

## PRELIMINARY OFFICIAL STATEMENT DATED JULY 23, 2025

### NEW MONEY ISSUE – Book-Entry-Only

**FITCH RATINGS:**  
**S&P GLOBAL RATINGS:**  
(See "Ratings" herein)

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

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

## TOWN OF GUILFORD, CONNECTICUT \$7,000,000 General Obligation Bonds, Issue of 2025 (Bank Qualified)

**Dated: Date of Delivery**

**Due: Serially, August 1, as shown below**

### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>	Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>
2027	\$ 370,000	%	%	401766***	2037	\$ 370,000	%	%	401766***
2028	370,000			401766***	2038	370,000			401766***
2029	370,000			401766***	2039	370,000			401766***
2030	370,000			401766***	2040	365,000			401766***
2031	370,000			401766***	2041	365,000			401766***
2032	370,000			401766***	2042	365,000			401766***
2033	370,000			401766***	2043	365,000			401766***
2034	370,000			401766***	2044	365,000			401766***
2035	370,000			401766***	2045	365,000			401766***
2036	370,000			401766***					

The \$7,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will be general obligations of the Town of Guilford, 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). Interest on the Bonds will be payable semiannually on February 1 and August 1, in each year until maturity, commencing February 1, 2026.

**The Bonds ARE subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).**

The Bonds will be issued by means of a book-entry-only transfer system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry-Only Transfer System" herein.)

The Registrar, Certifying Bank, Transfer, and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut.

The Bonds are being offered for sale in accordance with an official Notice of Sale dated July 23, 2025. Electronic bids via **PARITY®** for the Bonds will be received until 11:30 A.M. (E.T.) on Wednesday, July 30, 2025, at the Office of the First Selectman, 2<sup>nd</sup> Floor Conference Room, 31 Park Street, Guilford, Connecticut 06437, as described in the official Notice of Sale. (See Appendix D herein).

*The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that the Bonds in definitive form will be available for delivery in New York, New York on or about August 14, 2025.*

<sup>1</sup> Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Town of Guilford, Connecticut (the "Town"), to give any information or to make representations not contained in this Official Statement, 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. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

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 herein are subject to change without notice. Neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

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

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

This Official Statement is in a form "deemed final" by the Town for 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 through its EMMA system. The Town will enter into Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) certain annual financial information and operating data; (ii) timely notice of the occurrence of certain events, not in excess of ten (10) business days after 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 Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

**BOND COUNSEL**  
SHIPMAN & GOODWIN LLP  
*Hartford, Connecticut*  
*(860) 251-5000*

**MUNICIPAL ADVISOR**  
MUNISTAT SERVICES, INC.  
*Madison, Connecticut*  
*(203) 421-2880*

# TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Bond Issue Summary .....	i		
I. Securities Offered		V. Financial Information	
Introduction .....	1	Accounting Policies .....	23
Description of the Bonds .....	1	Basis of Accounting .....	23
Optional Redemption .....	1	Audit .....	23
Notice of Redemption .....	1	Certificate of Achievement for Excellence in	
Ratings .....	2	Financial Reporting .....	23
Authorization and Purpose .....	2	Budgetary Procedure .....	23
Availability of Continuing Disclosure Information ..	2	Employee Pension Systems .....	23
Cybersecurity .....	3	Other Post-Employment Benefits .....	25
Climate Change .....	3	Investment Policies and Procedures .....	27
Security and Remedies .....	3	Property Tax Revenues .....	28
Qualification for Financial Institutions .....	4	Intergovernmental Revenues .....	28
Book-Entry-Only Transfer System .....	4	Expenditures .....	29
Replacement Bonds .....	5	Comparative General Fund Operating Statement .....	30
DTC Practices .....	6	Comparative General Fund Balance Sheet .....	31
II. The Issuer		General Fund Equity .....	31
Description of the Town .....	7	Comparative General Fund Revenues and	
Form of Government .....	8	Expenditures .....	32
Municipal Officials .....	9	VI. Debt Summary	
Educational System .....	9	Principal Amount of Indebtedness .....	33
Educational Facilities .....	10	Combined Schedule of Long-Term Debt .....	34
School Enrollment .....	10	Schedule of General Fund Bonded Debt .....	35
Municipal Employment .....	11	Schedule of State of Connecticut Drinking Water	
Municipal Employees by Category .....	11	Fund State Revolving Fund Loan .....	36
Municipal Employees Bargaining Organizations .....	12	Computation of Statutory Debt Limitation .....	37
Guilford Economic Development .....	13	Debt Statement .....	38
III. Economic and Demographic Information		Current Debt Ratios .....	38
Population Trends .....	14	Historical Debt Statement .....	39
Age Distribution of the Population .....	14	Historical Debt Ratios .....	39
Educational Attainment .....	14	Outstanding Short-Term Indebtedness .....	39
Selected Wealth and Income Indicators .....	15	Mulberry Point Water Main Extension .....	40
Income Distribution .....	15	Capital Leases .....	40
Employment by Industry .....	15	Underlying Indebtedness .....	40
Major Employers .....	16	Legal Requirements for Approval of Borrowing .....	40
Unemployment Rate Statistics .....	16	Temporary Financing .....	40
Number and Value of Building Permits .....	17	School Projects .....	41
Housing Inventory .....	17	Capital Improvement Program .....	41
Owner Occupied Housing Values .....	17	Authorized But Unissued Debt .....	42
Age Distribution of Housing .....	18	Ratio of Debt Service to Total Expenditures and	
Breakdown of Land Use .....	18	Transfers out .....	42
IV. Tax Base Data		VII. Legal and Other Litigation	
Assessment Practices .....	19	Litigation .....	43
Tax Collection Procedure .....	19	Municipal Advisor .....	43
Motor Vehicle Property Tax Rate .....	19	Transcript and Closing Documents .....	43
Taxable Grand List .....	20	Concluding Statement .....	43
Largest Taxpayers .....	21		
Property Tax Levies and Collections .....	21	Appendix A – Audited Financial Statements	
Equalized Net Grand List .....	22	Appendix B – Form of Legal Opinion of Bond Counsel and	
		Tax Exemption	
		Appendix C – Form of Continuing Disclosure Agreement	
		Appendix D – Notice of Sale	

## BOND ISSUE SUMMARY

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*The information in this section is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	Wednesday, July 30, 2025 until 11:30 A.M. (E.T.)
<b>Location of Sale:</b>	Office of the First Selectman, Town of Guilford, Town Hall, 31 Park Street, Guilford, Connecticut 06437.
<b>Issuer:</b>	The Town of Guilford, Connecticut (the "Town").
<b>Issue:</b>	\$7,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	February 1 and August 1 in each year until maturity, commencing February 1, 2026.
<b>Principal Due Date:</b>	Annually on August 1, as shown on the cover page of the Official Statement.
<b>Purpose:</b>	Proceeds of the Bonds will be used to finance capital projects as authorized by the Board of Selectmen, Board of Finance and the voters of the Town at referenda or Town Meetings. (See "Authorization and Purpose" herein).
<b>Security:</b>	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. See "Security and Remedies" herein.
<b>Tax Exemption:</b>	See Appendix B - "Form of Legal Opinion of Bond Counsel and Tax Exemption".
<b>Bank Qualification:</b>	The Bonds <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Ratings:</b>	See "Ratings" herein.
<b>Optional Redemption:</b>	The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.
<b>Registrar, Transfer Agent, Certifying Bank and Paying Agent:</b>	U.S. Bank Trust Company, National Association, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP, Hartford, Connecticut, will act as Bond Counsel.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix C to this Official Statement.
<b>Delivery:</b>	It is expected that delivery of the Bonds in book-entry-only form to The Depository Trust Company will be made on or about August 14, 2025. Payment must be made in Federal Funds.
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Ms. Maryjane Malavasi, Finance Director, Town of Guilford, 31 Park Street, Guilford, Connecticut 06437, telephone (203) 453-8023.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William Lindsay, Managing Director, Telephone: 203-421-2880.

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices has been prepared by the Town of Guilford, Connecticut (the "Town"), in connection with the issuance and sale by the Town of \$7,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds"). All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon, and does not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion in Appendix B) and they make no representation that they have independently verified the same.

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the cover page of this Official Statement. Interest will be payable on February 1, 2026 and semiannually thereafter on August 1 and February 1 in each year until maturity and will be payable to the registered owners of the Bonds as of the fifteenth day of July and January in each year, or the preceding day if the fifteenth day is not a business day. A book-entry transfer system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein). The Registrar, Certifying Bank, Transfer and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut. The legal opinion for the Bonds will be rendered by Shipman & Goodwin LLP, of Hartford, Connecticut. (See Appendix B herein). The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

### OPTIONAL REDEMPTION

The Bonds maturing on or before August 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2033, at any time, either in whole or in part, in such amounts and in such order of maturity, but by lot within a maturity, as the Town may determine, at the redemption prices (expressed as a percentage of the par amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 1, 2033 and thereafter	100%

### NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least twenty (20) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. 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 such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the Depository Trust Company ("DTC") is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

If less than all 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 some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to the DTC, or a successor securities depository, or its DTC nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption (see "Book-Entry-Only Transfer System" herein for discussion of DTC and definitions of "Direct Participant", "Indirect Participant", and "Beneficial Owners"). Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds 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 Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town or be the responsibility of the Town, the Registrar or Paying Agent.

## RATINGS

The Bonds have been rated [ ] by Fitch Ratings ("Fitch") and [ ] by S&P Global Ratings ("S&P"). The ratings on certain outstanding bond issues have recently been affirmed as [ ] by Fitch and "AAA" by S&P. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from each rating agency at the following addresses: Fitch Ratings, 300 West 57<sup>th</sup> Street, New York, NY 10019, and S&P Global Ratings, 55 Water Street, New York, NY 10041. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such agencies if, in the judgment of such rating agencies, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the bonds of the Town, including the Bonds.

