets</b>	<u><u>5,937,388</u></u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	<u>1,534,929</u>
Noncurrent liabilities:	
Noncurrent portion of long-term debt obligations	<u>1,381,916</u>
<b>Total liabilities</b>	<u><u>2,916,845</u></u>
Net position:	
Unrestricted	<u><u>\$ 3,020,543</u></u>

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds  
For the Year Ended June 30, 2025**

	Governmental Activities
	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 20,966,062
<b>Total operating revenues</b>	<u>20,966,062</u>
Operating expenses:	
Claims incurred	17,739,302
Administration	<u>2,625,959</u>
<b>Total operating expenses</b>	<u>20,365,261</u>
<b>Operating income</b>	<u>600,801</u>
Nonoperating revenues:	
Investment income	<u>158,214</u>
<b>Total nonoperating revenues</b>	<u>158,214</u>
<b>Change in net position</b>	759,015
Net position, beginning	<u>2,261,528</u>
Net position, ending	<u>\$ 3,020,543</u>

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2025**

	Governmental Activities
	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from charges for services	\$ 20,578,755
Claims paid	(18,225,632)
Payments for administration	<u>(2,625,959)</u>
<b>Net cash used by operating activities</b>	<u>(272,836)</u>
Cash flows from investing activities:	
Investment income	<u>158,214</u>
<b>Net cash provided by investing activities</b>	<u>158,214</u>
<b>Net decrease in cash and cash equivalents</b>	(114,622)
Cash and cash equivalents:	
Beginning	<u>5,299,676</u>
Ending	<u>\$ 5,185,054</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 600,801
Adjustments to reconcile operating income to net cash used by operating activities:	
Decrease in accounts receivable	(387,307)
Decrease in claims payable	<u>(486,330)</u>
<b>Net cash used by operating activities</b>	<u>\$ (272,836)</u>

See notes to financial statements.

**Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2025**

	Pension and OPEB Trust Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 3,206,158
Investments:	
Common stock	15,599,362
Money market mutual funds	3,489,592
Fixed income mutual funds	18,823,232
Equity mutual funds	33,492,481
Private equity funds	4,381,413
Alternative investments	21,915,380
<b>Total investments</b>	<u>97,701,460</u>
<b>Total assets</b>	<u>100,907,618</u>
<b>Liabilities</b>	
Accounts payable	49,476
<b>Total liabilities</b>	<u>49,476</u>
Net position:	
Restricted for pensions	98,529,371
Restricted for OPEB	2,328,771
<b>Total net position</b>	<u><u>\$ 100,858,142</u></u>

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2025**

	Pension and OPEB Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 7,178,857
Plan members	511,541
<b>Total contributions</b>	<u>7,690,398</u>
Investment Income:	
Net depreciation in fair value of investments	7,715,237
Interest and dividends	2,090,201
	<u>9,805,438</u>
Less investment expenses:	
Investment management fees	278,803
<b>Net investment income</b>	<u>9,526,635</u>
<b>Total additions</b>	17,217,033
Deductions:	
Benefits	10,605,457
Contribution refunds	29,484
Administration	216,464
	<u>10,851,405</u>
<b>Total deductions</b>	10,851,405
<b>Changes in net position</b>	6,365,628
Net position, restricted for pensions and other postemployment benefits:	
Beginning of year	<u>94,492,514</u>
End of year	<u>\$ 100,858,142</u>

See notes to financial statements.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies

**Reporting entity:** The Town of Cheshire, Connecticut (the Town), was incorporated in 1780. The Town covers 33 square miles located in New Haven County.

The Town operates under a Council-Manager form of government, as prescribed by its Charter, which was adopted June 9, 1971, and most recently revised November 7, 2017. The Town provides a full range of services including general government, public safety, public works, health, social services, recreation and education. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

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

The Town has established three single-employer Public Retirement Systems (PERS) and two postretirement health care benefits (OPEB) plans to provide retirement benefits and post-retirement health care benefits primary to employees and their beneficiaries. The Town appoints the majority of the Retirement Board which 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 and can impose its will on the 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.

#### **Basis of presentation:**

**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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Taxes and intergovernmental revenues normally support governmental activities.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, 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.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 1. Significant Accounting Policies (Continued)

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**Measurement focus, basis of accounting, and financial statement presentation:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. 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, with the exception of grant revenues which are considered available if they are collected 120 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, pension, OPEB, early retirement, landfill, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town.

**Governmental funds:** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance.

The Town reports the following major governmental funds:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **Capital Improvements Fund** accounts for financial resources to be used for the acquisition or construction of capital facilities and major equipment. Resources for the capital improvements fund generally consist of proceeds from long-term debt, grants and transfers from other funds.

The **Debt Reserve Fund** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The other governmental funds of the Town are considered nonmajor and are as follows:

**Special Revenue Funds** are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Project Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**Permanent Funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The endowments have no appreciation of investments as they are invested in certificates of deposit which are held to maturity. All of the income is available for expenditure and there are no donor-imposed restrictions.

**Proprietary funds:** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following proprietary fund:

**Internal Service Funds** account for risk financing activities for medical insurance benefits and heart and hypertension claims under GASB Statement No. 10.

**Fiduciary funds:** The Town reports the following as fiduciary funds:

**Pension Trust Funds** account for the fiduciary activities of the Cheshire Retirement System, which accumulates resources for pension benefit payments to qualified employees and volunteer firefighters.

**Other Postemployment Trust Funds** account for the accumulation of resources to pay retiree medical benefits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation (e.g., sewer usage charges). Interfund reimbursements are also not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

#### **Pension plan accounting:**

**Pension trust funds:** Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

**Governmental funds and governmental activities:** In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

##### **Other post-employment obligations (OPEB) accounting:**

**OPEB trust funds:** The OPEB Trust Funds are reported on the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide contributions. Investments are reported at fair value.

**Governmental funds and governmental activities:** In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Funding policy:** The Town makes annual contributions based on management decisions.

**Accounting estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**Restricted assets:** At June 30, 2025, the Town had \$54,464,763 in restricted assets. This amount relates primarily to unspent bond proceeds which are to be used for the acquisition of capital assets.

**Encumbrances:** Encumbrances represent commitments related to contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

**Property taxes:** Property taxes are assessed as of October 1 and levied on the following July 1st. Real estate taxes are generally due and payable in two installments on July 1 and January 1. Real estate taxes not in excess of \$100 and motor vehicle and personal property taxes are due and payable in one installment on July 1. Motor vehicle supplemental bills are due on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1½% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the fair value. Liens are recorded during the month of April.

**Allowance for doubtful accounts:** Property taxes receivable for the Town are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those amounts which are deemed uncollectible based upon past collection history and analysis of creditor's ability to pay.

**Cash equivalents:** The Town classifies money market funds, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

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

The pooled fixed income investments adhere to GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The value of the position in the pool is the same as the value of the pool shares. These cash equivalents are stated at amortized cost.

**Investments:** Investments are stated as follows:

- U.S. Government Agencies, U.S. Government Securities, Sovereign Fixed Income, Municipal Bonds, Collateralized Mortgage Obligations using quoted market price.
- Common Stock, and Equity Funds - closing market prices as reported on the primary market or exchange on which they trade.
- Money Market Instruments - amortized cost which approximates fair value.
- Certificates of Deposit with maturities from one to five years held in an investment pool are recorded as fair value.
- Hedge Funds may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The majority of the Town's investments are in the Trust Funds.

**Fair value:** The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

The three categories within the hierarchy are as follows:

- Level 1:** Quoted prices in active markets for identical assets and liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.
- Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

**Investments measured at the net asset value (NAV):** Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable fair values and take the form of limited partnerships. The Town values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

See Note 2 for additional information regarding fair value.

**Inventory:** All inventory is stated at the lower of cost or fair value and determined on a first-in, first-out basis. These commodities are recorded as expenditures when consumed rather than when purchased.

**Capital assets:** Capital assets, which include property, plant, equipment, and infrastructure assets, e.g. roads, bridges, sidewalks, and similar items, are reported in the governmental column in the government-wide financial statements. The government defines capital assets, as assets with an initial, individual cost of more than \$5,000 for equipment and improvements and all costs for infrastructure, and an estimated useful life in excess of one-year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items are recorded at acquisition value at the date of donation.

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

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 1. Significant Accounting Policies (Continued)

<u>Assets</u>	<u>Years</u>
Buildings and improvements	8-100
Land improvements	10-50
Infrastructure:	
Roads	6-50
Sidewalks	50
Sewer lines	75
Bridges and culverts	50
Machinery and equipment	3-30
Vehicles	3-25

Right-to use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription based information technology arrangement (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.

Capital assets are reported as expenditures and no depreciation or amortization expense is reported in the governmental fund financial statements.

**Compensated absences:** Employees earn compensated absences for various leave types, such as sick and vacation, in accordance with established employment policies and contractual agreements.

The liability for compensated absences reported in the government-wide statement of net position 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 include amounts for leave that has been used for time off but has not yet been paid in cash or settled through non cash means and certain other types of leave.

Expenditures associated with compensated absences are recognized in the governmental funds in the current year to the extent they are paid during the year or expected to be paid with available resources.

**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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable as reported include the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**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.

**Net OPEB liability:** The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net 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.

**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 represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports deferred outflows related to pension and other postemployment benefits in the government-wide statement of net position. A deferred outflow of resources related to pension and other postemployment benefits results from differences between expected and actual experience, changes in assumptions or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees).

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 a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings, or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees). The Town also reports deferred inflow(s) of resources related to advanced property tax collections and leases in the government-wide statement of net position and in the governmental funds. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**Net position:** In the government-wide financial statements, net position is classified in the following categories:

**Net investment in capital assets:** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**Restricted net position:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

**Unrestricted net position:** This category represents the net position of the Town, which are not reported in the other categories.

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.

**Fund balance:** In the fund financial statements, the Town reported the following governmental fund balance classifications:

**Nonspendable:** Amounts which cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

**Restricted:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

**Committed:** This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Cheshire Town Council.) Commitments may be established, modified, or rescinded only through resolutions approved by the Town Council as per the Town Fund Balance policy.

**Assigned:** 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. Under the Town's Fund Balance policy, the Town Council has by resolution authorized the Town Manager or the Finance Director to assign fund balance.

**Unassigned:** The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

As of June 30, 2025, the Town has a minimum General Fund balance policy to maintain an unassigned balance of at least 10.0% of the previous year's audited budgetary expenditures.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**Adoption of New Accounting Standards:** In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. This statement aims to achieve a unified model for recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

In December 2023, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 102, Certain Risk Disclosures. This statement expands disclosure requirements for risks arising from concentrations and constraints that may significantly impact a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The Town adopted these requirements effective July 1, 2024. The implementation of these standards did not have a material impact on the City's financial statements.

#### Note 2. Cash, Cash Equivalents, and Investments

**Deposits:** The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. Town policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

**Investments:** Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the Capital Nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town has an investment policy for each of its pension funds and an investment policy for the Police Post-Employment Healthcare Fund that provides an asset allocation, over a full market cycle of approximately 65% equities (or alternative investment strategies as equivalents) and 35% fixed income and cash (or alternative investment strategies as equivalents). For purposes of this document, a full market cycle is defined by the Retirement Board to be no less than three years, or no more than seven years.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents, and Investments (Continued)**

The allocation targets and ranges for all plans are expressed in the Investment Policy Statement as follows:

	Minimum*	Target*	Maximum*
Global equity securities or funds	35%	65%	80%
Fixed income and cash	20%	35%	65%
Domestic equity securities or funds	40%	60%	80%
International equity securities or funds	20%	40%	60%

\* as a percentage of total equity

For both investment policies, no more than 5% (at cost) or 10% (at market) may be invested in any one company; no more than 20% exposure to any one industry.

**Concentrations:** The Town’s policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

**Custodial credit risk:**

*Investments:* This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Pension Plan does not have custodial credit risk policies for investments.

The following represents the investments in each respective Plan that represents more than 5% of the respective Plan’s net position as of June 30, 2025:

<b>Town Pension Fund</b>			
Pointer		\$	3,650,988
Ironwood International Ltd.			5,322,516
<b>Police Pension Fund</b>			
Pointer			2,383,096
Ironwood International Ltd.			3,474,147

*Deposits:* This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2025, approximately \$10,079,911 of the Town’s approximate bank balance of \$26,684,698 was uninsured and uncollateralized.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 2. Cash, Cash Equivalents, and Investments (Continued)

Cash, restricted cash, and investments of the Town, Pension and OPEB trust funds consisted of the following at June 30, 2025:

Cash, restricted cash and cash equivalents:	
Deposits with financial institutions	\$ 15,866,715
State of Connecticut Short-Term Investment Fund	82,708,378
Total cash, restricted cash and cash equivalents	<u>98,575,093</u>
Investments:	
General Fund:	
Certificates of deposit	14,135,211
U.S. Government Securities	2,335,720
Special Revenue Funds:	
Certificates of deposit	634,366
U.S. Government Securities	96,324
Permanent Funds:	
Certificates of deposit	49,970
Total governmental funds investments	<u>17,251,591</u>
Pension and OPEB Trust Funds:	
Common stocks	15,599,362 *
Money market mutual funds	3,489,592
Fixed income mutual funds	18,823,232
Equity mutual funds	33,492,481
Private equity funds	4,381,413
Alternative investments	21,915,380
Total pension and OPEB investments	<u>97,701,460</u>
Total investments	<u>114,953,051</u>
Total cash, restricted cash, cash equivalents and investments	<u>\$ 213,528,144</u>

\* These investments are uninsured, with securities held by the counterparty, but in the Town's, or the Pension Plan's name.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents, and Investments (Continued)**

Cash, cash equivalents, restricted cash, and investments are classified in the accompanying financial statements as follow:

Statement of Net Position:

Cash and cash equivalents	\$ 40,904,172
Investments	17,251,591
Restricted cash and cash equivalents	54,464,763
Subtotal	<u>112,620,526</u>

Fiduciary Funds:

Cash and cash equivalents	3,206,158
Investments	97,701,460
Subtotal	<u>100,907,618</u>

Total cash, restricted cash, cash equivalents and investments	<u><u>\$ 213,528,144</u></u>
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**Interest rate risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's and fiduciary trust funds' debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (In Years)	
		Less Than 1 Year	1 - 5 Years
Money market mutual funds	\$ 3,489,592	\$ 3,489,592	\$ -
Fixed income mutual funds	18,823,232	-	18,823,232
Total	<u>\$ 22,312,824</u>	<u>\$ 3,489,592</u>	<u>\$ 18,823,232</u>

**Credit risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the actual rating by Standard and Poor's as required for each debt-type investment.

Standard & Poor's	STIF	Money Market Mutual Funds	Fixed Income Mutual Fund
Unrated	\$ 82,708,378	\$ 3,489,592	\$ 18,823,232
Total	<u>\$ 82,708,378</u>	<u>\$ 3,489,592</u>	<u>\$ 18,823,232</u>

**Fair value:** The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of the asset as shown in the table below. The Town has the following recurring fair value measurements as of June 30, 2025:

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents, and Investments (Continued)**

**Investment Instruments Measured at Fair Value**

	June 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments by fair value level:				
Common stocks	\$ 15,599,362	\$ 15,599,362	\$ -	\$ -
Money market mutual funds	3,489,592	3,489,592	-	-
Fixed income mutual funds	18,823,232	18,823,232	-	-
Equity mutual funds	33,492,481	33,492,481	-	-
Certificates of deposit	14,819,547	-	14,819,547	-
U.S. Government Securities	2,432,044	2,432,044	-	-
Private equity funds	4,381,413	-	-	4,381,413
Total investments by fair value level	93,037,671	73,836,711	14,819,547	4,381,413

Investments measured by the net asset level (NAV):

Equity long/short hedge funds	8,796,663
Multi-strategy hedge funds	6,964,380
Global opportunities hedge funds	3,540,604
Other alternative investments	2,613,733
Total investments measured by the NAV	21,915,380
Total investments at fair value	\$ 114,953,051

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in the active markets for those securities.

Investments measured by the net asset value (NAV) per share are described in the above schedule. A description of how the private equity funds are valued is presented below:

**Investments Measured at the NAV**

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured by the NAV:				
Equity long/short hedge funds	\$ 8,796,663	\$ -	Quarterly/Semi-Annually	105 days
Multi-strategy hedge funds	6,964,380	-	Quarterly	65-95 days
Global opportunities hedge funds	3,540,604	-	Daily/Quarterly	1-30 days
Other alternative investments	2,613,733	-	Daily	Daily
Total investments measured at the NAV	\$ 21,915,380			

**Equity long/short hedge funds:** This type includes one fund of hedge funds that invests both long and short, primarily in global common stocks. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.

**Other alternative investments:** This type includes alternative investments such as commodities, gold, and real estate that are held within mutual funds.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 2. Cash, Cash Equivalents, and Investments (Continued)**

**Multi-strategy hedge funds:** This type invests in several hedge funds that pursue multiple strategies to diversify and reduce volatility. Underlying investments range across credit, fixed income, relative value, and other event driven strategies that are adjusted periodically by the investment managers' perception of the relative investment climate.

**Global opportunities hedge:** This type includes investments with exposure to a range of trading strategies executed across bond, equity, commodity and foreign exchange futures markets. There is a range of trading strategies employed by managers including trend following, mean reversion, discretionary macro and value. The drivers of returns for these approaches are different from those of equity portfolios and combining these approaches with equities has the potential to create portfolio benefits above those experienced by an equity-only portfolio.

**Note 3. Interfund, Receivables, Payables, and Transfers**

The outstanding balances between funds result mainly from the timing between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The composition of interfund balances as of June 30, 2025 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 6,390	\$ -
Nonmajor Governmental Funds	-	6,390
Total	<u>\$ 6,390</u>	<u>\$ 6,390</u>

For the most part, all balances are expected to be repaid within a year.

Interfund transfers during the year ended June 30, 2025 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 743,271	\$ 1,100,000
Debt Reserve Fund	2,106,940	-
Capital Improvements Fund	-	2,106,940
Nonmajor Governmental Funds	1,100,000	743,271
Total	<u>\$ 3,950,211</u>	<u>\$ 3,950,211</u>

Transfers are used to account for: (1) financing by the General Fund of programs accounted for in other funds in accordance with budgetary appropriations; (2) sewer and water assessments and sewer usage charges collected in special revenue funds appropriated to General Fund to offset debt service expenditures, and (3) other transfers approved by Town Council.

**Note 4. Lease Receivables**

The Town, acting as lessor, leases various assets under long-term, noncancelable lease agreements. The leases expire at various dates through 2048. During the year ended June 30, 2025, the Town recognized \$120,415 and \$50,895 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 5. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 25,717,733	\$ -	\$ -	\$ -	\$ 25,717,733
Construction in progress	17,720,173	42,025,221	767,399	(7,696,789)	51,281,206
Total capital assets, not being depreciated/amortized	43,437,906	42,025,221	767,399	(7,696,789)	76,998,939
Capital assets, being depreciated/amortized:					
Land improvements	8,783,482	36,451	-	152,825	8,972,758
Buildings and improvements	188,283,746	56,055	-	3,647,924	191,987,725
Vehicles	16,370,978	146,166	116,342	617,798	17,018,600
Machinery and equipment	22,031,885	582,346	-	728,541	23,342,772
Infrastructure	129,179,259	509,735	-	2,549,701	132,238,695
Subscription Assets	370,944	-	55,900	-	315,044
Lease Assets:					
Buildings and improvements	1,027,556	-	-	-	1,027,556
Machinery and equipment	197,824	33,648	147,331	-	84,141
Total capital assets being depreciated/amortized	366,245,674	1,364,401	319,573	7,696,789	374,987,291
Governmental activities capital assets	409,683,580	43,389,622	1,086,972	-	451,986,230
Less accumulated depreciation/ amortization for:					
Land improvements	3,522,108	301,005	-	-	3,823,113
Buildings and improvements	79,431,482	4,412,988	-	-	83,844,470
Vehicles	9,382,133	662,630	105,763	-	9,939,000
Machinery and equipment	11,650,213	1,087,629	-	-	12,737,842
Infrastructure	56,348,796	2,497,956	-	-	58,846,752
Subscription Assets	115,967	93,201	55,900	-	153,268
Lease Assets:					
Buildings and improvements	9,600	42,858	-	-	52,458
Machinery and equipment	162,326	35,664	147,331	-	50,659
Total accumulated depreciation/amortization	160,622,625	9,133,931	308,994	-	169,447,562
Total capital assets, being depreciated/amortized, net	205,623,049	(7,769,530)	10,579	7,696,789	205,539,729
Governmental activities capital assets, net	\$ 249,060,955	\$ 34,255,691	\$ 777,978	\$ -	\$ 282,538,668

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

Administration and finance	\$ 537,576
Public safety	988,378
Public works	4,353,731
Social services	102,789
Cultural services	150,644
Leisure services	495,653
Education	2,505,160
Total depreciation/amortization expense	\$ 9,133,931

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 6. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2025 was as follows:

Changes in Long-Term Obligations

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due in Less Than One Year
<b>Bonds/Notes</b>									
Schools:									
School bonds	2,909,732	02/26/15*	07/15/34	2.00 - 5.00%	\$ 1,687,000	\$ -	\$ (154,000)	\$ 1,533,000	\$ 154,000
School refunding bonds	980,000	03/13/15	01/15/29	2.00 - 5.00%	388,000	-	(80,000)	308,000	78,000
School refunding bonds	1,476,000	03/31/16*	07/15/30	2.00 - 4.00%	839,000	-	(123,000)	716,000	123,000
School bonds	2,985,500	03/06/17*	07/15/36	2.00 - 5.00%	2,039,000	-	(157,000)	1,882,000	157,000
School bonds	3,533,500	03/06/19*	07/15/38	3.00 - 5.00%	2,790,000	-	(185,000)	2,605,000	185,000
School bonds	2,860,000	04/20/21*	07/15/40	2.00 - 4.00%	2,550,000	-	(150,000)	2,400,000	150,000
School refunding bonds	2,940,000	04/20/21*	07/15/32	2.00 - 4.00%	1,806,000	-	(342,000)	1,464,000	227,000
School bonds	6,509,697	04/18/23*	07/15/42	4.00 - 5.00%	6,506,697	-	(346,697)	6,160,000	345,000
School bonds	14,803,000	04/18/24*	07/15/43	4.00 - 5.00%	14,803,000	-	-	14,803,000	773,000
School bonds	40,000,000	04/15/25*	07/15/45	4.00 - 5.00%	-	40,000,000	-	40,000,000	-
School notes	78,896	3/21-6/21	2/25-5/25	0.00%	14,953	-	(14,953)	-	-
Notes Payable	7,734,721	05/14	05/31	3.17%	4,498,107	-	(539,096)	3,959,011	558,272
<b>Subtotal</b>					<b>37,921,757</b>	<b>40,000,000</b>	<b>(2,091,746)</b>	<b>75,830,011</b>	<b>2,750,272</b>
Bond premium					2,072,533	1,884,140	(235,555)	3,721,118	-
<b>Total schools</b>					<b>39,994,290</b>	<b>41,884,140</b>	<b>(2,327,301)</b>	<b>79,551,129</b>	<b>2,750,272</b>
Sewer: <sup>(1)</sup>									
WWTP notes	5,086,640	09/28/07	09/28/27	2.00%	840,372	-	(300,260)	540,112	306,321
WWTP notes	969,061	09/28/07	09/28/27	2.00%	240,805	-	(86,038)	154,767	87,775
WWTP notes	24,428,785	07/01/17	01/01/37	2.00%	15,369,777	-	(1,221,439)	14,148,338	1,221,439
Sewer bonds	46,000	02/26/15*	07/15/34	2.00-5.00%	22,000	-	(2,000)	20,000	2,000
Sewer refunding bonds	1,008,000	03/13/15	01/15/29	2.00-5.00%	388,000	-	(80,000)	308,000	78,000
Sewer refunding bonds	1,238,000	03/31/16*	07/15/30	2.00 - 4.00%	692,000	-	(101,000)	591,000	101,000
Sewer bonds	2,500,000	03/06/17*	07/15/36	2.00 - 5.00%	1,704,000	-	(130,000)	1,574,000	131,000
Sewer bonds	950,028	03/06/19*	07/15/38	3.00 - 5.00%	750,000	-	(50,000)	700,000	50,000
Sewer bonds	450,000	04/20/21*	07/15/40	2.00 - 4.00%	410,000	-	(25,000)	385,000	25,000
Sewer refunding bonds	585,000	04/20/21*	07/15/32	2.00 - 4.00%	220,000	-	(50,000)	170,000	45,000
Sewer bonds	165,000	04/18/23*	07/15/42	4.00 - 5.00%	165,000	-	(10,000)	155,000	10,000
Sewer bonds	580,000	04/18/24*	07/15/43	4.00 - 5.00%	580,000	-	-	580,000	30,000
Notes Payable	24,380	05/14	05/31	3.17%	14,178	-	(1,699)	12,479	1,760
<b>Subtotal</b>					<b>21,396,132</b>	<b>-</b>	<b>(2,057,436)</b>	<b>19,338,696</b>	<b>2,089,295</b>
Bond premium					204,669	-	(34,139)	170,530	-
<b>Total sewer</b>					<b>21,600,801</b>	<b>-</b>	<b>(2,091,575)</b>	<b>19,509,226</b>	<b>2,089,295</b>