## AUTHORIZATION AND PURPOSE

**Authorization.** The Bonds were authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Guilford and certain bond resolutions adopted by the Town's Board of Selectmen, Board of Finance and approved by voters of the Town at referenda or Town Meeting.

**Purpose.** The proceeds of the Bonds will be used to finance the following projects for which bonds have been authorized to be issued:

Projects	Total Bond	Prior Bonds, Grants &	The Bonds	Authorized
	Authorization	Contributions		But Unissued
School Facility Improvements (2015-16).....	\$ 3,595,000	\$ 2,370,279	\$ 97,738	\$ 1,126,983
Road Reconstruction and Improvement Program (2017-18)...	1,047,000	791,809	138,700	116,491
School Facility Improvements (2017-18).....	3,464,999	2,162,015	1,065,367	237,617
Baldwin Middle School Security Upgrades (2017-18).....	660,000	-	295,445	364,555
School Facility Improvements (2018-19).....	3,650,000	2,672,123	633,616	344,261
School Facility Improvements (2019-20).....	3,005,000	2,511,585	493,415	-
School Facility Improvements (2021-22).....	6,172,609	3,754,824	1,050,308	1,367,477
School Facility Improvements (2022-23).....	3,885,391	521,898	3,225,411	138,082
<b>Total.....</b>	<b>\$ 25,479,999</b>	<b>\$ 14,784,533</b>	<b>\$ 7,000,000</b>	<b>\$ 3,695,466</b>

## AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town will enter into Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (collectively, the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events, not in excess of ten (10) business days after such 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 purchaser's obligation to purchase the Bonds shall be conditioned

upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). In the past five years, the Town has not failed to comply in any material respect with its undertakings under such agreements.

## **CYBERSECURITY**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including comprehensive policies and procedures relating to the security of the Town's government networks. Additionally, the Town purchases cybersecurity insurance, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

## **CLIMATE CHANGE**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town's location in southern Connecticut on the Long Island Sound increases its vulnerability to flooding. In addition to flooding, the Town faces other threats due to climate change, including 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 its operations and finances.

The Town has a long history of planning for the impacts of coastal flooding including the adoption of a Municipal Coastal Program in 2008, a Hazard Mitigation Plan in 2012 and a Community Coastal Resilience Plan (the "Coastal Resilience Plan") in 2014. The Hazard Mitigation Plan was combined into the South Central Region Council of Governments ("SCRCOG") Regional Hazard Mitigation Plan which was updated in 2018 and 2023. Additionally, the Town has formed a Hazard Mitigation Commission which meets quarterly to provide public outreach and develop action plans for mitigation projects. The Coastal Resilience Plan, developed in association with The Nature Conservancy and Yale University, was developed to address current and future social, economic and ecological resilience of the Town's shoreline to the impacts of sea level rise and anticipated increases in the frequency and severity of storm surge, coastal flooding, and erosion. The four basic steps of the Coastal Resilience Plan include: 1) generate awareness of coastal risks; 2) assess coastal risks and opportunities; 3) identify options or choices for addressing priority risks and vulnerabilities; and 4) develop and implement an action plan to put selected options or choices into place. The Coastal Resilience Plan was subsequently adopted by the Town's Planning and Zoning Commission as an amendment to the Town's 2015 Plan of Conservation and Development and was endorsed by the Board of Selectmen. Consistent with the measures outlined in the Coastal Resilience Plan, to date the Town has spent approximately \$1.3 million on flood mitigation projects on three (3) Town roads located in coastal areas of Town. Additionally, the Town has secured \$6.5 million in State of Connecticut Local Transportation Capital Improvement Program ("LOTICIP") funding for resiliency improvements on Falcon Road including reconstruction of the seawall and elevation changes. The Town has also obtained \$3.5 million in State funding for resiliency improvements at the Lake Quonnipaug Dam and the adjacent roadway. The Town, along with the neighboring Town of Branford, was also awarded a grant from the State of Connecticut's Department of Energy and Environmental Protection ("DEEP") for the Study and Development of a Management Plan for Route 146, a historically designated coastal road which runs along the shoreline in both Towns. The Town is in the process of completing its 2025 update to the Plan of Conservation and Development which includes a focus on coastal resiliency to address increasing climate challenges. To that end, as of June 30, 2024, the Town has reserved \$926,000 in Committed General Fund Balance for future coastal resilience study/projects as well as \$166,000 for disaster relief.

## **SECURITY AND REMEDIES**

The Bonds will be general obligations of the Town of Guilford, Connecticut, 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 of the Town. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without

limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, 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 **ARE** designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

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

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

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is



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

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

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

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

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

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the 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 nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

## **REPLACEMENT BONDS**

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

## **DTC PRACTICES**

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

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town of Guilford, first settled in 1639 and named on July 6, 1643, was the seventh town established in Connecticut. Today, the Town occupies a land area of approximately 47.7 square miles within New Haven County, and serves an estimated population of 22,037. Guilford is located in the southern part of Connecticut on Long Island Sound and is bounded on the east by Madison; on the north by Durham; and on the west by North Branford and Branford. It is strategically located within a two-hour drive of four major cities including Boston, New York City, Hartford and Providence. Interstate 95 and state highways 80, 146 and 1 (Boston Post Road) intersect the Town for east and west access, while state highway 77 provides north and south access. The Town is served by bus, air and Shoreline East rail service from the New Haven area.

The Town is primarily a middle to upper income suburban residential community comprised of single-family homes. The U.S. Census Bureau's 2023 American Community Survey reported Town residents as being slightly older and better educated than state averages. Most residents are employed in executive, professional, technical and managerial positions in New Haven, Hartford, Groton and in Fairfield County. The U.S. Census Bureau's 2023 American Community Survey reported the Town's per capita income as \$70,909 or approximately 130.3% of the state median and its median family income as \$156,217 or 130.2% of the state median.

For over one hundred years, Guilford has maintained a large summer residential community, who have been attracted to the Town's beaches, harbors and other natural resources. The Town has three public beaches, two on Long Island Sound and one on Lake Quonnipaug in North Guilford, as well as a nine-hole, par three golf course. The Town also owns recreation facilities that provide hiking, camping, picnicking and active recreation.

The Town's Plan of Conservation and Development (the "Plan") provides land use guidance policies for all Town agencies so that they may operate in a coordinated manner toward the Town's stated goals and objectives. The Planning and Zoning Commission and the Board of Selectmen are the agencies primarily responsible for adherence to the Plan. The Plan was originally created in 1978 and the most recent comprehensive revision was approved in 2016. Portions of the Plan have been updated in 2003, 2004, 2007, 2009 and 2015. The 2025 update to the plan is in draft form and will be presented to the public during a number of community workshops in the fall of calendar year 2025. The final is expected to be adopted in February 2026. In accordance with the draft Plan, the Town actively encourages acquisition of open space either through direct purchases or through the Guilford Conservation Land Trust.

The Town actively pursues economic development opportunities wherever possible, especially along the Boston Post Road/I-95 corridors and identified commercial/industrial zoned area. The Economic Development Department and the Economic Development Commission work with other land use commissions to properly zone and market significantly sized parcels of land for future mix-use development. See "Guilford Economic Development" herein for more information.

The Town Center, which includes the Town Green, is the principal symbol of the historic character of the Town. The Town Center, which is designated on the National Register of Historic Places, includes a mix of government buildings, churches, retail shops, restaurants and residences. The Town Green is the center of activity for local community events such as concerts, art and antique shows, and plays. The Guilford Arts Center annually hosts one of the largest arts and crafts festivals in New England on the Town Green. In addition to the many small businesses surrounding the Green, there are numerous banking institutions, including Bank of America, Citizen's Bank, Connex Credit Union, The Guilford Savings Bank, KeyBank and Webster Bank either on the Town Green or within a couple of blocks.

The Town provides a full range of services, including Public Safety, Public Works, Health and Welfare, Culture, Recreation and Education. Full-time police protection is provided by 39 full-time officers. Fire protection and paramedic service is provided by 44 career firefighters and 23 volunteer firefighters. All residential and commercial facilities' sewage is collected in individual septic systems. Water is provided by individual wells and the Connecticut Water Company.

Solid Waste removal is provided throughout the Town by private contractors. The Town operates a Waste Transfer Station with the Town of Madison for disposal of mixed solid waste and recyclables for residents who do not want to hire private contractors. The collected waste is compacted into refuse trailers and transported to a State licensed waste to energy plant operated by Reworld Waste. Under the terms of the five-year Agreement with Reworld Waste, the Town is only obligated to transport and pay for the waste received at the Transfer Station. Trash collected by private contractors may be delivered to the waste to energy plant but the Town has no obligations to pay for the disposal. For fiscal year 2025-26, the Town will pay a solid waste disposal fee that includes a tip fee of \$82.71 per ton, a transportation fee of \$13.75 per ton.

## **FORM OF GOVERNMENT**

The Town of Guilford operates under the provisions of its Charter, most recently revised on February 1, 2006 and the General Statutes of the State of Connecticut. The legislative body is the Town Meeting. The executive body is the Board of Selectmen, which consists of an elected First Selectman and four Selectmen. The First Selectman is the Chief Executive Officer of the Town. Election to the Board of Selectmen is for a four-year term. A seven-member Board of Finance is responsible for presenting fiscal operating budgets to the Annual Town Meeting. Board of Finance members are elected for four-year terms. A nine-member elected Board of Education is responsible for the operation of the school system. Members of the Board of Education are elected to four-year terms.

Other elected offices include Board of Assessment Appeals and Registrar of Voters. The Town Counsel, Assessor, Town Clerk, Tax Collector, Health Officer, Welfare Director, Finance Director and Town Planner are appointed by the Board of Selectmen.

The Charter provides for an annual Town Meeting for approval of the annual budget and for supplemental appropriations and bond authorizations which exceed certain amounts. (See "Legal Requirements for Approval of Borrowing" herein).

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## MUNICIPAL OFFICIALS

<b>Board of Selectmen</b>	<b>Term Expires</b>
Matthew T. Hoey III, First Selectman.....	2025
Louis Federici, Selectman.....	2025
Sandra J. Ruoff, Selectman.....	2025
Charles Havrda, Selectman.....	2025
Susan Renner, Selectman.....	2025
<b>Board of Finance</b>	
F. Michael Ayles, Chairman.....	2027
Meghan Scanlon.....	2027
Robert Hartmann, Jr.....	2027
Veronica Wallace.....	2025
Jonathan Trotta.....	2025
Jeffrey Beatty.....	2025
Amy Earls.....	2025
<b>Other Officials</b>	
Maryjane Malavasi, Finance Director/Treasurer.....	Appointed
Anna Dwyer, Town Clerk.....	Appointed
Deborah Milano, Tax Collector.....	Appointed
Paul Freeman Ed.D., Superintendent of Schools.....	Appointed
Attorney Peter Barrett, Town Counsel.....	Appointed

*Source: Town of Guilford, Selectmen's Office*

## EDUCATIONAL SYSTEM

The Town's school system consists of one school for pupils in grades Pre-K through 4; three schools for pupils in grades K through 4; one school for pupils in grades 5 to 6; one school for pupils in grades 7 to 8; and pupils in grades 9 through 12 attend the high school. The schools are governed by a nine-member Board of Education.

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## EDUCATIONAL FACILITIES

<b>School</b>	<b>Grades</b>	<b>Date Occupied</b>	<b>Additions/ Renovations</b>	<b>Enrollment 10/1/2024</b>	<b>Capacity <sup>1</sup></b>
A.W. Cox.....	K - 4	1967	1993, 2000	255	396
Melissa Jones.....	K - 4	1953	1962,69,71,93	265	440
Guilford Lakes.....	PK - 4	1959	1965,93	359	506
Calvin Leete.....	K - 4	1950	1962,69,93	213	352
Abraham Baldwin.....	5 - 6	1968	1991	463	550
Elizabeth Adams.....	7 - 8	1936	1956,69,75,93, 2005	478	638
Guilford High.....	9 - 12	2015	2015	1,009	1,296
Special Education & Vocational Agriculture.....				52	N/A
<b>Total</b>				<b>3,094</b>	<b>4,178</b>

<sup>1</sup> Internal changes have altered original capacity ratings.

Source: Town of Guilford, Office of the Superintendent of Schools.

## SCHOOL ENROLLMENT

<b>As of October 1</b>	<b>Pre-K-4</b>	<b>5 - 6</b>	<b>7 - 8</b>	<b>9 - 12</b>	<b>Out-Placed/ Special Education <sup>1</sup></b>	<b>Total</b>
2015	1,199	559	552	1,083	68	3,461
2016	1,152	578	534	1,123	62	3,449
2017	1,115	538	578	1,131	61	3,423
2018	1,115	502	579	1,096	65	3,357
2019	1,107	472	543	1,114	64	3,300
2020	1,012	468	493	1,106	59	3,138
2021	1,082	468	465	1,094	67	3,176
2022	1,113	468	486	1,049	63	3,179
2023	1,097	483	482	1,026	62	3,150
2024	1,092	463	478	1,009	52	3,094

  

<b>As of October 1</b>	<b>K-4 <sup>2</sup></b>	<b>5 - 6</b>	<b>7 - 8</b>	<b>9 - 12</b>	<b>Total</b>
2025	1,143	427	495	954	3,019
2026	1,145	469	483	973	3,070
2027	1,147	518	434	981	3,080
2028	1,164	504	477	967	3,112
2029	1,179	502	527	936	3,144

<sup>1</sup> Counts include students attending magnet schools, Sound School and Vo-Ag programs and Connecticut Public Schools Special Programs out of district.

<sup>2</sup> Projections do not include Pre-K.

Source: Town of Guilford, Office of the Superintendent of Schools.

## MUNICIPAL EMPLOYMENT

<b>Fiscal Year</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
General Government.....	210	211	201	202	201
Board of Education.....	570	573	560	568	532
<b>Total</b>	<b>780</b>	<b>784</b>	<b>761</b>	<b>770</b>	<b>733</b>

Source: Town of Guilford, Finance Department.

## MUNICIPAL EMPLOYEES BY CATEGORY

<b>General Government</b>	<b>Employees</b>
Assessor's Office .....	3.0
Building Department .....	3.0
Communications .....	5.0
Finance .....	8.0
Fire Department .....	44.0
Health Department .....	4.0
Social Services .....	4.0
Youth & Family Services .....	12.0
Library .....	11.0
Parks and Recreation .....	20.0
Planning and Zoning .....	5.0
Police Department .....	47.0
Public Works/Engineering .....	25.0
Selectman's Office .....	3.0
Human Resources .....	2.0
Tax Collector's Office.....	3.0
Town Clerk .....	3.0
Town Properties .....	5.0
General Government Subtotal .....	207.0
Non-general fund supported .....	3.0
General Government total .....	210
<b>Board of Education</b>	
Teachers .....	327.9
Secretaries and Aides .....	125.0
Custodial and Maintenance .....	34.0
Principals and Administration.....	23.0
Nurses/Therapists.....	10.0
Cafeteria .....	32.5
Technology Technicians .....	9.0
Parking/Security .....	8.5
Transportation .....	0.5
Board of Education subtotal .....	570.4
<b>Total Employees .....</b>	<b>780.4</b>

Source: Town of Guilford, Finance Department.

## MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

<b>General Government</b>	<b>Employees Represented</b>	<b>Contract Expiration</b>
Police Officers, Local 256, AFSCME Council 4, AFL-CIO .....	38	6/30/2025 <sup>1</sup>
International Association of Fire Fighters .....	41	6/30/2026
United Public Service Employees Union .....	7	6/30/2027
Teamsters, Chauffeurs, Warehousemen, and Helpers Local No. 443.....	21	6/30/2026
Guilford Employees Association.....	78	6/30/2027
Guilford Supervisors Association.....	14	6/30/2025 <sup>1</sup>
<b>Sub-Total General Government.....</b>	<b>199</b>	
Non-bargaining employees.....	11	N/A
<b>Total General Government.....</b>	<b>210</b>	
 <b>Board of Education</b>		
Guilford Council of Educational Administrators .....	17	6/30/2026
Guilford Education Association .....	328	6/30/2026
United Public Service Employees Union, Locat 424, Unit 88....	9	6/30/2025 <sup>1</sup>
UNITE HERE! Union Local 217.....	25	6/30/2027
Local 1303 Council #4 AFSCME, AFL-CIO .....	43	6/30/2025 <sup>1</sup>
United Public Service Employees Union, Locat 424, Unit 99....	90	6/30/2027
<b>Sub-Total Board of Education .....</b>	<b>512</b>	
Non-bargaining employees .....	58	N/A
<b>Total Board of Education .....</b>	<b>570</b>	
 <b>Total Town of Guilford .....</b>	 <b>780</b>	

<sup>1</sup> In negotiations.

Source: Town of Guilford, Human Resources Department.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee's organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either of 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 municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrefutable presumption that 15% of the municipal employer's 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 the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.



## GUILFORD ECONOMIC DEVELOPMENT

Guilford's central location between New York and Boston, combined with easy access to major highways, air and rail transportation, make it a desirable area for a wide assortment of businesses. The Town's proximity to New Haven, including Yale-New Haven Hospital, Yale University and biotech companies, brings a strong group of professionals to Guilford to live, shop, dine and explore. As a result, the Town continues to experience an increase in both commercial and residential development activity. New construction along with existing buildings undergoing a transformation, are bringing a revitalization and energy to areas throughout the Town. Examples include the following:

***Restaurant Destination:*** In recent years several quality eateries have opened in Guilford, many around the green area complimenting the adjacent boutique shops. Char & Lemon is planned to open in fall 2025 on the corner of the Green offering large plate Italian and wood fired pizza on the menu. Guilford is fast becoming a restaurant destination with several eateries open seven days a week and seemingly busy all the time. There are white linen establishments, diners, fast food, and grab and go shops. Growth in this industry has added to the appeal and attraction of the Town. .

***Dunkin Donuts:*** At 1486 Boston Post Road, a new Dunkin Donuts restaurant with drive-thru is being constructed along with a 2-story building that will house a 1,600 sq. ft. retail space on the first floor and a 2-bedroom 1,000 sq. ft. residential apartment on the 2nd floor. The project is located in the Post Road Village 2 zone, and was approved in 2022 by the Planning and Zoning Commission. The site is located on the south side of Route 1 between Bishop's Orchards and the Exit 57 interchange area. Project is completed and is open.

***Target:*** A Target store is replacing the vacant Walmart in Shoreline Plaza in the central area of the Rte. 1 business district. Extensive renovations began in 2024 and it is expected to open in August 2025. The new Target is expected to create 100 jobs and will be an attraction bringing shoppers and additional commerce from the shoreline.

***State Street Commons:*** An approved 25-unit residential development is being constructed near the 1-95 overpass between Pinchbeck's Tree Farm and North Road. Each home will have 2-car garages, with a mixture of single-family dwellings as well as duplexes. The development is well underway, with ten of the completed units sold and deposits are anticipated on at least two more units.

***Guilford Commons Shopping Plaza:*** This plaza continues to add tenants to its four anchor tenants currently located in this plaza. (The Fresh Market, Michael's Arts & Crafts, Ulta, and DSW Shoes). The site has added Old Navy, Petco, Pure Barre, Panera Bread, Ivy Rehab, Mooyah Burgers, Spavia, T Mobile and TJ Maxx is expected to open in August 2025. Playa Bowls, a new eatery, opened in May 2025. All store fronts are occupied.