(Continued)

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Changes in Long-Term Obligations

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due in Less Than One Year
<b>Bonds/Notes, Continued</b>									
General purpose: <sup>(2)</sup>									
Improvement bonds	12,044,268	02/26/15*	07/15/34	2.00-5.00%	\$ 6,971,000	\$ -	\$ (634,000)	\$ 6,337,000	\$ 634,000
Improvement refunding bonds	2,977,000	03/13/15	01/15/29	2.00-5.00%	1,189,000	-	(245,000)	944,000	239,000
Improvement refunding bonds	3,226,000	03/31/16*	7/15/30	2.00 - 4.00%	1,784,000	-	(261,000)	1,523,000	261,000
Improvement bonds	12,015,000	03/06/17*	07/15/36	2.00 - 5.00%	8,217,000	-	(633,000)	7,584,000	632,000
Improvement bonds	10,016,472	03/06/19*	07/15/38	3.00 - 5.00%	7,920,000	-	(525,000)	7,395,000	525,000
Improvement bonds	10,690,000	04/20/21*	07/15/40	2.00 - 4.00%	9,560,000	-	(565,000)	8,995,000	565,000
Improvement refunding bonds	6,200,000	04/20/21*	07/15/32	2.00 - 4.00%	3,574,000	-	(673,000)	2,901,000	498,000
Improvement bonds	10,828,303	04/18/23*	07/15/42	4.00 - 5.00%	10,828,303	-	(568,303)	10,260,000	570,000
Improvement bonds	4,617,000	04/18/24*	07/15/43	4.00 - 5.00%	4,617,000	-	-	4,617,000	242,000
Improvement notes	207,312	10/20	07/22-9/24	0%	9,301	-	(9,301)	-	-
Notes Payable	2,005,899	05/14	05/31	3.17%	1,166,525	-	(139,807)	1,026,718	144,781
Notes Payable	1,200,000	12/15	02/26	1.97%	259,951	-	(128,701)	131,250	131,250
<b>Subtotal</b>					<b>56,096,080</b>	<b>-</b>	<b>(4,382,112)</b>	<b>51,713,968</b>	<b>4,442,031</b>
Bond premium					2,788,114	-	(401,243)	2,386,871	-
<b>Total general purpose</b>					<b>58,884,194</b>	<b>-</b>	<b>(4,783,355)</b>	<b>54,100,839</b>	<b>4,442,031</b>
<b>Total bonds and notes</b>					<b>120,479,285</b>	<b>41,884,140</b>	<b>(9,202,231)</b>	<b>153,161,194</b>	<b>9,281,598</b>
Net pension liability					58,664,821	13,474,210	(16,575,777)	55,563,254	-
Net OPEB liability					28,429,911	2,019,863	(5,266,815)	25,182,959	-
Landfill closure/post closure care costs					372,000	-	(31,000)	341,000	31,000
Compensated absences (net change)					2,808,312	3,414,099	-	6,222,411	1,244,482
Heart and hypertension					1,928,721	-	(375,145)	1,553,576	171,660
Claims					44,776	1,360	(18,678)	27,458	27,458
Lease Payable					713,233	33,648	(62,353)	684,528	35,167
Subscriptions Payable					202,758	-	(65,587)	137,171	67,361
Early retirement					169,665	59,439	(80,113)	148,991	82,981
<b>Total general long-term obligations</b>					<b>\$ 213,813,482</b>	<b>\$ 60,886,759</b>	<b>\$ (31,677,699)</b>	<b>\$ 243,022,542</b>	<b>\$ 10,941,707</b>

\* Bonds have callable features.

- (1) Sewer bonds are partially funded by sewer assessments transferred from the Sewer and Water Assessments Fund.
- (2) Improvement bonds are partially funded by water assessments transferred from the Sewer and Water Assessments Fund.

All long-term liabilities are generally liquidated by the General Fund, with the exception of heart and hypertension benefits which are accounted for in the Internal Service Fund.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

The annual debt service requirements of general obligation bonds and notes are as follows:

Year Ending June 30,	Bonds		Notes		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 6,830,001	\$ 4,290,202	\$ 2,451,597	\$ 435,177	\$ 9,281,598	\$ 4,725,379
2027	8,825,001	4,401,221	2,275,490	379,472	11,100,491	4,780,693
2028	8,540,000	4,042,873	2,025,488	328,813	10,565,488	4,371,686
2029	1,765,416	3,072,791	8,843,277	903,485	10,608,693	3,976,276
2030-2034	42,424,198	14,262,283	4,376,823	160,483	46,801,021	14,422,766
2035-2039	34,090,384	7,454,222	-	-	34,090,384	7,454,222
2040-2044	20,435,000	2,652,900	-	-	20,435,000	2,652,900
2045-2046	4,000,000	160,000	-	-	4,000,000	160,000
Total	<u>\$ 126,910,000</u>	<u>\$ 40,336,492</u>	<u>\$ 19,972,675</u>	<u>\$ 2,207,430</u>	<u>\$ 146,882,675</u>	<u>\$ 42,543,922</u>

**Bonds authorized but unissued:** Total authorized but unissued debt at June 30, 2025 consists of the following:

General purpose	\$ 10,056,563
Schools	86,006,056
Sewers	1,046,062
Total	<u>\$ 97,108,680</u>

**Legal debt limit:** The Town's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 238,573,778	\$ 62,592,230	\$ 175,981,548
Unfunded pension benefit obligation	318,098,370	-	318,098,370
Schools	477,147,555	182,058,867	295,088,688
Sewers	397,622,963	20,384,758	377,238,205
Urban renewal	344,606,568	-	344,606,568

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$714,229,530.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

**Landfill closure and post-closure care costs:** State and federal laws and regulations required the Town to place a final cover on its 12- and 18-acre landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. As of June 30, 2006, both landfill sites had been closed.

The projected liability reported at June 30, 2025 is estimated at \$341,000. The monitoring costs are based on what it would cost to perform all post-closure care at 2025 prices with a third party performing all closure work. Actual costs may also change based on inflation, deflation, technology, or changes in the applicable laws and regulations.

The Town has landfill post-closure care costs as follows:

Town Landfill	Year of Closure	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Southern Section	2006	<u>\$ 31,000</u>	11	<u>\$ 341,000</u>	<u>\$ 31,000</u>	<u>\$ 310,000</u>

**Leases payable:** The Town leases various assets under long-term, noncancelable lease agreements. The leases expire at various dates through 2044.

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 35,167	\$ 19,883	\$ 55,050
2027	33,453	18,892	52,345
2028	34,471	17,875	52,346
2029	35,519	16,826	52,345
2030	33,191	15,774	48,965
2031-2035	160,166	64,834	225,000
2036-2040	186,052	38,948	225,000
2041-2045	166,509	9,741	176,250
Total	<u>\$ 684,528</u>	<u>\$ 202,773</u>	<u>\$ 887,301</u>

Lease assets acquired through outstanding leases are shown below, by underlying asset class.

Asset class:	Amount
Machinery and equipment	\$ 84,141
Building and improvements	1,027,556
Less: accumulated amortization	(103,117)
Net book value	<u>\$ 1,008,580</u>

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

**Subscription-Based Information Technology Arrangements:** The Town has entered into subscription based information technology arrangements (SBITAs) for educational software and other software used in the operation of the Town. The SBITA arrangements expire at various dates through 2028 and provide for renewal options.

The future minimum payments under SBITA agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 67,361	\$ 2,417	\$ 69,778
2027	59,617	1,142	60,759
2028	10,193	258	10,451
Total	<u>\$ 137,171</u>	<u>\$ 3,817</u>	<u>\$ 140,988</u>

SBITA assets acquired through outstanding contracts are shown below:

	Amount
Subscription Based Information Technology Arrangements	\$ 315,044
Less: accumulated amortization	<u>(153,268)</u>
Net book value	<u>\$ 161,776</u>

**Bond Anticipation Notes Payable:** Bond anticipation notes payable outstanding at June 30, 2025 are as follows:

	Issue	Maturity	Interest	Beginning			Ending
Name	Date	Date	Rate%	Balance	Additions	Reductions	Balance
2025 GOBAN	4/15/25	4/15/26	4.00%	\$ -	\$ 20,000,000	\$ -	\$ 20,000,000
Total				<u>\$ -</u>	<u>\$ 20,000,000</u>	<u>\$ -</u>	<u>\$ 20,000,000</u>

These notes serve as temporary financing for various school projects and other capital projects. The notes will be repaid using the proceeds from a subsequent, permanent, long-term bond issuance. The liability for BANs payable in the Statement of Net Position includes the associated premium of \$222,800.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems

The Town administers three single employer, defined benefit pension plans. The three plans, Town Plan, Police Plan, and Volunteer Firefighter Plan, are included in the financial statements as pension trust funds. The plans do not issue stand-alone financial reports. Plan contribution requirements and benefits are established by Town ordinances. Administrative expenses of the plan, including actuarial and legal fees, are paid from the trust fund. The Town reserves the right by action of the Council, after required public hearings, to amend the plans, subject to provisions, if any, in collective bargaining agreements.

**Plan administration:** The Retirement Board (Board) is responsible for the general administration and management of the pension plans. Membership on the Board is as follows:

- The regular members of the Board are 5 resident electors of the Town. They are appointed by the Town Council and serve four-year terms.
- Police members are two representatives appointed by the President of the Cheshire Police Department Collective Bargaining Unit. They serve a four-year term and vote only on matters relating exclusively to police officers.
- A Volunteer Fire Department Member is a representative appointed by the Town Council. The representative serves a four-term term and votes only on matters relating exclusively to volunteer fire fighters.

Based on actuarial valuation reports dated July 1, 2024, membership consisted of:

Category	Town	Police	Volunteer Firefighter
Retirees and beneficiaries currently receiving benefits	298	59	27
Terminated employees entitled to benefits, but not yet receiving them	66	2	29 <sup>(1)</sup>
Active plan members	91	24	86
Total	<u>455</u>	<u>85</u>	<u>142</u>

(1) Volunteer firefighter count includes terminated volunteers and associate and lifetime members who are no longer active members but still affiliated with the volunteer organization.

**Town plan:** This plan covers all regular full-time employees except teachers covered by the Connecticut Teachers' Retirement System and policemen. Employees are 100% vested after ten years of credited service. They may retire at age 65 after completing five years of credited service or, if earlier, the date upon which their age plus completed years of credited service equals 80. Retirement benefits are based on the plan and benefits elected. The plan was closed to new entrants for various union and nonunion groups between July 1, 2006 and June 30, 2012.

The latest valuation reflected no changes in plan provisions and no changes in actuarial methods and assumptions.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Police plan:** This plan covers all regular, full-time police officers except those hired at age 55 and older. Officers are fully vested after completing ten years of credited service. Normal retirement shall be the earlier of 20 years of service or age 55 with 10 years of service. Final average compensation is computed in the same manner as for the Town plan. The plan also provides disability benefits, spousal benefits, and a death benefit equal to the return of employee contributions with interest if the employee has not satisfied the plan's vesting requirements. The plan was closed to new entrants on January 1, 2014.

The latest valuation reflected no changes in plan provisions and no changes in actuarial methods and assumptions.

**Volunteer firefighters plan:** This plan covers all volunteer firefighters. Firefighters are vested on a percentage basis after five years of credited service. Normal retirement is the participant's 65th birthday. Benefits are calculated based upon a flat rate schedule for years of service. The plan also provides disability benefits by the return of the value of their accrued benefit in a lump sum payment.

The latest valuation reflected no changes in actuarial methods and assumptions, however the valuation does reflect recent corrections to the pension plan document, which led to an increase in the accrued liability of approximately \$261,000.

Employee contributions are based upon a percentage of earnings as follows:

Town	Police	Volunteer Firefighters
Plan A - 3.5% - 4%	8.50%	None
Plan B - 1.5% - 2%	-	-

**Rate of return:** For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town	Police	Volunteer Firefighters
9.78%	9.69%	13.32%

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Net pension liability of the Town:** The components of the net pension liability of the Town at June 30, 2025 were as follows:

Net Pension Liability	Town	Police	Volunteer Firefighters
Total pension liability	\$ 74,764,023	\$ 70,376,836	\$ 8,951,766
Fiduciary net position	56,625,416	37,439,249	4,464,706
Net pension liability	\$ 18,138,607	\$ 32,937,587	\$ 4,487,060
Fiduciary net position as a percentage of total pension liability	75.74%	53.20%	49.88%
Covered payroll	\$ 6,938,392	\$ 3,805,427	N/A
Net pension liability as a percentage of covered payroll	261.42%	865.54%	N/A

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuations as of July 1, 2024, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2025.