***The Residences at 66 High Street (formerly Clinipad):*** This project is a major upscale condominium development project consisting of a full renovation of a 130-year-old existing mill building and construction of three new buildings. This development is located just off of the historic Guilford Green and is within walking distance to the train station, the Town marina and local parks and beaches. The entire project consists of 53 residential units ranging in price from \$740,000 to over \$1,500,000. The initial phase of this project, the Mill Building, which includes 15 units, was completed during the first quarter of 2017. All 15 units have been sold and are occupied. Phase two, the Whitfield Building, consisting of 13 units, is completed with all units occupied. The developer kept the pent house top floor for his family, and moved into the 4,000+ sq. ft. unit. One unit was converted to an exercise center, adding this amenity for the entire complex. Construction of Phase three, the Leete Building, was completed during the first quarter of 2019. All of the 13 units have closed, with prices ranging from \$1.1 million to over \$1.9 million. A small swimming pool has been completed as another amenity. Phase four, the Chittenden building, was completed in calendar year 2024 and is now fully occupied.

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

Year	Town of Guilford	New Haven County	South Central Planning Region <sup>1</sup>	State of Connecticut
1970	12,033	744,948	n/a	3,032,217
1980	17,375	761,337	n/a	3,107,576
1990	19,848	804,219	n/a	3,287,116
2000	21,398	824,008	n/a	3,405,565
2023	22,037	n/a	568,158	3,598,348

<sup>1</sup> Starting with the 2019-23 American Community Survey, the county level area has been changed to reflect the South Central Planning Region.

Source: U.S. Census Bureau.

#### AGE DISTRIBUTION OF THE POPULATION

Age	Town of Guilford		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	793	3.6	28,336	5.0	181,240	5.0
5 - 9.....	1,324	6.0	28,509	5.0	195,390	5.4
10 - 14.....	1,581	7.2	32,419	5.7	217,297	6.0
15 - 19.....	1,525	6.9	39,901	7.0	238,145	6.6
20 - 24.....	802	3.6	39,981	7.0	233,423	6.5
25 - 34.....	1,059	4.8	74,615	13.1	449,771	12.5
35 - 44.....	2,421	11.0	70,860	12.5	451,461	12.5
45 - 54.....	3,133	14.2	67,377	11.9	462,543	12.9
55 - 59.....	1,764	8.0	33,575	5.9	260,758	7.2
60 - 64.....	1,861	8.4	43,737	7.7	257,548	7.2
65 - 74.....	3,079	14.0	62,469	11.0	376,023	10.4
75 - 84.....	1,949	8.8	32,308	5.7	187,378	5.2
85 and over...	746	3.4	14,071	2.5	87,371	2.4
<b>Total</b>	<b>22,037</b>	<b>100.0</b>	<b>568,158</b>	<b>100.0</b>	<b>3,598,348</b>	<b>100.0</b>
Median Age.....		50.7		40.5		41.2

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

#### EDUCATIONAL ATTAINMENT

Educational Attainment Group	Town of Guilford		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	49	0.3	14,954	3.8	101,530	4.0
9th to 12th grade.....	310	1.9	18,123	4.6	118,019	4.7
High School graduate.....	2,745	17.1	110,944	28.0	647,094	25.5
Some college, no degree.....	2,444	15.3	61,963	15.6	410,591	16.2
Associates degree.....	1,240	7.7	27,918	7.0	193,216	7.6
Bachelor's degree.....	4,519	28.2	84,323	21.2	581,935	23.0
Graduate or professional degree.....	4,705	29.4	78,700	19.8	480,468	19.0
<b>Total</b>	<b>16,012</b>	<b>100.0</b>	<b>396,925</b>	<b>100.0</b>	<b>2,532,853</b>	<b>100.0</b>
Percent of High School Graduates		97.8%		91.7%		91.4%
Percent of College Graduates		57.6%		41.1%		42.0%

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

## SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2023)	(2000)	(2023)
Town of Guilford.....	\$ 87,045	\$156,217	\$37,161	\$ 70,909
New Haven County.....	60,549	n/a	24,439	n/a
South Central Planning Region .....	n/a	104,757	n/a	45,854
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

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

## INCOME DISTRIBUTION

	Town of Guilford		South Central Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	43	0.7	5,467	3.9	22,973	2.5
\$10,000 to \$14,999.....	37	0.6	1,497	1.1	12,547	1.4
\$15,000 to \$24,999.....	248	3.8	4,734	3.4	29,893	3.3
\$25,000 to \$34,999.....	35	0.5	6,841	4.9	35,598	3.9
\$35,000 to \$49,999.....	376	5.8	11,400	8.1	61,793	6.7
\$50,000 to \$74,999.....	708	10.9	17,602	12.6	108,046	11.8
\$75,000 to \$99,999.....	520	8.0	18,845	13.4	108,216	11.8
\$100,000 to \$149,999...	1,170	18.0	26,749	19.1	185,242	20.2
\$150,000 to \$199,999...	1,091	16.8	18,757	13.4	128,574	14.0
\$200,000 or more.....	2,263	34.9	28,251	20.2	224,258	24.5
<b>Total</b>	<b>6,491</b>	<b>100.0</b>	<b>140,143</b>	<b>100.0</b>	<b>917,140</b>	<b>100.0</b>

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

## EMPLOYMENT BY INDUSTRY

Employment Sector	Town of Guilford		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining...	10	0.1	385	0.1	7,261	0.4
Construction.....	941	9.0	16,614	5.6	112,821	6.1
Manufacturing.....	1,154	11.0	27,994	9.4	195,355	10.6
Wholesale Trade.....	186	1.8	3,819	1.3	37,294	2.0
Retail Trade.....	1,070	10.2	27,619	9.3	192,535	10.5
Transportation, Warehousing & Utilities.....	302	2.9	15,268	5.1	84,571	4.6
Information.....	265	2.5	5,936	2.0	36,631	2.0
Finance, Insurance & Real Estate.....	854	8.2	17,482	5.9	162,724	8.9
Professional, Scientific & Management.....	1,135	10.8	30,538	10.3	223,982	12.2
Educational Services & Health Care.....	3,086	29.5	110,011	37.0	490,839	26.7
Arts, Entertainment, Recreation & Food Services...	519	5.0	21,860	7.4	145,445	7.9
Other Service (including nonprofit).....	352	3.4	11,834	4.0	78,662	4.3
Public Administration.....	594	5.7	7,978	2.7	67,335	3.7
<b>Total</b>	<b>10,468</b>	<b>100.0</b>	<b>297,338</b>	<b>100.0</b>	<b>1,835,455</b>	<b>100.0</b>

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

## MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employees
Town of Guilford.....	Municipality.....	780
Yale New Haven Health Home Care.....	Home Health Care Provider.....	250
Yale New Haven Shoreline Medical Center....	Hospital.....	195
Apple Rehab.....	Rehabilitation Facility.....	174
Brook & Whittle.....	Manufacturing - Labels.....	161
American Cruise Lines.....	Cruise Line Headquarters.....	127
Moroso Performance Products.....	Manufacturing - Auto Parts.....	103
Ascend Bank.....	Community Bank.....	98
Rea Magnet Wire.....	Manufacturing - Magnet Wire.....	80
Big Y Supermarket.....	Retail Sales.....	82
Bishop Orchards Farm Market.....	Retail Sales.....	78
George Schmitt Printing.....	Manufacturing - Labels.....	68
Defibtech .....	Manufacturing - Defibulators.....	67
<b>Total</b>		<b>2,263</b>

Source: Town of Guilford.

## UNEMPLOYMENT RATE STATISTICS

By Place of Residence – Not Seasonally Adjusted

Period	Town of Guilford		Percentage Unemployed		
	Employed <sup>1</sup>	Unemployed <sup>1</sup>	Town of Guilford (%) <sup>1</sup>	New Haven Labor Market (%) <sup>1</sup>	State of Connecticut (%) <sup>1</sup>
June 2025.....	11,133	303	2.6	3.4	3.4
May 2025.....	11,093	357	3.1	3.9	4.0
April 2025.....	11,178	315	2.7	3.4	3.4
March 2025.....	11,035	369	3.2	4.0	4.1
February 2025.....	11,018	385	3.4	4.3	4.5
January 2025.....	11,044	352	3.1	3.9	4.0
<b>Annual Average</b>					
2024.....	13,138	306	2.3	3.3	3.5
2023.....	12,956	353	2.7	3.5	3.8
2022.....	13,041	382	2.8	3.9	4.1
2021.....	12,213	486	3.8	6.1	6.4
2020.....	12,214	660	5.1	7.4	8.0
2019.....	12,971	323	2.4	3.5	3.6
2018.....	12,836	353	2.7	3.8	3.9
2017.....	12,752	382	2.9	4.4	4.4
2016.....	12,483	440	3.4	4.8	4.8
2015 .....	12,346	507	3.9	5.6	5.6

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

Source: State of Connecticut, Department of Labor.

## NUMBER AND VALUE OF BUILDING PERMITS

<b>Fiscal Year</b>	<b>Value</b>	<b>Permits</b>
2025 <sup>1</sup>	\$ 54,503,153	2,650
2024	58,256,920	2,178
2023	50,083,040	2,546
2022	62,745,500	2,712
2021	49,427,620	2,503
2020	32,994,770	2,200
2019	48,216,390	1,883
2018	46,850,733	1,747
2017	43,150,192	1,996
2016	47,142,906	1,865

<sup>1</sup> As of June 30, 2025.