	Town	Police	Volunteer Firefighters
Valuation date	July 1, 2024	July 1, 2024	July 1, 2024
Measurement date	June 30, 2025	June 30, 2025	June 30, 2025
Inflation	2.75%	2.75%	2.75%
Discount rate	6.75%	6.75%	6.75%
Long-term expected rate of return, net of investment expense	6.75%	6.75%	6.75%
Municipal bond rate	N/A	N/A	N/A
Salary increases including inflation Mortality	Rates based on age PubG-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	Rates based on age PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.	N/A PubS-2010 Mortality Table with generational projection per the MP-2021 ultimate scale.
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unit Credit
Asset valuation method	Fair Value	Fair Value	Fair Value

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Discount rate:** The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Town will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Town plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 75,402,289	\$ 54,066,768	\$ 21,335,521
Changes for the year:			
Service cost	708,627	-	708,627
Interest on total pension liability	4,972,139	-	4,972,139
Effect of economic/demographic gains or losses	(1,338,513)	-	(1,338,513)
Benefit payments	(4,980,519)	(4,980,519)	-
Employer contributions	-	2,211,932	(2,211,932)
Member contributions	-	161,380	(161,380)
Net investment income	-	5,255,019	(5,255,019)
Administrative expenses	-	(89,164)	89,164
Net changes	(638,266)	2,558,648	(3,196,914)
Balances as of June 30, 2025	\$ 74,764,023	\$ 56,625,416	\$ 18,138,607

**Police plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 67,447,027	\$ 34,699,998	\$ 32,747,029
Changes for the year:			
Service cost	727,951	-	727,951
Interest on total pension liability	4,478,942	-	4,478,942
Effect of economic/demographic gains or losses	1,423,913	-	1,423,913
Benefit payments	(3,700,997)	(3,700,997)	-
Employer contributions	-	2,752,918	(2,752,918)
Member contributions	-	285,232	(285,232)
Net investment income	-	3,456,293	(3,456,293)
Administrative expenses	-	(54,195)	54,195
Net changes	2,929,809	2,739,251	190,558
Balances as of June 30, 2025	\$ 70,376,836	\$ 37,439,249	\$ 32,937,587

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Volunteer Firefighter plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 8,336,228	\$ 3,753,957	\$ 4,582,271
Changes for the year:			
Service cost	104,663	-	104,663
Interest on total pension liability	559,245	-	559,245
Effect of plan changes	298,339	-	298,339
Effect of economic/demographic gains or losses	(29,986)	-	(29,986)
Benefit payments	(316,723)	(316,723)	-
Employer contributions	-	536,291	(536,291)
Net investment income	-	548,213	(548,213)
Administrative expenses	-	(57,032)	57,032
Net changes	615,538	710,749	(95,211)
Balances as of June 30, 2025	\$ 8,951,766	\$ 4,464,706	\$ 4,487,060

**Sensitivity analysis:** The following table presents the net pension liability calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75	Current Discount Rate 6.75	1% Increase 7.75
<b>Town</b>			
Net pension liability	\$ 25,086,258	\$ 18,138,607	\$ 12,156,753
<b>Police</b>			
Net pension liability	\$ 42,172,017	\$ 32,937,587	\$ 25,337,521
<b>Volunteer Firefighters</b>			
Net pension liability	\$ 5,785,894	\$ 4,487,060	\$ 3,423,491

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

For the fiscal year ended June 30, 2025, the recognized pension expense (revenue) is as follows:

	Town	Police	Volunteer Firefighters
Pension expense	\$ (194,802)	\$ 3,776,795	\$ 660,040

As of June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources			
	Town	Police	Volunteer Firefighters	Total
Difference between expected and actual experience	\$ -	\$ 1,022,699	\$ 422	\$ 1,023,121
Changes of assumptions	-	169,893	354,543	524,436
Total outflows	<u>\$ -</u>	<u>\$ 1,192,592</u>	<u>\$ 354,965</u>	<u>\$ 1,547,557</u>
	Deferred Inflows of Resources			
	Town	Police	Volunteer Firefighters	Total
Difference between expected and actual experience	\$ -	\$ -	\$ (196,130)	\$ (196,130)
Net difference between projected and actual earnings	(1,437,814)	(1,029,860)	(350,435)	(2,818,109)
Total inflows	<u>\$ (1,437,814)</u>	<u>\$ (1,029,860)</u>	<u>\$ (546,565)</u>	<u>\$ (3,014,239)</u>
Net deferred outflows (inflows)	<u>\$ (1,437,814)</u>	<u>\$ 162,732</u>	<u>\$ (191,600)</u>	<u>\$ (1,466,682)</u>

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

Year Ending June 30,	Town	Police	Volunteer Firefighters	Total
2026	\$ 728,761	\$ 1,303,138	\$ 4,165	\$ 2,036,064
2027	(1,037,141)	(390,479)	(94,524)	(1,522,144)
2028	(789,994)	(522,485)	(67,043)	(1,379,522)
2029	(339,440)	(227,442)	(59,790)	(626,672)
2030	-	-	7,008	7,008
Thereafter	-	-	18,584	18,584
Total	<u>\$ (1,437,814)</u>	<u>\$ 162,732</u>	<u>\$ (191,600)</u>	<u>\$ (1,466,682)</u>

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

**Assumed 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 are developed. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return	Long-Term Expected Geometric Real Return
US Core Fixed Income	2.35%	2.20%
Non-US Bonds	0.51%	0.01%
Emerging Markets Bonds	3.91%	3.07%
Global Equity	6.05%	4.39%
Commodities	3.10%	1.61%
Hege Funds - MultiStrategy	4.05%	3.60%
Assumed Inflation - Mean	2.75%	2.75%
Assumed Inflation - Standard Deviation	1.47%	1.47%
Portfolio Real Mean Return	4.57%	3.87%
Portfolio Nominal Mean Return	7.32%	6.73%
Portfolio Standard Deviation		11.38%
Long-Term Expected Rate of Return		6.75%

**Investments:**

**Concentrations:** Information regarding investment concentration is presented in Note 2.

**Investment policy:** The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board:

Asset Class	Pension Funds Allocation %
Emerging Markets Bonds	3%
Commodities	3%
Non-US Bonds	4%
US Core Fixed Income	18%
Hedge Funds - MultiStrategy	22%
Global Equity	50%
Total	100%

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Schedule of Plan Net Position  
June 30, 2025

	Pension Trust Funds			OPEB Trust		Total
	Town Pension Fund	Police Pension Fund	Volunteer Firefighters Pension	Police Post-Employment Healthcare Fund	Other Post-Employment Benefit Fund	
<b>Assets</b>						
Cash	\$ 1,322,871	\$ 1,344,030	\$ 232,056	\$ 292,510	\$ 14,691	\$ 3,206,158
	<u>1,322,871</u>	<u>1,344,030</u>	<u>232,056</u>	<u>292,510</u>	<u>14,691</u>	<u>3,206,158</u>
<b>Investments:</b>						
Common stock	9,438,566	6,160,796	-	-	-	15,599,362
Money market mutual funds	1,878,182	1,225,938	258,071	64,112	63,289	3,489,592
Fixed income mutual funds	10,844,837	7,078,706	646,946	118,311	134,432	18,823,232
Equity mutual funds	17,453,919	11,392,661	3,105,363	831,840	708,698	33,492,481
Private equity funds	2,651,022	1,730,391	-	-	-	4,381,413
Alternative investments	13,059,232	8,524,099	227,178	53,848	51,023	21,915,380
Total investments	<u>55,325,758</u>	<u>36,112,591</u>	<u>4,237,558</u>	<u>1,068,111</u>	<u>957,442</u>	<u>97,701,460</u>
Total assets	<u>56,648,629</u>	<u>37,456,621</u>	<u>4,469,614</u>	<u>1,360,621</u>	<u>972,133</u>	<u>100,907,618</u>
<b>Liabilities</b>						
Accounts payable	23,213	17,372	4,908	2,011	1,972	49,476
<b>Net Position:</b>						
Restricted for pension benefits	56,625,416	37,439,249	4,464,706	-	-	98,529,371
Restricted for OPEB benefits	-	-	-	1,358,610	970,161	2,328,771
Total Net Position	<u>\$ 56,625,416</u>	<u>\$ 37,439,249</u>	<u>\$ 4,464,706</u>	<u>\$ 1,358,610</u>	<u>\$ 970,161</u>	<u>\$ 100,858,142</u>

Town of Cheshire, Connecticut

Notes to Financial Statements

Note 7. Employee Retirement Systems (Continued)

Schedule of Changes in Plan Net Position  
Year Ended June 30, 2025

	Pension Trust Funds			OPEB Trust		Total
	Town Pension Fund	Police Pension Fund	Volunteer Firefighters Pension	Police Post-Employment Healthcare Fund	Other Post-Employment Benefit Fund	
<b>Additions:</b>						
Employer contributions	\$ 2,211,932	\$ 2,752,918	\$ 536,291	\$ 577,848	\$ 1,099,868	\$ 7,178,857
Employee contributions	161,380	285,232	-	64,929	-	511,541
Total additions	2,373,312	3,038,150	536,291	642,777	1,099,868	7,690,398
<b>Investment Income:</b>						
Net appreciation/depreciation in fair value of investments	4,271,098	2,778,535	446,246	116,712	102,646	7,715,237
Interest and dividends	1,144,807	783,057	110,423	31,288	20,626	2,090,201
Total investment income	5,415,905	3,561,592	556,669	148,000	123,272	9,805,438
<b>Less investment expenses:</b>						
Investment management fees	160,886	105,299	8,456	2,359	1,803	278,803
Net investment earnings	5,255,019	3,456,293	548,213	145,641	121,469	9,526,635
Total additions	7,628,331	6,494,443	1,084,504	788,418	1,221,337	17,217,033
<b>Deductions:</b>						
Benefits	4,980,519	3,700,997	316,723	507,350	1,099,868	10,605,457
Contribution refunds	-	-	-	29,484	-	29,484
Administration	89,164	54,195	57,032	8,099	7,974	216,464
Total deductions	5,069,683	3,755,192	373,755	544,933	1,107,842	10,851,405
Change in net position	2,558,648	2,739,251	710,749	243,485	113,495	6,365,628
<b>Net position, restricted for pensions and other postemployment benefits:</b>						
Beginning of year	54,066,768	34,699,998	3,753,957	1,115,125	856,666	94,492,514
End of year	\$ 56,625,416	\$ 37,439,249	\$ 4,464,706	\$ 1,358,610	\$ 970,161	\$ 100,858,142

Aggregate pension plans:

	Net Pension Liability	Pension Expense	Deferred Inflows	Deferred Outflows
Town plan	\$ 18,138,607	\$ (194,802)	\$ (1,437,814)	\$ -
Police plan	32,937,587	3,776,795	(1,029,860)	1,192,592
Volunteer Firefighters plan	4,487,060	660,040	(546,565)	354,965
Total	\$ 55,563,254	\$ 4,242,033	\$ (3,014,239)	\$ 1,547,557

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 7. Employee Retirement Systems (Continued)

**Connecticut state teachers' retirement system:** Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

**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](http://www.ct.gov).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$12,998,149 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

**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 3 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.

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

**Employer (School Districts):** School District employers are not required to make contributions to the plan.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems (Continued)

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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 \$12,998,419 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**Employees:** Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**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 increases, including inflation	3.00-6.50%
Long-term investment rate of return, net of pension investment expense, including inflation	6.90 %

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%.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

#### Note 7. Employee Retirement Systems (Continued)

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%.

**Long-term rate of return:** The long-term expected rate of return on pension 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 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 Return	Target Allocation
Global Equity	6.8%	37.0%
Private Equity	11.2%	15.0%
Cored Fixed Income Fund	0.4%	13.0%
Private Credit	6.1%	10.0%
Real Estate Fund	6.2%	10.0%
Infrastructure and Natural Resources	7.7%	7.0%
Risk Mitigation	0.1%	5.0%
Public Credit	2.9%	2.0%
Liquidity Fund	-0.4%	1.0%
Total		100%

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

**Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:**

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

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** 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 OPEB liability that was associated with the Town was as follows:

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 7. Employee Retirement Systems (Continued)**

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>131,872,101</u>
Total	\$	<u><u>131,872,101</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 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 \$15,126,013 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Defined contribution retirement savings plans:** Town employees hired after the pension plan was closed to new entrants, between July 1, 2006 and June 30, 2012 depending on the union and nonunion group, are eligible to participate in a 457 defined contribution plan administered by the Town. Town contributions to the plan for the year were \$572,455. For union participants, the Plan requires the Town to contribute 6%. For nonunion participants, the Plan requires the Town to contribute 5% and 6% if the employee contributes at least 1%. Board of Education employees similarly participate in a 403(b) defined contribution plan. This plan covers all regular full-time employees except teachers covered by the Connecticut Teachers' Retirement System. For the Cheshire Educational Secretaries, Select Nonunion and Technicians United Union participants, the Plan requires the BOE to contribute 5% if the participant contributes 3%, 6.5% if the participant contributes 4% and 8% if the participant contributes 5%. For all other BOE union and nonunion participants the Plan requires the BOE to contribute 5% of each participant's salary and 6% if the employee contributes at least 1%. BOE contributions to the plan for the year were \$524,186.

Police officers hired on or after January 1, 2014 are required to participate in a 401(a) defined contribution plan. The Plan requires the Town to contribute 10.5% of an officer's salary. Town contributions to the plan for the year were \$202,250. Officers are also required to contribute 6% of their salary.

**Note 8. Other Post-Employment Benefits (OPEB)**

In addition to providing pension benefits, the Town instituted a policy providing for a portion of health insurance coverage or subsidized coverage to retired employees. Teachers, town employees and police may become eligible for those benefits if they retire under a normal retirement or with disability.

**Plan description:** The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through single-employer defined benefit plans. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2023. The post-retirement plans do not issue stand-alone financial reports.

The contribution requirements of plan members and the Town are based on a percentage of plan members' annual compensation. Contribution requirements are established and may be amended by the Town. The Town determines the required contribution using the Entry Age Normal Cost Method.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

The valuation dated July 1, 2023 reflects changes made to the plan provisions. The expected claims costs were updated based on analysis of the claims experience and premium information. Overall, per capita healthcare costs increased more than expected, which increased liabilities by about \$3.5 million. The medical and dental trend rates and the future dependent coverage assumptions were updated to better anticipate future experiences. The discount rate was increased from 2.16% to 3.65% to align with the 20 Year Tax-Exempt Municipal bond yield as of June 30, 2023. These assumption changes, in combination, decreased the Accrued Liability by about \$5.0 million.

Membership in the plans consisted of the following at July 1, 2023.

Category	Town	Police
Retirees and beneficiaries receiving benefits	84	35
Active plan members	500	37
Total	584	72

**Rate of return:** For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Town	Police
Rate of return	14.23%	12.62%

**Net OPEB liability of the Town:** The components of the net OPEB liability of the Town at June 30, 2025 were as follows:

Net OPEB Liability as of June 30, 2025	Town	Police
Total OPEB liability	\$ 16,466,497	\$ 11,045,233
Plan fiduciary net position	970,161	1,358,610
Net OPEB liability	\$ 15,496,336	\$ 9,686,623
Plan fiduciary net position as a percentage of total OPEB liability	5.89%	12.30%
Covered payroll	\$ 44,524,188	\$ 3,326,470
Net OPEB liability as a percentage of covered payroll	34.80%	291.20%

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, calculated based on the discount rate and the actuarial assumptions below, and then was projected forward to the measurement date June 30, 2025. The discount rate increased from 3.93% to 5.20% for June 30, 2025. The information presented was determined as part of the actuarial valuations. Information as of the July 1, 2023 valuation, updated for the increase in the discount rate above, follows:

	Town	Police
Valuation date:	July 1, 2023	July 1, 2023
Measurement date:	June 30, 2025	June 30, 2025
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Asset valuation method:	Fair Value	Fair Value
Amortization method:	30 Years, Level Percent, Closed	30 Years, Level Percent, Closed
Remaining amortization period	18 Years	18 Years
Actuarial assumptions:		
Discount rate	5.20%	5.20%
Salary increase rate	Rates Based on Age	Rates Based on Age
Inflation rate	2.30%	2.30%

Healthcare cost trend rates

Average annual healthcare cost trend rates are assumed to be as follows:

Medical inflation rate:	
Initial inflation rate	6.50%
Ultimate inflation rate	3.70%
Years until ultimate inflation rate	50

The plans are considered to be part of the Town's financial reporting entity and are included in the Town's report as the OPEB Trust funds. These plans do not issue stand-alone financial reports.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Town Plan</b>			
<b>Changes in the Net OPEB Liability:</b>			
Balances at June 30, 2024	\$ 18,456,746	\$ 856,666	\$ 17,600,080
Changes for the year:			
Service cost	308,008	-	308,008
Interest on total OPEB liability	716,051	-	716,051
Effect of assumptions changes or inputs	(1,914,440)	-	(1,914,440)
Benefit payments	(1,099,868)	(1,099,868)	-
Employer contributions	-	1,099,868	(1,099,868)
Net investment income	-	121,469	(121,469)
Administrative expenses	-	(7,974)	7,974
Net changes	(1,990,249)	113,495	(2,103,744)
Balances at June 30, 2025	\$ 16,466,497	\$ 970,161	\$ 15,496,336

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Police Plan</b>			
<b>Changes in the Net OPEB Liability:</b>			
Balances at June 30, 2024	\$ 11,944,956	\$ 1,115,125	\$ 10,829,831
Changes for the year:			
Service cost	501,050	-	501,050
Interest on total OPEB liability	478,681	-	478,681
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(1,342,620)	-	(1,342,620)
Benefit payments	(536,834)	(536,834)	-
Employer contributions	-	577,848	(577,848)
Member contributions	-	64,929	(64,929)
Net investment income	-	145,641	(145,641)
Administrative expenses	-	(8,099)	8,099
Net changes	(899,723)	243,485	(1,143,208)
Balances at June 30, 2025	\$ 11,045,233	\$ 1,358,610	\$ 9,686,623

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:** The following presents what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.00% lower or 1.00% higher than the current healthcare cost trend rates:

Town	1.0% Decrease	Current Trend Rate	1.0% Increase
Net OPEB liability	\$ 13,770,139	\$ 15,496,336	\$ 17,503,114

Police	1.0% Decrease	Current Trend Rate	1.0% Increase
Net OPEB liability	\$ 8,416,955	\$ 9,686,623	\$ 11,179,715

**Sensitivity of estimates used in calculating the net OPEB liability:** The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.93%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

Town	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net OPEB liability	\$ 16,977,637	\$ 15,496,336	\$ 14,187,190

Police	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net OPEB liability	\$ 10,725,878	\$ 9,686,623	\$ 8,767,607

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

As of June 30, 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources		
	Town	Police	Total
Differences between expected and actual experience	\$ 656,185	\$ 1,403,399	\$ 2,059,584
Changes of assumptions	464,784	159,401	624,185
Total outflows	<u>\$ 1,120,969</u>	<u>\$ 1,562,800</u>	<u>\$ 2,683,769</u>
	Deferred Inflows of Resources		
	Town	Police	Total
Differences between expected and actual experience	\$ (266,542)	\$ (463,981)	\$ (730,523)
Changes of assumptions	(3,450,137)	(2,289,650)	\$ (5,739,787)
Net difference between projected and actual earnings on OPEB plan investments	(124,673)	(152,256)	(276,929)
Total inflows	<u>\$ (3,841,352)</u>	<u>\$ (2,905,887)</u>	<u>\$ (6,747,239)</u>
Net deferred inflows	<u>\$ (2,720,383)</u>	<u>\$ (1,343,087)</u>	<u>\$ (4,063,470)</u>

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

Year ending June 30:	Town	Police	Total
2026	\$ (514,453)	\$ (484,245)	\$ (998,698)
2027	(520,340)	(387,870)	(908,210)
2028	(534,718)	(204,927)	(739,645)
2029	(518,573)	(150,560)	(669,133)
2030	(273,629)	(21,642)	(295,271)
Thereafter	(358,670)	(93,843)	(452,513)
Total	<u>\$ (2,720,383)</u>	<u>\$ (1,343,087)</u>	<u>\$ (4,063,470)</u>

**Aggregate OPEB plans:**

	Net OPEB Liability	OPEB Expense/ (Revenue)	Deferred Inflows	Deferred Outflows
Town plan	\$ 15,496,336	\$ 314,463	\$ (3,841,352)	\$ 1,120,969
Police plan	9,686,623	393,924	(2,905,887)	1,562,800
CT State Teachers' Retirement System	-	374,816	-	-
Total	<u>\$ 25,182,959</u>	<u>\$ 1,083,203</u>	<u>\$ (6,747,239)</u>	<u>\$ 2,683,769</u>

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

**Assumed rate of return:** The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Return	Long-Term Expected Geometric Real Return
US Core Fixed Income (Aggregate)	2.35%	2.20%
Non-US Bonds	0.51%	0.01%
Emerging Market Bonds	3.91%	3.07%
Global Equity	6.05%	4.39%
Assumed Inflation - Mean	2.30%	2.30%
Assumed Inflation - Standard Deviation	1.47%	1.47%
Portfolio Real Mean Return	4.71%	3.90%
Portfolio Nominal Mean Return	7.01%	6.29%
Portfolio Standard Deviation		12.39%
Long-Term Expected Rate of Return		3.50%

**Investments:**

**Concentrations:** Information regarding investment concentration is presented in Note 2.

**Investment policy:** The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board:

Asset Class	OPEB Funds Allocation %
US Core Fixed Income (Aggregate)	25%
Non-US Bonds	6%
Emerging Market Bonds	4%
Global Equity	65%
Total	100%

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

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**Discount rate:** The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

	Town	Police
Discount rate	5.20%	5.20%
Long-term expected rate of return, net of investment expense	3.50%	3.50%
20 Year Tax-Exempt Municipal Bond Yield	5.20%	5.20%

**Other Post-Employment Benefit – Connecticut State Teachers' Retirement Plan**

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

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**Benefit provisions:** There are two types of 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 Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 8. Other Post-Employment Benefits (OPEB) (Continued)

Any member that 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, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue 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 Supplemental Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**Survivor healthcare 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 Supplemental Plans, as long as they do not remarry.

**Eligibility:** Any member that 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 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of employment:** 10 or more years of Credited Service.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

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**Contributions**

*State of Connecticut*

Per Connecticut General Statutes Section 10-183t, 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 currently not 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 \$181,990 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

**OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB:** At June 30, 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	<u>27,051,502</u>
Total	<u><u>\$ 27,051,502</u></u>

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 of \$374,816 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 8. Other Post-Employment Benefits (OPEB) (Continued)**

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**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 rates	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 increases	3.00-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year 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, 2014 - June 30, 2019.

The changes in the assumptions used in 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;
- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans

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%.

## Town of Cheshire, Connecticut

### Notes to Financial Statements

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#### Note 8. Other Post-Employment Benefits (OPEB) (Continued)

**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 used in 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.

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

**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. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 9. Fund Balances (Deficits)**

The detail of the Town's fund balances are as follows:

	General Fund	Capital Improvements Fund	Debt Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Prepays	\$ 102,285	\$ -	\$ -	\$ -	\$ 102,285
Inventory	-	-	-	53,197	53,197
Permanent Trust Purposes - Nonexpendable	-	-	-	78,361	78,361
Total nonspendable	102,285	-	-	131,558	233,843
Restricted:					
Permanent Trust Purposes - Expendable	-	-	-	30,825	30,825
General government activities	-	-	-	584,496	584,496
Police operations	-	-	-	453,836	453,836
Fire operations	-	-	-	393,754	393,754
Sewer and water assessments	-	-	-	23,286	23,286
Water pollution control operations	-	-	-	592,088	592,088
Social services	-	-	-	175,468	175,468
Library operations	-	-	-	101,204	101,204
Parks and recreation programs	-	-	-	56,202	56,202
School cafeteria operations	-	-	-	906,794	906,794
Educational programs	-	-	-	1,747,233	1,747,233
Road, sidewalk and bridge construction	-	54,464,763	-	57,993	54,522,756
Debt service	-	-	-	245,367	245,367
Total restricted	-	54,464,763	-	5,368,546	59,833,309
Committed:					
Capital projects	-	-	-	2,059,285	2,059,285
Debt service	-	-	6,162,559	-	6,162,559
Total committed	-	-	6,162,559	2,059,285	8,221,844
Assigned:					
Education	1,063,435	-	-	-	1,063,435
General government activities	89,344	-	-	-	89,344
Police and fire equipment	93,819	-	-	-	93,819
Parks maintenance	17,241	-	-	-	17,241
Social services	-	-	-	-	-
Library books and supplies	2,172	-	-	-	2,172
Recreation	1,493	-	-	-	1,493
Water pollution control	9,702	-	-	42,906	52,608
Subsequent year expenditures	2,000,000	-	-	-	2,000,000
Community pool services	16,915	-	-	-	16,915
Insurance reserves	36,342	-	-	-	36,342
Capital outlay	54,123	-	-	202,832	256,955
Total assigned	3,384,586	-	-	245,738	3,630,324
Unassigned	17,030,428	(21,175,047)	-	(220,166)	(4,364,785)
Total fund balance	\$ 20,517,299	\$ 33,289,716	\$ 6,162,559	\$ 7,584,961	\$ 67,554,535

Encumbrances included in the above table in the assigned categories are as follows: \$1,338,761 in the General Fund and \$55,689 in the Water Pollution Control Fund.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 9. Fund Balances (Deficits) (Continued)**

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The following funds had fund deficits as of June 30, 2025:

Internal Service Fund:	
Heart & Hypertension	\$ 1,219,472
Nonmajor Governmental Funds:	
Special Grants Fund	220,166

The Internal Service fund deficit will be repaid with future charges. The Special Grants Fund deficit will be repaid through the receipt of intergovernmental revenues.