Source: Town of Guilford, Building Department

## HOUSING INVENTORY

<b>Type</b>	<b>Units</b>	<b>Percent</b>
1-unit detached .....	8,326	85.2
1-unit attached .....	383	3.9
2 to 4 units .....	345	3.5
5 to 9 units .....	308	3.2
10 or more units .....	380	3.9
Mobile home, trailer, other .....	31	0.3
<b>Total Inventory</b>	<b>9,773</b>	<b>100.0</b>

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

## OWNER OCCUPIED HOUSING VALUES

<b>Value of Owner Occupied Units</b>	<b>Town of Guilford</b>		<b>South Central Planning Region</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	94	1.3	5,183	3.8	22,174	2.4
\$50,000 to \$99,999.....	26	0.3	1,317	1.0	15,116	1.6
\$100,000 to \$149,999.....	45	0.6	4,817	3.5	38,832	4.1
\$150,000 to \$199,999.....	90	1.2	7,429	5.4	77,152	8.2
\$200,000 to \$299,999.....	562	7.5	33,398	24.4	233,824	24.9
\$300,000 to \$499,999.....	3,058	41.1	54,017	39.4	319,703	34.0
\$500,000 to \$999,999.....	2,968	39.8	26,415	19.3	173,643	18.5
\$1,000,000 or more.....	605	8.1	4,414	3.2	59,468	6.3
<b>Total</b>	<b>7,448</b>	<b>100.0</b>	<b>136,990</b>	<b>100.0</b>	<b>939,912</b>	<b>100.0</b>
<b>Median Value</b>	\$491,300		\$349,200		\$343,200	

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

## AGE DISTRIBUTION OF HOUSING

<b>Year Structure Built</b>	<b>Town of Guilford</b>		<b>South Central Planning Region</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Built 2020 or later.....	19	0.2	1,696	0.7	6,350	0.4
Built 2010 to 2019.....	354	3.6	9,256	3.7	66,546	4.3
Built 2000 to 2009.....	518	5.3	14,232	5.7	108,430	7.1
Built 1990 to 1999.....	827	8.5	15,512	6.2	116,617	7.6
Built 1980 to 1989.....	1,993	20.4	33,030	13.3	197,533	12.9
Built 1970 to 1979.....	1,797	18.4	31,196	12.5	210,611	13.7
Built 1960 to 1969.....	1,455	14.9	28,203	11.3	198,807	12.9
Built 1950 to 1959.....	1,169	12.0	40,082	16.1	221,879	14.4
Built 1940 to 1949.....	447	4.6	16,045	6.4	95,842	6.2
Built 1939 or earlier.....	1,194	12.2	59,848	24.0	313,434	20.4
<b>Total housing units</b>	<b>9,773</b>	<b>100.0</b>	<b>249,100</b>	<b>100.0</b>	<b>1,536,049</b>	<b>100.0</b>

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

## BREAKDOWN OF LAND USE

<b>Land Use Class</b>	<b>Number of</b>		<b>Percent of Total Area</b>
	<b>Parcels</b>	<b>Acres</b>	
Agricultural.....	63	1,522	5.0%
Commercial.....	204	420	1.4%
Industrial.....	36	222	0.7%
Institutional.....	21	72	0.2%
Island.....	20	13	0.0%
Marine Commercial.....	7	39	0.1%
Mixed Use.....	18	12	0.0%
Open Space.....	455	6,734	22.1%
Private Institutional.....	45	441	1.4%
Private Open Space & Recreation	64	628	2.1%
Residential.....	8,902	13,048	42.9%
Right of Way.....	54	1,558	5.1%
Regional Water Authority.....	27	3,281	10.8%
Utility.....	20	60	0.2%
Vacant.....	725	2,107	6.9%
Water.....	18	268	0.9%
<b>Total</b>	<b>10,679</b>	<b>30,425</b>	<b>100.0%</b>

Source: Town of Guilford, Plan of Conservation and Development, 2015.

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## **IV. TAX BASE DATA**

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### **ASSESSMENT PRACTICES**

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real, personal property and motor vehicles located within the Town on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

The Town last completed a general revaluation for the grand list dated October 1, 2022, effective fiscal year 2023-24. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

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

For assessment years commencing on or after October 1, 2024, assessments for motor vehicles are computed at 70% of the vehicle's depreciated manufacturer's suggested retail price ("MSRP") pursuant to Section 12-63(7) of the Connecticut General Statutes.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

### **TAX COLLECTION PROCEDURE**

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1, respectively, become delinquent and interest will accrue at the rate of 1.5% per month (18% per annum). Outstanding real estate tax accounts are automatically lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense accounts after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

### **MOTOR VEHICLE PROPERTY TAX RATE**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 to October 1, 2020, inclusive, the mill rate for motor vehicles shall not exceed 45 mills, and (3) for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year 2025-2026 is 27.65.

For the fiscal year ending June 30, 2022, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2020, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills. For the fiscal year ending June 30, 2023, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32.46 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32.46 mills, shall be made in an amount equal to the difference between the amount of property

taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2021, and each assessment year thereafter, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 32.46 mills.

### TAXABLE GRAND LIST

**(\$ in Thousands)**

<b>Grand List Dated</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Motor Vehicle Property</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemption</b>	<b>Net Taxable Grand List</b>
10/01/24	\$3,799,170	\$156,753	\$263,484	\$4,219,407	\$37,340	\$4,182,067
10/01/23	3,795,492	146,108	270,617	4,212,217	39,743	4,172,474
10/01/22 <sup>1</sup>	3,777,350	140,810	284,277	4,202,437	39,324	4,163,113
10/01/21	2,754,872	132,900	266,351	3,154,123	33,263	3,120,860
10/01/20	2,753,870	128,478	210,986	3,093,334	29,265	3,064,069
10/01/19	2,736,816	116,508	199,368	3,052,692	27,422	3,025,270
10/01/18	2,724,858	91,341	194,858	3,011,057	23,437	2,987,620
10/01/17 <sup>1</sup>	2,707,736	99,200	189,488	2,996,424	24,505	2,971,919
10/01/16	2,831,993	92,208	188,610	3,112,811	24,481	3,088,330
10/01/15	2,829,254	82,567	185,935	3,097,756	22,824	3,074,932

<sup>1</sup> Revaluation.

**(\$ in Thousands)**

<b>Grand List Dated</b>	<b>Residential Property</b>	<b>Industrial &amp; Commercial Property</b>	<b>Other Property</b>	<b>Total Real Property</b>
10/01/24	\$ 3,471,135	\$ 282,799	\$ 45,236	\$ 3,799,170
10/01/23	3,455,729	291,671	48,092	3,795,492
10/01/22 <sup>1</sup>	3,439,166	291,058	47,126	3,777,350
10/01/21	2,495,156	238,104	21,612	2,754,872
10/01/20	2,482,227	250,081	21,562	2,753,870
10/01/19	2,468,181	246,976	21,659	2,736,816
10/01/18	2,452,390	247,345	25,123	2,724,858
10/01/17 <sup>1</sup>	2,443,640	241,389	22,707	2,707,736
10/01/16	2,583,176	227,077	21,740	2,831,993
10/01/15	2,574,988	233,323	20,943	2,829,254

<sup>1</sup> Revaluation.

Source: Town of Guilford Finance Department; Assessor's Office.

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## LARGEST TAXPAYERS

		Grand List of October 1, 2024		
Name of Taxpayer	Nature of Property	Taxable Value	Rank	Percent of Total
Eversource Energy.....	Utility.....	\$ 45,764,770	1	1.09%
HRP Guilford LLC.....	Real Estate.....	20,635,240	2	0.49%
Guilford Healthcare Investors LLC.....	Real Estate.....	14,927,150	3	0.36%
Brook & Whittle LTC.....	Real Estate.....	14,130,260	4	0.34%
Winterfell Gables (CT) Owner LLC....	Real Estate.....	11,616,710	5	0.28%
Yale New Haven Hospital.....	Real Estate.....	8,732,600	6	0.21%
NPNC LLC.....	Real Estate.....	8,078,420	7	0.19%
2455 Boston Post Road Assoc LLC....	Real Estate.....	7,798,350	8	0.19%
CT Water Co Inc.....	Utility.....	7,620,170	9	0.18%
Shoreline Plaza LLC.....	Real Estate.....	5,747,980	10	0.14%
<b>Total</b>		<b>\$145,051,650</b>		<b>3.47%</b>

Source: Town of Guilford, Assessor's Office.

## PROPERTY TAX LEVIES AND COLLECTIONS

Grand List Dated	Fiscal Year Ending 30-Jun	Net Taxable Grand List (\$000)	Total Tax Rate (In Mills)	Adjusted Tax Levy	Collected End of Each FY	Uncollected Taxes	
						Each FY	As of 6/30/2025 <sup>1</sup>
2024	2026 <sup>2</sup>	\$4,182,067	27.65	\$114,417,297	n/a	In process	In process
2023	2025 <sup>1</sup>	4,172,474	26.58	109,578,838	99.4 %	\$680,949	\$ 680,949
2022 <sup>3</sup>	2024	4,163,113	25.88	107,179,046	99.4	690,927	379,120
2021	2023	3,120,860	33.25	103,972,343	99.4	648,835	148,696
2020	2022	3,064,069	32.62	99,863,868	99.5	512,408	82,889
2019	2021	3,025,270	32.31	97,746,474	99.3	699,632	69,806
2018	2020	2,987,620	32.03	95,621,594	99.4	556,691	59,740
2017 <sup>3</sup>	2019	2,971,919	31.28	92,424,421	99.6	361,284	51,953
2016	2018	3,088,330	29.36	90,004,270	99.5	479,198	21,692
2015	2017	3,074,932	28.67	87,615,077	99.5	430,819	22,846

<sup>1</sup> Unaudited estimate.

<sup>2</sup> Adopted budget.

<sup>3</sup> Revaluation.

Source: Town of Guilford, Finance Department; Annual Financial Statements

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## EQUALIZED NET GRAND LIST

<b>Grand List of 10/1</b>	<b>Equalized Net Grand List</b>	<b>% Growth</b>
2023	\$ 7,157,011,466	20.27%
2022 <sup>1</sup>	5,950,793,614	-2.49%
2021	6,102,593,949	10.31%
2020	5,532,183,161	13.59%
2019	4,870,370,408	3.05%
2018	4,726,265,503	11.30%
2017 <sup>1</sup>	4,246,530,456	-7.26%
2016	4,579,186,937	2.25%
2015	4,478,517,998	1.00%
2014	4,434,076,490	1.98%

<sup>1</sup> Revaluation year. In the year of revaluation, the methodology utilized by the State of Connecticut to estimate the Equalized Net Grand List does include developing a ratio of actual property sale values to their individual assessed values as it does in non-revaluation years.

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

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## **V. FINANCIAL INFORMATION**

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### **ACCOUNTING POLICIES**

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

### **BASIS OF ACCOUNTING**

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

### **AUDIT**

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, currently CBIZ of Providence, Rhode Island, has been appointed by the Board of Finance, and is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2024, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by Clifton Larson Allen LLP, Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. Individuals wishing a complete document should contact the Director of Finance of the Town of Guilford, Connecticut.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Town of Guilford has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual report for fiscal years ending June 30, 1997 through June 30, 2023. The Town has applied for the Certificate of Achievement for its fiscal year ending June 30, 2024 annual report which is currently under review by the GFOA. 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 conforms to certain generally accepted formatting standards established for the Certificate Program.

### **BUDGETARY PROCEDURE**

The process of compiling the annual budget begins in December when guidelines are provided to individual Boards and Commissions. Budget requests are submitted in early January and a series of meetings are held with representatives of appropriate boards reviewing them. Sources of revenue other than property taxes are also analyzed. The Board of Finance makes preliminary budget determinations in March. They are presented at the Public Hearing in March for discussion and comment by residents. The Board of Finance then makes any adjustments it considers appropriate and approves a final budget plan which is presented at the Town Meeting in April. The 2025-26 budget was approved at referendum on April 8, 2025.

### **EMPLOYEE PENSION SYSTEMS**

The Town has three single employer defined benefit pension plans, the Town of Guilford Public Employees' Pension Plan, the Town of Guilford Police Retirement Plan and the Public School Employees' (Non-Certified) Pension Plan. All full-time employees, other than members of the State of Connecticut Teachers' Retirement System, Police Retirement Plan, Public Works employees covered under the Teamsters Union, and Non-certified school employees, were eligible to participate in the Town of Guilford Pension Plan. Town plans are trustee contributory pension plans funded annually in an amount recommended by an actuary. This amount includes normal cost plus interest on the initial past service.

Effective July 1, 2011, the Town established a new 401(a) Defined Contribution Plan for new hires of certain collective bargaining units. Over time, all three defined benefit pension plans were closed to new hires. The Guilford Public Employees' Pension Plan has been closed to new employees, depending on bargaining unit, effective July 1, 2011 and July 1, 2015. The Guilford Police Retirement Plan was closed to new employees effective January 1, 2014. The Public School Employees' (Non-

Certified) Pension Plan was closed to new employees, depending on bargaining unit, effective September 1, 2011, December 15, 2011, July 1, 2013, October 1, 2013 and December 1, 2014.

Management of the pension plans rests with a Pension Committee of not less than three nor more than five members who shall be appointed by the Board of Selectmen. Members of the Pension Committee shall serve for four-year terms. One of the Pension Committee members shall be designated Chairman by the Board of Selectmen.

In accordance with Government Accounting Standards Board's (GASB) Statement No. 67, the components of the net pension liability of the Town plans as of June 30, 2024 were as follows:

	<b>Town Employees' Pension Plan</b>	<b>Police Retirement Plan</b>	<b>Public School Employees' Pension Plan</b>
Total pension liability.....	\$ 44,597,372	\$ 35,815,510	\$ 18,717,209
Plan fiduciary net position.....	38,777,184	27,772,562	13,419,188
Net pension liability.....	<u>\$ 5,820,188</u>	<u>\$ 8,042,948</u>	<u>\$ 5,298,021</u>
Plan fiduciary net position as a % of total pension liability.....	86.95%	77.54%	71.69%

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

	<b>1% Decrease 4.75%</b>	<b>Current Discount Rate 5.75%</b>	<b>1% Increase 6.75%</b>
Town Employees' Pension Plan.....	\$ 11,281,998	\$ 5,820,188	\$ 1,257,527
Police Retirement Plan.....	12,269,362	8,042,948	4,541,010
Public School Employees' Pension Plan...	7,349,026	5,298,021	3,542,697

The following represents historic trend information of the Town's Plans:

#### Schedule of Funding Progress

<b>Plan Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<i>Town Employees' Pension Plan</i>						
2024	\$ 38,692,166	\$ 44,523,784	\$ 5,831,618	86.9%	\$ 4,690,513	124.3%
2023	36,697,370	43,050,060	6,352,690	85.2%	4,785,801	132.7%
2022	35,001,284	41,188,265	6,186,981	85.0%	5,111,099	121.0%
2021	32,895,301	39,601,235	6,705,934	83.1%	5,171,286	129.7%
2020	29,676,073	36,867,415	7,191,342	80.5%	4,815,540	149.3%

<b>Plan Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<i>Police Retirement Plan</i>						
2024	\$ 27,779,661	\$ 35,998,030	\$ 8,218,369	77.2%	\$ 1,541,152	533.3%
2023	27,177,607	35,600,511	8,422,904	76.3%	1,586,701	530.8%
2022	26,766,845	34,014,275	7,247,430	78.7%	1,752,103	413.6%
2021	26,093,052	33,058,446	6,965,394	78.9%	2,130,721	326.9%
2020	24,447,219	31,497,753	7,050,534	77.6%	1,941,176	363.2%
<i>Public School Employees' Pension Plan</i>						
2024	\$ 13,512,454	\$ 18,809,117	\$ 5,296,663	71.8%	\$ 2,705,299	195.8%
2023	13,156,056	18,684,645	5,528,589	70.4%	2,767,219	199.8%
2022	13,393,372	18,832,379	5,439,007	71.1%	3,142,011	173.1%
2021	13,757,750	19,174,269	5,416,519	71.8%	3,326,489	162.8%
2020	14,294,029	19,367,345	5,073,316	73.8%	3,774,841	134.4%

#### Schedule of Employer Contributions

<b>Fiscal Year Ended</b>	<b>Town Employees'</b>		<b>Police Retirement</b>		<b>Public Schools Employees'</b>	
	<b>Actuarially Determined Contribution</b>	<b>Percentage Contributed</b>	<b>Actuarially Determined Contribution</b>	<b>Percentage Contributed</b>	<b>Actuarially Determined Contribution</b>	<b>Percentage Contributed</b>
2026 <sup>1</sup>	\$1,047,621	100.0%	\$ 949,578	101.9%	\$ 824,944	100.0%
2025 <sup>2</sup>	1,106,698	100.0%	967,882	100.0%	838,015	100.0%
2024	1,114,082	102.7%	849,414	106.0%	850,780	102.4%
2023	1,155,462	100.0%	876,781	100.0%	867,181	100.0%
2022	1,243,616	100.0%	915,379	100.0%	887,241	100.4%
2021	1,142,823	100.0%	808,481	100.0%	859,869	100.0%

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimate.

Source: Actuarial Reports; Town of Guilford, Department of Finance.

For further information regarding Pension Plans, fund information and other relevant information, see "Appendix A" Notes to the Financial Statements, Note 4.

#### OTHER POST-EMPLOYMENT BENEFITS

The Town provides medical, dental and life insurance benefits to eligible retirees and their spouses in accordance with various union contracts. The plan covers Town, Police and Fire employees and certified personnel of the Board of Education. The Town previously funded such benefits on a pay-as-you-go basis, however the Town established an OPEB Trust in July 2021 and made an initial contribution of \$2.7 million in September 2021. The Town's most recent OPEB actuarial valuation was as of July 1, 2022. The Town's OPEB actuarial valuations are prepared every other year.

The Town implemented the Governmental Accounting Standards Board's ("GASB") Statement 74 effective for the fiscal year ending June 30, 2018. In accordance with GASB Statement 74, the net position is based on fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. For the June 30, 2023 measurement, the discount rate used was 6.00%. Under GASB Statement 74, the components of the Town's net OPEB liability as of June 30, 2024 were as follows:

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Total OPEB Liability - Beginning Balance.....	\$ 28,187,206	\$ 36,029,655	\$ 25,422,087	\$ 15,185,832	\$ 16,260,657
Changes for the year:					
Service cost.....	872,352	1,213,323	788,220	328,411	332,240
Interest on total OPEB liability.....	1,000,928	813,750	556,966	900,358	963,917
Effect of economic/demographic gains or losses..	-	(6,249,872)	(10,727,151)	524,784	-
Changes in assumptions or other inputs.....	6,900,391	(5,536,787)	-	352,867	-
Benefit payments.....	(931,222)	(847,982)	(854,290)	(1,031,595)	(1,070,839)
Net changes in Total OPEB Liability.....	7,842,449	(10,607,568)	(10,236,255)	1,074,825	225,318
Total OPEB Liability - Ending Balance.....	36,029,655	25,422,087	15,185,832	16,260,657	16,485,975
Plan Fiduciary Net Position - Beginning Balance	-	-	-	2,296,764	2,579,466
Employer Contributions.....	931,222	847,982	3,554,290	1,138,595	1,282,839
Net Investment income.....	-	-	(403,236)	175,702	298,008
Benefit payments.....	(931,222)	(847,982)	(854,290)	(1,031,595)	(1,072,372)
Net change in Plan Fiduciary Net Position.....	-	-	2,296,764	282,702	508,475
Plan Fiduciary Net Position - Ending Balance.....	-	-	2,296,764	2,579,466	3,087,941
Net OPEB Liability - Ending.....	<u>\$ 36,029,655</u>	<u>\$ 25,422,087</u>	<u>\$ 12,889,068</u>	<u>\$ 13,681,191</u>	<u>\$ 13,398,034</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>5.00%</u>	<u>Discount Rate</u>	<u>7.00%</u>
Town's Net OPEB Liability....	\$ 15,281,413	\$ 13,398,034	\$ 11,822,014

The following represents the net OPEB liability of the Town, calculated using the current healthcare trend rate, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
		<u>Healthcare Cost</u>	
		<u>Trend Rate</u>	
Town's Net OPEB Liability....	\$ 11,409,880	\$ 13,398,034	\$ 15,816,190

Source: Audited financial statements.