**Note 10. Contingencies and Commitments**

Construction and other significant commitments have been reported as assigned fund balance in the fund equity section of the balance sheet. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 1,338,761
Capital Improvements Fund	111,478,861
Nonmajor governmental funds	258,521
Total	<u>\$ 113,076,143</u>

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

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials that such pending litigation will not result individually or in the aggregate in a final judgment against the Town which would have a material adverse effect on its financial position.

**Construction commitments:** The Town has active construction projects as of June 30, 2025. At year-end, the Town's commitment on uncompleted contracts is approximately \$111,681,692.

**Note 11. Risk Management**

The Town is exposed to various risks of loss relating to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees, employee health and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies, except for self-insured medical benefits provided under its three health insurance plans, prescription drug plan, dental plans, and workers' compensation covered under a public entity risk pool. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from coverage in the prior year.

The Town established an internal service fund, the health insurance fund, to account for and finance employee medical benefits claims for eligible employees of both the Town and Board of Education. The Town retains the risk of loss under the three medical plans it offers, along with dental and prescription drugs.

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 11. Risk Management (Continued)**

A third party processes the claims filed under the Town’s self-insured health plans, for which the Town is charged an administrative fee. The Town participates in a stop-loss captive for individuals exceeding \$175,000. The captive self-insures claims exceeding \$175,000. Incurred but not recorded (IBNR) are accrued for in the Health Insurance Fund.

The Town established another internal service fund, Heart and Hypertension, to account for the financing of heart and hypertension claims.

Payments to the Health Insurance internal service fund are based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. For the Heart and Hypertension fund, payments to the fund are based upon estimates of claim reserves necessary to pay annual commitments as well as future claims. The claims liability for the Health Insurance Fund and Heart and Hypertension Fund, respectively, reported in the fund at June 30, 2025, is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated.

The amount of the claims accrual is based on the estimated ultimate costs of settling the claims, which includes past experience data, inflation and other future economic and societal factors and incremental claims adjustment expenses, net of estimated subrogation recoveries. Liabilities for unpaid claims are based on recommendations from third-party administrators. The claims accrual does not include other allocated or unallocated claims adjustment expenses. Such amounts are included as a component of liabilities in the statement of financial position (Exhibit I) as accounts payable for health insurance claims payable and current and noncurrent portions of long-term debt obligations for heart and hypertension claims payable.

Health Insurance Fund						
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Due Within One Year	
2023-2024	\$ 1,374,103	\$ 16,412,620	\$ 16,312,269	\$ 1,474,454	\$ 1,474,454	
2024-2025	\$ 1,474,454	\$ 17,570,935	\$ 17,682,120	\$ 1,363,269	\$ 1,363,269	

Heart & Hypertension Fund						
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Due Within One Year	
2023-2024	\$ 3,040,711	\$ 123,136	\$ 1,235,126	\$ 1,928,721	\$ 175,508	
2024-2025	\$ 1,928,721	\$ 168,367	\$ 543,512	\$ 1,553,576	\$ 171,660	

**Town of Cheshire, Connecticut**

**Notes to Financial Statements**

**Note 12. Project Authorizations**

The following is a summary of Capital Improvement Fund projects at June 30, 2025:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Unspent Authorizations</u>
Various capital improvements	<u>\$ 268,537,517</u>	<u>\$ 113,602,783</u>	<u>\$ 154,934,734</u>

**Note 13. Tax Abatements**

The Town of Cheshire enters into property tax abatement agreements under Connecticut General Statute (CGS) Section 12-65b with local businesses that apply. Under the Statute, municipalities may grant property tax abatements for real estate for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or seeking to relocate to Cheshire. Cheshire's current policy is to abate taxes based on 50% of the assessed value of new construction for a 4-year period for projects with improvements less than three million and a 7-year period for projects that are three million or more. The Town can recapture abated taxes if the business does not stay in Cheshire for at least ten years. There is also a penalty if an agreed upon minimum staffing level is not maintained for the four or seven-year abatement period. For the year ended June 30, 2025, property taxes in the amount of \$316,352 were abated under this program.

**Required Supplementary  
Information - *unaudited***

**Required Supplementary Information - unaudited**  
**Schedule of Investment Returns - Pension Plan Trusts**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment income, for:										
Town	9.78%	11.06%	9.42%	-9.23%	25.06%	0.43%	3.84%	6.88%	9.85%	-3.29%
Police	9.69%	11.02%	9.28%	-9.07%	24.40%	0.34%	3.80%	6.76%	9.66%	-3.39%
Volunteer Firefighters	13.32%	14.09%	12.64%	-11.10%	28.99%	-0.34%	4.96%	6.00%	12.24%	0.14%

**Required Supplementary Information - unaudited**  
**Schedule of Employer Contributions - Pension Trust Funds**  
**Last Ten Fiscal Years**

<i>Schedule of Employer Contributions - Pension Trust Fund</i>						
Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	
<b><u>Town</u></b>						
2016	\$ 1,821,202	\$ 1,821,202	\$ -	\$ 13,079,769	13.92%	
2017	1,773,905	1,773,905	-	12,000,249	14.78%	
2018	1,825,373	1,825,373	-	12,298,389	14.84%	
2019	1,788,342	1,788,342	-	11,023,734	16.22%	
2020	1,800,781	1,800,781	-	11,275,762	15.97%	
2021	2,167,287	2,019,781	147,506	9,979,654	20.24%	
2022	2,347,738	2,347,738	-	10,456,128	22.45%	
2023	2,242,681	2,242,681	-	8,825,837	25.41%	
2024	2,333,139	2,333,139	-	8,573,264	27.21%	
2025	2,211,932	2,211,932	-	6,938,392	31.88%	
<b><u>Police</u></b>						
2016	1,342,563	1,152,765	189,798	3,743,751	30.79%	
2017	1,456,934	1,302,765	154,169	3,687,620	35.33%	
2018	1,631,178	1,452,765	178,413	3,673,204	39.55%	
2019	1,814,532	1,702,765	111,767	3,694,630	46.09%	
2020	1,884,505	1,884,505	-	3,730,828	50.51%	
2021	2,008,256	2,008,256	-	3,752,318	53.52%	
2022	2,217,278	2,217,278	-	3,990,499	55.56%	
2023	2,282,448	2,282,448	-	3,978,888	57.36%	
2024	2,591,655	2,591,655	-	3,786,152	68.45%	
2025	2,752,918	2,752,918	-	3,805,427	72.34%	
<b><u>Volunteer Firefighters</u></b>						
2016	263,917	263,917	-	N/A	N/A	
2017	270,278	270,278	-	N/A	N/A	
2018	257,157	257,157	-	N/A	N/A	
2019	264,646	264,646	-	N/A	N/A	
2020	259,652	259,652	-	N/A	N/A	
2021	265,069	265,069	-	N/A	N/A	
2022	252,998	252,998	-	N/A	N/A	
2023	259,357	259,357	-	N/A	N/A	
2024	504,685	504,685	-	N/A	N/A	
2025	536,291	536,291	-	N/A	N/A	

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Town									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 709	\$ 985	\$ 906	\$ 1,127	\$ 1,097	\$ 1,048	\$ 1,019	\$ 1,184	\$ 1,101	\$ 1,513
Interest on total pension liability	4,972	4,919	4,988	4,869	4,787	4,458	4,383	4,214	4,179	3,991
Effect of economic/demographic gains or (losses)	(1,339)	-	(1,331)	-	(999)	-	(1,274)	-	(2,104)	-
Effect of assumption changes or inputs	-	-	1,459	-	-	6,792	-	-	-	-
Benefit payments	(4,980)	(4,716)	(4,256)	(3,901)	(3,572)	(3,249)	(3,065)	(2,902)	(2,680)	(2,521)
<b>Net change in total pension liability</b>	<b>(638)</b>	<b>1,188</b>	<b>1,766</b>	<b>2,095</b>	<b>1,313</b>	<b>9,049</b>	<b>1,063</b>	<b>2,496</b>	<b>496</b>	<b>2,983</b>
Total pension liability, beginning	75,402	74,214	72,448	70,353	69,040	59,991	58,928	56,432	55,936	52,953
<b>Total pension liability, ending (a)</b>	<b>74,764</b>	<b>75,402</b>	<b>74,214</b>	<b>72,448</b>	<b>70,353</b>	<b>69,040</b>	<b>59,991</b>	<b>58,928</b>	<b>56,432</b>	<b>55,936</b>
Fiduciary net position:										
Employer contributions	\$ 2,212	\$ 2,333	\$ 2,243	\$ 2,348	\$ 2,020	\$ 1,801	\$ 1,788	\$ 1,825	\$ 1,774	\$ 1,821
Member contributions	161	172	215	239	269	286	303	330	325	327
Investment income net of investment expenses	5,255	5,602	4,537	(5,061)	11,257	195	1,738	2,972	3,938	(1,380)
Benefit payments	(4,980)	(4,716)	(4,256)	(3,902)	(3,572)	(3,249)	(3,065)	(2,902)	(2,680)	(2,521)
Administrative expenses	(89)	(67)	(76)	(82)	(95)	(40)	(63)	(42)	(60)	(54)
<b>Net change in plan fiduciary net position</b>	<b>2,559</b>	<b>3,324</b>	<b>2,663</b>	<b>(6,458)</b>	<b>9,879</b>	<b>(1,007)</b>	<b>701</b>	<b>2,183</b>	<b>3,297</b>	<b>(1,807)</b>
Fiduciary net position, beginning	54,066	50,742	48,079	54,537	44,658	45,665	44,964	42,781	39,484	41,291
<b>Fiduciary net position, ending (b)</b>	<b>56,625</b>	<b>54,066</b>	<b>50,742</b>	<b>48,079</b>	<b>54,537</b>	<b>44,658</b>	<b>45,665</b>	<b>44,964</b>	<b>42,781</b>	<b>39,484</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 18,139</b>	<b>\$ 21,336</b>	<b>\$ 23,472</b>	<b>\$ 24,369</b>	<b>\$ 15,816</b>	<b>\$ 24,382</b>	<b>\$ 14,326</b>	<b>\$ 13,964</b>	<b>\$ 13,651</b>	<b>\$ 16,452</b>
Fiduciary net position as a % of total pension liability	75.74%	71.70%	68.37%	66.36%	77.52%	64.68%	76.12%	76.30%	75.81%	70.59%
Covered payroll	\$ 6,938	\$ 8,573	\$ 8,826	\$ 10,456	\$ 9,980	\$ 11,276	\$ 11,024	\$ 12,298	\$ 12,000	\$ 13,080
Net pension liability as a % of covered payroll	261.42%	248.86%	265.95%	233.06%	158.49%	216.24%	129.96%	113.54%	113.75%	125.78%