The following represents historic trend information of the Town's OPEB Plan:

#### Schedule of Funding Progress

Plan Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2022	\$ 2,296,764	\$ 16,018,867	\$13,722,103	14.3%	\$46,519,563	29.5%
2020	-	24,743,589	24,743,589	0.0%	44,035,991	56.2%
2018	-	26,866,417	26,866,417	0.0%	42,465,398	63.3%
2016	-	28,396,500	28,396,500	0.0%	n/a	n/a
2014	-	27,688,100	27,688,100	0.0%	n/a	n/a

## Schedule of Employer Contributions

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2026 <sup>1</sup>	\$1,544,880	\$1,524,485	98.7%
2025 <sup>2</sup>	1,603,804	1,403,091	87.5%
2024	1,539,106	1,282,839	83.3%
2023	n/a	1,138,595	n/a
2022 <sup>3</sup>	n/a	3,554,290	n/a

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimate.

<sup>3</sup> Town contribution includes a \$1,500,000 one-time contribution from the Internal Service Fund, a one-time \$1,200,000 contribution from the General Fund and \$854,290 of pay-as-you-go retiree medical benefits.

Source: Actuarial Reports; Town of Guilford, Department of Finance.

In late calendar year 2021, the Town recently implemented a OPEB Funding Plan through which it intends to phase-in the net budget impact over a 5-year period starting in fiscal year 2022-23. The net budget impact is defined as the Actuarially Determined Contribution less the retiree medical costs paid directly by the Town, or “pay-as-you-go” amount.

For further information regarding Other Post-Employment Benefits see "Appendix A" Notes to the Financial Statements.

## INVESTMENT POLICIES AND PROCEDURES

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

The Town's investment practices have been to invest only in the following investments: (1) certificates of deposits; (2) overnight repurchase agreements collateralized by U. S. government agency obligations which are priced daily; and (3) the State of Connecticut Short-Term Investment Fund (“STIF”).

All Town pension funds are invested in mutual funds and securities, by pension fund administrators. Board of Education pension funds are invested in a cost sharing, multiple employer public employees’ retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities. For further description of the Town's Pension Plans, see Appendix A herein.

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## PROPERTY TAX REVENUES

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Property Tax Revenues</b>	<b>Property Taxes as a % of General Fund Revenues</b>
2026 <sup>1</sup>	\$ 122,554,319	\$ 115,128,047	93.9%
2025 <sup>2</sup>	118,713,140	110,145,380	92.8%
2024	127,976,062	106,969,624	83.6%
2023	122,948,686	104,472,241	85.0%
2022	116,824,232	100,198,013	85.8%
2021	113,934,193	97,519,029	85.6%
2020	112,327,104	95,516,191	85.0%
2019	105,635,992	92,636,319	87.7%
2018	109,041,498	90,221,589	82.7%
2017	106,790,870	87,743,261	82.2%

<sup>1</sup> Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements; fiscal year 2024-25 unaudited estimate; fiscal year 2025-26 adopted budget.

## INTERGOVERNMENTAL REVENUES

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Intergovernmental Revenue</b>	<b>Intergovernmental Revenue % of General Fund Revenue</b>
2026 <sup>1</sup>	\$ 122,554,319	\$ 2,681,264	2.2%
2025 <sup>2</sup>	118,713,140	2,822,642	2.4%
2024	127,976,062	15,176,369	11.9%
2023	122,948,686	13,887,315	11.3%
2022	116,824,232	12,773,446	10.9%
2021	113,934,193	12,704,876	11.2%
2020	112,327,104	13,686,149	12.2%
2019	105,635,992	8,629,101	8.2%
2018	109,041,498	16,046,377	14.7%
2017	106,790,870	15,947,157	14.9%

<sup>1</sup> Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements; fiscal year 2024-25 unaudited estimate; fiscal year 2025-26 adopted budget.



## EXPENDITURES

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>Pension &amp; Benefits</b>	<b>General Government</b>	<b>Debt Service</b>
2026 <sup>1</sup>	60.7%	10.6%	8.1%	5.2%	8.3%
2025 <sup>2</sup>	60.0%	10.6%	7.3%	5.2%	8.6%
2024	62.4%	10.0%	6.7%	4.7%	8.6%
2023	62.8%	9.8%	7.1%	4.5%	8.4%
2022	61.0%	9.4%	7.8%	4.7%	8.8%
2021	63.1%	9.9%	7.0%	4.6%	9.3%
2020	63.7%	9.6%	7.0%	4.5%	9.3%
2019	57.9%	8.9%	6.3%	4.4%	8.4%
2018	65.7%	9.0%	6.4%	4.4%	8.0%
2017	66.5%	8.9%	6.7%	4.2%	7.7%

<sup>1</sup> Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements; fiscal year 2024-25 unaudited estimate; fiscal year 2025-26 adopted budget.

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

	<b>Fiscal Year 2023-24</b>			<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>
	<b>Revised Budget</b>	<b>Actual Operations</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Unaudited Estimate</b>	<b>Adopted Budget</b>
<b>REVENUES</b>					
Property taxes, interest and liens .....	\$107,375,113	\$106,969,624	\$ (405,489)	\$110,145,380	\$115,128,047
Intergovernmental revenue .....	3,263,524	3,797,547	534,023	2,822,642	2,681,264
Other local revenues .....	3,878,383	5,254,353	1,375,970	5,043,631	4,745,008
<b>TOTAL REVENUES</b>	<u>114,517,020</u>	<u>116,021,524</u>	<u>1,504,504</u>	<u>118,011,653</u>	<u>\$122,554,319</u>
<b>EXPENDITURES</b>					
Current:					
General government .....	6,198,736	5,804,568	394,168	6,105,095	\$ 6,373,602
Public safety .....	12,701,469	12,580,504	120,965	12,506,455	13,021,463
Public works .....	3,596,491	3,480,635	115,856	3,560,504	3,648,549
Health and welfare .....	1,320,656	1,308,690	11,966	1,494,757	1,575,779
Culture and recreation .....	2,310,637	2,293,548	17,089	2,269,095	2,387,276
Education .....	68,666,172	68,562,977	103,195	70,997,151	74,383,590
Pension & employee benefits .....	9,006,728	8,713,550	293,178	8,589,705	9,902,779
Debt service .....	10,167,138	10,057,139	109,999	10,166,846	10,166,847
Capital outlay.....	2,105,781	2,104,100	1,681	1,778,407	1,009,434
<b>TOTAL EXPENDITURES</b>	<u>116,073,808</u>	<u>114,905,711</u>	<u>1,168,097</u>	<u>117,468,015</u>	<u>122,469,319</u>
Excess (deficiency) of revenues over expenditures.....	<u>(1,556,788)</u>	<u>1,115,813</u>	<u>2,672,601</u>	<u>543,638</u>	<u>85,000</u>
Other financing uses:					
Appropriation of Fund Balance.....	1,641,788	-	(1,641,788)	-	-
Operating transfers in .....	-	-	-	701,487	-
Operating transfers out .....	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>	<u>(85,000)</u>	<u>(85,000)</u>
Total other financing sources (uses):	1,556,788	(85,000)	(1,641,788)	616,487	(85,000)
Excess (deficiency) of revenues over expenditures, other uses before continuing appropriations ....	<u>\$ -</u>	<u>\$ 1,030,813</u>	<u>\$ 1,030,813</u>	<u>\$ 1,160,125</u>	<u>\$ -</u>

Source: Annual audited financial statements; fiscal year 2024-25 unaudited estimate; fiscal year 2025-26 adopted budget.

### COMPARATIVE GENERAL FUND BALANCE SHEET

	2020	2021	2022	2023	2024
<b>ASSETS</b>					
Cash and cash equivalents.....	\$21,255,237	\$20,825,810	\$17,051,033	\$ 10,124,856	\$ 5,511,619
Investments.....	-	-	-	7,916,460	8,460,778
Property taxes receivable, net.....	846,752	1,417,667	1,133,224	1,449,727	3,860,768
Due from other governments.....	-	160,475	145,125	235,669	-
Other receivables, net.....	816,954	1,775,468	326,185	890,737	-
Due from other funds.....	3,927,420	7,476,769	11,077,017	10,518,515	13,317,608
Other assets.....	15,045	-	-	-	-
Prepaid items.....	-	22,025	26,679	206,526	239,885
<b>TOTAL ASSETS.....</b>	<b>\$26,861,408</b>	<b>\$31,678,214</b>	<b>\$29,759,263</b>	<b>\$ 31,342,490</b>	<b>\$31,390,658</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued items.....	\$ 4,410,701	\$ 4,010,857	\$ 3,893,745	\$ 4,092,934	\$ 5,316,855
Due to other funds.....	724,114	1,677,852	2,345,297	1,363,988	705,609
Unearned revenue.....	-	-	-	27,165	17,215
<b>TOTAL LIABILITIES.....</b>	<b>5,134,815</b>	<b>5,688,709</b>	<b>6,239,042</b>	<b>5,484,087</b>	<b>6,039,679</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes.....	782,163	1,071,042	1,055,370	948,980	1,544,761
Advance property tax collections.....	2,206,560	3,790,154	1,456,138	1,740,997	268,120
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,988,723</b>	<b>4,861,196</b>	<b>2,511,508</b>	<b>2,689,977</b>	<b>1,812,881</b>
<b>FUND BALANCES</b>					
Nonspendable.....	15,045	22,025	26,679	206,526	239,885
Restricted.....	-	397,447	551,112	663,125	813,139
Committed.....	5,160,545	6,411,272	6,147,145	6,631,974	6,563,051
Assigned.....	2,159,955	2,508,232	1,548,603	1,460,947	1,832,089
Unassigned.....	11,402,325	11,789,333	12,735,174	14,205,854	14,089,934
<b>TOTAL FUND BALANCES.....</b>	<b>18,737,870</b>	<b>21,128,309</b>	<b>21,008,713</b>	<b>23,168,426</b>	<b>23,538,098</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES FUND BALANCES.....</b>	<b>\$26,861,408</b>	<b>\$31,678,214</b>	<b>\$29,759,263</b>	<b>\$ 31,342,490</b>	<b>\$31,390,658</b>

Source: Annual audited financial statements.