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Police									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 728	\$ 853	\$ 779	\$ 851	\$ 828	\$ 682	\$ 664	\$ 732	\$ 681	\$ 744
Interest on total pension liability	4,479	4,374	4,155	4,035	3,899	3,625	3,510	3,421	3,208	3,099
Effect of plan changes	-	-	-	-	-	-	-	(378)	-	-
Effect of economic/demographic gains or (losses)	1,424	-	1,852	-	111	-	(41)	-	1,314	-
Effect of assumption changes or inputs	-	-	1,869	-	-	5,626	-	-	-	-
Benefit payments	(3,701)	(3,410)	(3,164)	(3,014)	(2,818)	(2,639)	(2,591)	(2,449)	(2,389)	(2,269)
<b>Net change in total pension liability</b>	<b>2,930</b>	<b>1,817</b>	<b>5,491</b>	<b>1,872</b>	<b>2,020</b>	<b>7,294</b>	<b>1,542</b>	<b>1,326</b>	<b>2,814</b>	<b>1,574</b>
Total pension liability, beginning	67,447	65,630	60,139	58,267	56,247	48,953	47,411	46,085	43,271	41,697
<b>Total pension liability, ending (a)</b>	<b>70,377</b>	<b>67,447</b>	<b>65,630</b>	<b>60,139</b>	<b>58,267</b>	<b>56,247</b>	<b>48,953</b>	<b>47,411</b>	<b>46,085</b>	<b>43,271</b>
Fiduciary net position:										
Employer contributions	\$ 2,753	\$ 2,592	\$ 2,282	\$ 2,217	\$ 2,008	\$ 1,885	\$ 1,703	\$ 1,453	\$ 1,303	\$ 1,153
Member contributions	285	299	355	323	330	339	331	321	302	305
Investment income net of investment expenses	3,456	3,593	2,805	(3,061)	6,720	95	1,033	1,757	2,348	(877)
Benefit payments	(3,701)	(3,410)	(3,164)	(3,014)	(2,818)	(2,638)	(2,590)	(2,449)	(2,389)	(2,269)
Administrative expenses	(54)	(44)	(34)	(48)	(50)	(32)	(51)	(22)	(31)	(26)
<b>Net change in plan fiduciary net position</b>	<b>2,739</b>	<b>3,030</b>	<b>2,244</b>	<b>(3,583)</b>	<b>6,190</b>	<b>(351)</b>	<b>426</b>	<b>1,060</b>	<b>1,533</b>	<b>(1,714)</b>
Fiduciary net position, beginning	34,700	31,670	29,426	33,009	26,819	27,170	26,744	25,684	24,151	25,865
<b>Fiduciary net position, ending (b)</b>	<b>37,439</b>	<b>34,700</b>	<b>31,670</b>	<b>29,426</b>	<b>33,009</b>	<b>26,819</b>	<b>27,170</b>	<b>26,744</b>	<b>25,684</b>	<b>24,151</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 32,938</b>	<b>\$ 32,747</b>	<b>\$ 33,960</b>	<b>\$ 30,713</b>	<b>\$ 25,258</b>	<b>\$ 29,428</b>	<b>\$ 21,783</b>	<b>\$ 20,667</b>	<b>\$ 20,401</b>	<b>\$ 19,120</b>
Fiduciary net position as a % of total pension liability	53.20%	51.45%	48.25%	48.93%	56.65%	47.68%	55.50%	56.41%	55.73%	55.81%
Covered payroll	\$ 3,805	\$ 3,786	\$ 3,979	\$ 3,990	\$ 3,752	\$ 3,731	\$ 3,695	\$ 3,673	\$ 3,688	\$ 3,744
Net pension liability as a % of covered payroll	865.54%	864.92%	853.52%	769.66%	673.13%	788.80%	589.58%	562.64%	553.22%	510.72%

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net Pension Liability and Related Ratios (in 1,000's)**  
**Last Ten Fiscal Years**

Changes in Net Pension Liability	Volunteer Firefighter									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 105	\$ 114	\$ 49	\$ 53	\$ 53	\$ 42	\$ 41	\$ 44	\$ 39	\$ 30
Interest on total pension liability	559	536	349	333	326	297	285	273	269	257
Effect of plan changes	299	-	2,589	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(30)	-	(144)	-	(128)	-	2	-	(203)	-
Effect of assumption changes or inputs	-	-	258	-	-	516	-	-	95	-
Benefit payments	(317)	(282)	(135)	(161)	(168)	(168)	(154)	(151)	(145)	(143)
<b>Net change in total pension liability</b>	<b>616</b>	<b>368</b>	<b>2,966</b>	<b>225</b>	<b>83</b>	<b>687</b>	<b>174</b>	<b>166</b>	<b>55</b>	<b>144</b>
Total pension liability, beginning	8,336	7,968	5,002	4,777	4,694	4,007	3,833	3,667	3,612	3,468
<b>Total pension liability, ending (a)</b>	<b>8,952</b>	<b>8,336</b>	<b>7,968</b>	<b>5,002</b>	<b>4,777</b>	<b>4,694</b>	<b>4,007</b>	<b>3,833</b>	<b>3,667</b>	<b>3,612</b>
Fiduciary net position:										
Employer contributions	\$ 536	\$ 505	\$ 259	\$ 253	\$ 265	\$ 259	\$ 265	\$ 257	\$ 270	\$ 264
Member contributions	-	-	-	-	-	-	-	-	-	-
Investment income net of investment expenses	549	482	354	(338)	669	(8)	101	110	191	2
Benefit payments	(317)	(282)	(135)	(161)	(168)	(168)	(153)	(151)	(145)	(143)
Administrative expenses	(57)	(24)	(27)	(17)	(20)	(9)	(16)	(14)	(24)	(17)
<b>Net change in plan fiduciary net position</b>	<b>711</b>	<b>681</b>	<b>451</b>	<b>(263)</b>	<b>746</b>	<b>74</b>	<b>197</b>	<b>202</b>	<b>292</b>	<b>106</b>
Fiduciary net position, beginning	3,754	3,073	2,622	2,885	2,139	2,065	1,868	1,666	1,374	1,268
<b>Fiduciary net position, ending (b)</b>	<b>4,465</b>	<b>3,754</b>	<b>3,073</b>	<b>2,622</b>	<b>2,885</b>	<b>2,139</b>	<b>2,065</b>	<b>1,868</b>	<b>1,666</b>	<b>1,374</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 4,487</b>	<b>\$ 4,582</b>	<b>\$ 4,895</b>	<b>\$ 2,380</b>	<b>\$ 1,892</b>	<b>\$ 2,555</b>	<b>\$ 1,942</b>	<b>\$ 1,965</b>	<b>\$ 2,001</b>	<b>\$ 2,238</b>
Fiduciary net position as a % of total pension liability	49.88%	45.03%	38.57%	52.42%	60.39%	45.57%	51.53%	48.73%	45.43%	38.04%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability -**  
**Teachers' Retirement Plan**  
**Last Ten Fiscal Years**

Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability	131,872,101	143,013,833	152,150,125	126,238,571	159,390,429	140,330,173	108,202,716	110,113,252	116,170,342	89,484,226
<b>Total</b>	<b>\$ 131,872,101</b>	<b>\$ 143,013,833</b>	<b>\$ 152,150,125</b>	<b>\$ 126,238,571</b>	<b>\$ 159,390,429</b>	<b>\$ 140,330,173</b>	<b>\$ 108,202,716</b>	<b>\$ 110,113,252</b>	<b>\$ 116,170,342</b>	<b>\$ 89,484,226</b>
Town's covered payroll	\$ 39,944,050	\$ 39,949,417	\$ 38,934,370	\$ 37,489,453	\$ 36,755,966	\$ 36,131,492	\$ 35,521,574	\$ 34,901,983	\$ 33,640,478	\$ 33,261,768
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	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

**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 for 6/30/2024 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

**Required Supplementary Information - unaudited**  
**Schedule of Investment Returns - OPEB Trusts**  
**Last Nine Fiscal Years**

	Fiscal Year								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment income for:									
Town	14.23%	15.04%	13.07%	-12.07%	32.57%	-0.71%	5.33%	6.65%	13.15%
Police	12.62%	14.44%	12.41%	-10.70%	24.42%	-0.60%	4.76%	5.24%	10.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Required Supplementary Information - unaudited**  
**Schedule of Changes in the Town's Net OPEB Liability and Related Ratios (in 1,000's)**  
**Last Nine Fiscal Years**

Changes in Net OPEB Liability	Town									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Total OPEB liability:										
Service cost	\$ 308	\$ 323	\$ 325	\$ 503	\$ 457	\$ 423	\$ 378	\$ 400	\$ 424	
Interest on total OPEB liability	716	668	633	446	453	695	723	734	631	
Effect of plan changes	-	-	-	-	-	257	-	-	-	
Effect of economic/demographic gains or (losses)	(1)	864	-	(303)	-	(331)	-	(1,241)	(1,922)	
Effect of assumption changes or inputs	(1,914)	(842)	494	(2,237)	107	442	835	(948)	-	
Benefit payments	(1,100)	(1,035)	(1,049)	(934)	(930)	(824)	(751)	(734)	(772)	
<b>Net change in total OPEB liability</b>	<b>(1,991)</b>	<b>(22)</b>	<b>403</b>	<b>(2,525)</b>	<b>87</b>	<b>662</b>	<b>1,185</b>	<b>(1,789)</b>	<b>(1,639)</b>	
Total OPEB liability, beginning	18,457	18,479	18,076	20,601	20,514	19,852	18,667	20,456	22,095	
<b>Total OPEB liability ending (a)</b>	<b>16,466</b>	<b>18,457</b>	<b>18,479</b>	<b>18,076</b>	<b>20,601</b>	<b>20,514</b>	<b>19,852</b>	<b>18,667</b>	<b>20,456</b>	
Fiduciary net position:										
Employer contributions	\$ 1,100	\$ 1,035	\$ 1,049	\$ 934	\$ 930	\$ 825	\$ 750	\$ 734	\$ 772	
Member contributions	-	-	-	-	-	-	-	-	-	
Investment income net of investment expenses	121	115	90	(97)	202	(5)	33	39	70	
Benefit payments	(1,100)	(1,035)	(1,049)	(934)	(930)	(825)	(750)	(734)	(772)	
Administrative expenses	(8)	(25)	(23)	(8)	(22)	(8)	(21)	(8)	(7)	
<b>Net change in plan fiduciary net position</b>	<b>113</b>	<b>90</b>	<b>67</b>	<b>(105)</b>	<b>180</b>	<b>(13)</b>	<b>12</b>	<b>31</b>	<b>63</b>	
Fiduciary net position, beginning	857	767	700	805	625	638	626	595	532	
<b>Fiduciary net position, ending (b)</b>	<b>970</b>	<b>857</b>	<b>767</b>	<b>700</b>	<b>805</b>	<b>625</b>	<b>638</b>	<b>626</b>	<b>595</b>	
<b>Net OPEB liability, ending = (a) - (b)</b>	<b>\$ 15,496</b>	<b>\$ 17,600</b>	<b>\$ 17,712</b>	<b>\$ 17,376</b>	<b>\$ 19,796</b>	<b>\$ 19,889</b>	<b>\$ 19,214</b>	<b>\$ 18,041</b>	<b>\$ 19,861</b>	
Fiduciary net position as a % of total OPEB liability	5.89%	4.64%	4.15%	3.87%	3.91%	3.05%	3.21%	3.35%	2.91%	
Covered payroll	\$ 44,524	\$ 44,524	\$ 49,964	\$ 49,964	\$ 48,101	\$ 48,101	\$ 44,717	\$ 44,717	\$ 37,814	
Net OPEB liability as a % of covered payroll	34.80%	39.53%	35.45%	34.78%	41.15%	41.35%	42.97%	40.34%	52.52%	

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

## RSI-6 (Cont.)

Changes in Net OPEB Liability	Police									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Total OPEB liability:										
Service cost	\$ 501	\$ 532	\$ 509	\$ 644	\$ 593	\$ 537	\$ 516	\$ 528	\$ 612	
Interest on total OPEB liability	479	387	356	243	241	440	451	442	366	
Effect of plan changes	-	-	-	-	-	-	-	-	-	
Effect of economic/demographic gains or (losses)	1	1,844	-	92	-	(2,204)	-	(867)	-	
Effect of assumption changes or inputs	(1,343)	(603)	248	(1,414)	51	(27)	434	(311)	(905)	
Benefit payments	(537)	(579)	(599)	(617)	(537)	(473)	(503)	(468)	(495)	
<b>Net change in total OPEB liability</b>	<b>(899)</b>	<b>1,581</b>	<b>514</b>	<b>(1,052)</b>	<b>348</b>	<b>(1,727)</b>	<b>898</b>	<b>(676)</b>	<b>(422)</b>	
Total OPEB liability, beginning	11,945	10,364	9,850	10,902	10,554	12,281	11,383	12,059	12,481	
<b>Total OPEB liability ending (a)</b>	<b>11,046</b>	<b>11,945</b>	<b>10,364</b>	<b>9,850</b>	<b>10,902</b>	<b>10,554</b>	<b>12,281</b>	<b>11,383</b>	<b>12,059</b>	
Fiduciary net position:										
Employer contributions	\$ 578	\$ 627	\$ 611	\$ 629	\$ 543	\$ 497	\$ 500	\$ 505	\$ 505	
Member contributions	65	66	77	68	64	64	60	54	54	
Investment income net of investment expenses	146	135	96	(79)	143	(3)	20	17	25	
Benefit payments	(537)	(580)	(599)	(617)	(537)	(473)	(502)	(468)	(496)	
Administrative expenses	(8)	(17)	(15)	(8)	(19)	(7)	(16)	(9)	(8)	
<b>Net change in plan fiduciary net position</b>	<b>244</b>	<b>231</b>	<b>170</b>	<b>(7)</b>	<b>194</b>	<b>78</b>	<b>62</b>	<b>99</b>	<b>80</b>	
Fiduciary net position, beginning	1,115	884	714	721	527	450	388	289	209	
<b>Fiduciary net position, ending (b)</b>	<b>1,359</b>	<b>1,115</b>	<b>884</b>	<b>714</b>	<b>721</b>	<b>528</b>	<b>450</b>	<b>388</b>	<b>289</b>	
<b>Net OPEB liability, ending = (a) - (b)</b>	<b>\$ 9,687</b>	<b>\$ 10,830</b>	<b>\$ 9,480</b>	<b>\$ 9,136</b>	<b>\$ 10,181</b>	<b>\$ 10,026</b>	<b>\$ 11,831</b>	<b>\$ 10,995</b>	<b>\$ 11,770</b>	
Fiduciary net position as a % of total OPEB liability	12.30%	9.34%	8.53%	7.25%	6.62%	5.00%	3.66%	3.41%	2.40%	
Covered payroll	\$ 3,326	\$ 3,326	\$ 3,609	\$ 3,609	\$ 4,064	\$ 4,064	\$ 4,465	\$ 4,465	\$ 2,990	
Net OPEB liability as a % of covered payroll	291.20%	325.57%	262.66%	253.12%	250.53%	246.73%	264.99%	246.25%	393.61%	

**Required Supplementary Information - unaudited**  
**Schedule of the Town's Proportionate Share of the Net OPEB Liability -**  
**Teachers' Retiree Health Plan**  
**Last Eight Fiscal Years**

Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018
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	27,051,502	13,398,432	13,324,861	13,753,461	23,773,088	21,885,283	21,630,403	28,341,917
<b>Total</b>	<b>\$ 27,051,502</b>	<b>\$ 13,398,432</b>	<b>\$ 13,324,861</b>	<b>\$ 13,753,461</b>	<b>\$ 23,773,088</b>	<b>\$ 21,885,283</b>	<b>\$ 21,630,403</b>	<b>\$ 28,341,917</b>
Town's covered payroll	\$ 39,944,050	\$ 39,949,417	\$ 38,934,370	\$ 37,489,453	\$ 36,755,966	\$ 36,131,492	\$ 33,502,384	\$ 34,902,001
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	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which

**Notes to Schedule**

Changes in benefit terms	None
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; 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; and Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.
Changes of assumptions	None
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Fair value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.50%

Notes:

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

**Required Supplementary Information - unaudited**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2025**

	Original	Revised Final	Actual Budgetary Basis	Variance With Final Budget
<b>Revenues:</b>				
Property taxes, interest and lien fees	\$ 110,479,342	\$ 110,479,342	\$ 111,473,010	\$ 993,668
Charges for services	3,814,720	3,814,720	4,298,347	483,627
Intergovernmental	19,109,964	19,109,964	18,842,628	(267,336)
Interest and dividend income	3,010,000	3,010,000	3,040,158	30,158
Other local income	245,000	245,000	290,816	45,816
<b>Total revenues</b>	<b>136,659,026</b>	<b>136,659,026</b>	<b>137,944,959</b>	<b>1,285,933</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration and finance	16,721,210	16,927,910	16,554,705	373,205
Planning and development	480,199	451,099	412,904	38,195
Public safety	9,617,284	9,637,184	9,462,601	174,583
Public works	7,889,188	7,839,088	7,597,033	242,055
Public health	638,735	638,735	636,556	2,179
Social services	1,215,715	1,221,815	1,221,566	249
Cultural services	2,181,547	2,153,047	2,091,111	61,936
Leisure services	915,695	885,489	820,534	64,955
Education	89,542,609	89,542,609	89,532,348	10,261
Contingency	125,000	-	-	-
Debt service	9,221,592	9,221,592	9,221,592	-
<b>Total expenditures</b>	<b>138,548,774</b>	<b>138,518,568</b>	<b>137,550,950</b>	<b>967,618</b>
<b>Revenues over (under) expenditures</b>	<b>(1,889,748)</b>	<b>(1,859,542)</b>	<b>394,009</b>	<b>2,253,551</b>
<b>Other financing sources (uses):</b>				
Cancellation of prior year encumbrances	305,000	305,000	124,298	(180,702)
Transfers in	739,542	739,542	739,542	-
Transfers out	(1,404,794)	(1,435,000)	(1,435,000)	-
<b>Net other financing sources (uses)</b>	<b>(360,252)</b>	<b>(390,458)</b>	<b>(571,160)</b>	<b>(180,702)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses before utilization of fund balance</b>	<b>(2,250,000)</b>	<b>(2,250,000)</b>	<b>(177,151)</b>	<b>2,072,849</b>
Utilization of fund balance	2,250,000	2,250,000	-	(2,250,000)
<b>Excess of revenues and other financing sources over expenditures and other financing uses after utilization of fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(177,151)</b>	<b>\$ (177,151)</b>
Budgetary fund balance, July 1, 2024			19,685,558	
Budgetary fund balance, June 30, 2025			<u>\$ 19,508,407</u>	

## Town of Cheshire, Connecticut

### Note to Required Supplementary Information - unaudited

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#### Note 1. Budgets and Budgetary Accounting

The Town's budget policies for the General Fund, the Water Pollution Control Fund, and the Cheshire Community Pool Fund are as follows:

- A. Each department, office, board or commission of the Town, including the Board of Education, shall submit to the Town Manager a detailed estimate of the expenditures and anticipated revenues by February 15.
- B. On or before March 10, the Town Manager submits a balanced budget and budget message to the Town Council based upon requests submitted by the various Town departments.
- C. By March 24, the Town Council submits the proposed operating budget to one or more public hearings, at which elector or taxpayer comments are obtained. A second public hearing is held prior to adoption. The budget includes proposed expenditures and the means of financing them. By April 30, the Town council must adopt an operating budget and fix a tax rate in mills and shall file it with the Town Clerk by May 10.
- D. The budget adopted by the Town Council is subject to one referendum by petition of at least 10% of the registered electors. The petition must be filed by May 20, and the Council must hold a referendum no later than June 20. If the budget is rejected at referendum, the Council has until June 27 to adopt a new budget and file it with the Town Clerk.
- E. The legal level of control for the General Fund, the level at which expenditures may not exceed appropriations, is at the department level within a function that includes departments, offices, projects, sub-functions, boards and commissions as prescribed by the Town Charter. The legal level of control is at the fund level for the Water Pollution Control Fund and the Cheshire Community Pool Fund.
- F. Management is not authorized to make budgetary transfers. The Town Council, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Additional appropriations up to \$250,000 may be approved by the Town Council. Additional appropriations that exceed \$250,000 but do not exceed \$500,000 may be approved by the Council following a public hearing. Those in excess of \$500,000 may be approved for referendum by the Council following a public hearing. There were additional appropriations from The Cheshire Community Pool fund balance of \$165,00 for electric and maintenance repairs. There were also additional appropriations from the Water Pollution Control Department fund balance of \$612,000, including \$475,000 for an emergency sewer main rupture, and \$137,000 for various increases in chemicals and program expenditures.
- G. The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- H. Formal budgetary integration is employed as a management control device during the year.

**Town of Cheshire, Connecticut**

**Note to Required Supplementary Information – unaudited (Continued)**

**Note 1. Budgets and Budgetary Accounting (Continued)**

- I. 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.

A reconciliation of General Fund revenues, expenditures and net other financing sources/uses, as presented in accordance with GAAP and as presented on the budgetary basis, is as follows:

	Revenues	Expenditures	Net Other Financing Sources/(Uses)	Fund Balance
General Fund, budgetary basis	\$ 137,944,959	\$ 137,550,950	\$ (571,160)	\$ 19,508,407
Accrued payroll	-	22,531	-	(314,624)
Adult Education Revenue	(3,729)		3,729	
Unrealized gain	437,711	-	-	(61,069)
State Teachers Retirement				
System on-behalf payments	13,180,409	13,180,409	-	-
Issuance of SBITAs	-	-	-	-
Issuance of Leases	-	33,648	33,648	-
Encumbrances:				
June 30, 2024	-	1,693,789	-	70,757
June 30, 2025	-	(1,260,571)	-	1,260,571
Cancellation of prior year encumbrances	-	-	(124,298)	-
Effect of GASB No. 54	853,978	1,339,541	335,000	53,257
Combined General Fund, GAAP basis	<u>\$ 152,413,328</u>	<u>\$ 152,560,297</u>	<u>\$ (323,081)</u>	<u>\$ 20,517,299</u>

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## ***Appendix B***

### ***Form of Opinion of Bond Counsel***

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## APPENDIX B – FORM OF OPINION OF BOND COUNSEL

April \_\_, 2026

Town of Cheshire  
84 South Main Street  
Cheshire, CT 06410

We have acted as Bond Counsel to the Town of Cheshire, Connecticut (the “Town”) in connection with the issuance by the Town of its \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2026 (the “Bonds”) dated April \_\_, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

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

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

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

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

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

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

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***

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## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.*

### **Continuing Disclosure Agreement**

This Continuing Disclosure Agreement (“Agreement”) is made as of April \_\_, 2026 by the Town of Cheshire, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2026, dated as of April \_\_, 2026 (the “Bonds”), for the benefit of the beneficial owners from time to time of the Bonds.

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

“Final Official Statement” means the official statement of the Issuer dated April \_\_, 2026 prepared in connection with the Bonds.

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

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

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

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

### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2026) as follows:

(i) Financial statements of the Issuer’s general fund and, any special revenue, capital projects and trust or agency funds for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

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

(A) amounts of the net taxable grand list applicable to the fiscal year,

- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total net debt as of the close of the fiscal year,
- (F) total direct debt and total net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

### **Section 3. Notice of Certain Events.**

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;

- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

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

#### **Section 6. Termination.**

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

#### **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer’s Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is Town Hall, 84 South Main Street, Cheshire, Connecticut 06410.

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

#### **Section 8. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer’s undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

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

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

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

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

TOWN OF CHESHIRE, CONNECTICUT

By: \_\_\_\_\_  
SEAN M. KIMBALL  
Town Manager

By: \_\_\_\_\_  
JAMES J. JASKOT  
Director of Finance & Treasurer

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***Appendix D***

***Notice of Sale***

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## APPENDIX D – NOTICE OF SALE

### NOTICE OF SALE

#### TOWN OF CHESHIRE, CONNECTICUT \$20,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026 BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF CHESHIRE, CONNECTICUT (the “Issuer”), until 12:00 (NOON) (E.T.) on WEDNESDAY,

APRIL 1, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$20,000,000 General Obligation Bonds, Issue of 2026, dated April 14, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on July 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2027	1,000,000	2037	1,000,000
2028	1,000,000	2038	1,000,000
2029	1,000,000	2039	1,000,000
2030	1,000,000	2040	1,000,000
2031	1,000,000	2041	1,000,000
2032	1,000,000	2042	1,000,000
2033	1,000,000	2043	1,000,000
2034	1,000,000	2044	1,000,000
2035	1,000,000	2045	1,000,000
2036	1,000,000	2046	1,000,000

The Bonds will bear interest commencing July 15, 2026 and semiannually thereafter on January 15 and July 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

#### **Optional Redemption**

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

<u>Redemption Date</u>	<u>Redemption Price</u>
July 15, 2033 and thereafter	100.0%

## **Nature of Obligation**

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

## **Bank Qualification**

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **Registration**

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

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

## **Record Date**

The record dates for the Bonds will be the last business day of June and December in each year.

## **Proposals**

Each bid must be for the entire \$20,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

## **Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

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

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

## CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

## Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

**Disclaimer.** Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY®** shall be responsible for a bidder’s failure to make a bid or for the proper operation of, or have any

liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

### **Delivery, Payment and Closing Requirements**

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

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about April 14, 2026 (the "Closing Date").

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

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

## **Bond Counsel Opinion**

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

## **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: [grybacki@pullcom.com](mailto:grybacki@pullcom.com) and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com) (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

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

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

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

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

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

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

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

***Competitive Sale Rule Met.*** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

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

Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

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

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

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

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

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

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

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

### **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated March 25, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

## **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF CHESHIRE, CONNECTICUT

SEAN M. KIMBALL  
Town Manager

JAMES J. JASKOT  
Director of Finance & Treasurer

March 25, 2026

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF CHESHIRE, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2026  
Dated April 14, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF CHESHIRE, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about April 14, 2026, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of April 1, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of \_\_\_\_\_, 2026.

[UNDERWRITER]

By: \_\_\_\_\_  
Name:  
Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, July 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2027	1,000,000		
2028	1,000,000		
2029	1,000,000		
2030	1,000,000		
2031	1,000,000		
2032	1,000,000		
2033	1,000,000		
2034	1,000,000		
2035	1,000,000		
2036	1,000,000		
2037	1,000,000		
2038	1,000,000		
2039	1,000,000		
2040	1,000,000		
2041	1,000,000		
2042	1,000,000		
2043	1,000,000		
2044	1,000,000		
2045	1,000,000		
2046	1,000,000		

**Schedule B to Issue Price Certificate**

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