### GENERAL FUND EQUITY

	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Nonspendable.....	\$ 15,045	\$ 22,025	\$ 26,679	\$ 206,526	239,885
Restricted.....	-	397,447	551,112	663,125	813,139
Committed.....	5,160,545	6,411,272	6,147,145	6,631,974	6,563,051
Assigned.....	2,159,955	2,508,232	1,548,603	1,460,947	1,832,089
Unassigned.....	11,402,325	11,789,333	12,735,174	14,205,854	14,089,934
<b>Total Fund Balance.....</b>	<b>\$ 18,737,870</b>	<b>\$ 21,128,309</b>	<b>\$ 21,008,713</b>	<b>\$ 23,168,426</b>	<b>\$ 23,538,098</b>
Unassigned Fund Balance As % of Total Revenues.....	<u>10.15%</u>	<u>10.35%</u>	<u>10.90%</u>	<u>11.55%</u>	<u>11.01%</u>

Source: Annual audited financial statements.

## COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>REVENUES</b>					
Property taxes, interest and liens fees.....	\$ 95,516,191	\$ 97,519,029	\$ 100,198,013	\$104,472,241	\$106,969,624
Intergovernmental revenue.....	13,686,149	12,704,876	12,773,446	13,887,315	15,176,369
Charges for services.....	-	-	3,773,749	3,622,639	4,035,584
Other local revenues.....	3,124,764	3,710,288	79,024	966,491	1,794,485
<b>TOTAL REVENUES</b>	<u>112,327,104</u>	<u>113,934,193</u>	<u>116,824,232</u>	<u>122,948,686</u>	<u>127,976,062</u>
<b>EXPENDITURES</b>					
Current:					
General government.....	4,907,629	5,137,027	5,621,643	5,452,309	5,914,521
Public safety.....	10,499,616	11,121,931	11,137,287	11,889,178	12,684,893
Public works.....	2,719,872	3,026,546	3,311,748	3,329,754	3,431,422
Health and welfare.....	1,001,343	1,069,431	1,149,604	1,204,933	1,499,648
Culture and recreation.....	1,794,608	1,916,100	2,125,627	2,204,092	2,387,395
Education.....	69,891,923	70,941,043	72,459,280	76,321,251	79,181,604
Pension and employee benefits.....	7,716,833	7,852,970	9,307,623	8,615,074	8,507,776
Debt service:					
Principal retirement.....	6,498,356	7,416,808	7,160,345	6,966,006	7,683,132
Interest.....	3,652,272	3,074,682	3,291,799	3,293,728	3,175,007
Capital outlay.....	947,956	339,893	3,089,622	2,302,850	2,517,282
<b>TOTAL EXPENDITURES</b>	<u>109,630,408</u>	<u>111,896,431</u>	<u>118,654,578</u>	<u>121,579,175</u>	<u>126,982,680</u>
Excess (deficiency) of revenues over expenditures.....	2,696,696	2,037,762	(1,830,346)	1,369,511	993,382
Other financing sources (uses):					
Proceeds of refunding bonds.....	23,420,000	-	18,015,000	-	-
Premium on issuance of debt.....	5,046,548	538,182	3,418,949	428,914	463,182
Payment to escrow agent.....	(28,133,562)	-	(20,920,685)	-	-
Note issue proceeds.....	-	-	1,332,486	575,000	-
Capital lease proceeds.....	-	-	-	202,609	-
Operating transfers in.....	-	-	-	-	-
Operating transfers out.....	(135,000)	(469,458)	(135,000)	(416,321)	(1,086,892)
Total other financing sources (uses)..	<u>197,986</u>	<u>68,724</u>	<u>1,710,750</u>	<u>790,202</u>	<u>(623,710)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	2,894,682	2,106,486	(119,596)	2,159,713	369,672
Fund Balance - Beginning of year.....	<u>15,843,188</u>	<u>19,021,823</u> <sup>1</sup>	<u>21,128,309</u>	<u>21,008,713</u>	<u>23,168,426</u>
Fund Balance - End of year.....	<u>\$ 18,737,870</u>	<u>\$ 21,128,309</u>	<u>\$ 21,008,713</u>	<u>\$ 23,168,426</u>	<u>\$ 23,538,098</u>

<sup>1</sup> Restated to include the Volunteer Fire Fighter fund in the General Fund.

Source: Annual audited financial statements.

## VI. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS

Pro Forma as of August 14, 2025

#### Long-Term Debt

<u>Date of Issue</u>	<u>Issue</u>	<u>Coupon Rate %</u>	<u>Original Issue Amount</u>	<u>Debt Outstanding Including This Issue</u>	<u>Final Maturity</u>
<b><u>General Purpose</u></b>					
3/24/2016	General Purpose, Refunding .....	2.00-5.00	\$ 9,895,000	\$ 4,038,000	2031
8/8/2018	General Purpose .....	2.00-5.00	5,688,651	3,220,000	2039
8/7/2019	General Purpose, Series A.....	2.00-5.00	400,503	294,000	2040
6/24/2020	General Purpose, Refunding .....	3.00-5.00	4,566,000	1,608,000	2029
8/6/2020	General Purpose .....	2.00-5.00	1,005,000	736,000	2040
8/5/2021	General Purpose.....	2.00-5.00	660,846	534,000	2041
9/28/2021	General Purpose, Refunding .....	2.00-5.00	4,815,000	2,778,000	2035
12/31/2021	State of Connecticut, Drinking Water Fund Loan..	2.00	2,955,081	2,493,178	2041
8/4/2022	General Purpose .....	3.50-5.00	744,800	645,000	2037
8/3/2023	General Purpose .....	3.00-5.00	3,250,025	3,055,000	2038
8/2/2024	General Purpose .....	4.00-5.00	2,299,638	2,299,638	2044
8/14/2025	General Purpose (This Issue).....	TBD	138,700	138,700	2045
<b>Total .....</b>			<b>\$ 36,419,244</b>	<b>\$21,839,516</b>	
<b><u>Schools</u></b>					
3/24/2016	Schools, Refunding .....	2.00-5.00	\$ 4,710,000	\$ 2,242,000	2031
8/10/2016	Schools .....	2.00-4.00	15,630,000	9,030,000	2037
8/9/2017	Schools .....	2.00-5.00	7,000,000	4,410,000	2038
8/8/2018	Schools .....	2.00-5.00	6,311,349	4,140,000	2039
8/7/2019	Schools, Series A .....	2.00-5.00	2,799,497	2,001,000	2040
8/7/2019	Schools, Series B .....	2.50-3.00	850,000	340,000	2030
6/24/2020	Schools, Refunding .....	3.00-5.00	18,854,000	10,842,000	2035
8/6/2020	Schools .....	2.00-5.00	1,995,000	1,564,000	2040
8/5/2021	Schools.....	2.00-5.00	2,339,154	1,961,000	2041
9/28/2021	Schools, Refunding .....	2.00-5.00	13,200,000	9,627,000	2035
8/4/2022	Schools .....	3.50-5.00	3,255,200	2,810,000	2037
8/3/2023	Schools .....	3.00-5.00	1,749,975	1,625,000	2038
8/2/2024	Schools .....	4.00-5.00	2,700,362	2,700,362	2044
8/14/2025	Schools (This Issue).....	TBD	6,861,300	6,861,300	2045
<b>Total .....</b>			<b>\$ 88,255,837</b>	<b>\$60,153,662</b>	
<b>Total Long-term Debt.....</b>			<b>\$124,675,081</b>	<b>\$81,993,178</b>	

**COMBINED SCHEDULE OF LONG-TERM DEBT  
(BONDED DEBT & DRINKING WATER FUND LOANS)**

As of August 14, 2025 (Pro Forma)

Fiscal Year	Existing Indebtedness			<i>The Bonds</i>	Total
	Principal Payments	Interest Payments	Total Debt Service	Principal Payments	Principal Payments
2025-26 <sup>1</sup>	\$ 1,040,862	\$ 1,517,251	\$ 2,558,113	\$ -	\$ 1,040,862
2026-27	8,029,399	2,532,681	10,562,080	-	8,029,399
2027-28	8,087,111	2,196,050	10,283,161	370,000	8,457,111
2028-29	8,139,879	1,856,214	9,996,093	370,000	8,509,879
2029-30	7,147,702	1,540,628	8,688,330	370,000	7,517,702
2030-31	7,115,583	1,251,091	8,366,674	370,000	7,485,583
2031-32	5,423,521	1,003,549	6,427,071	370,000	5,793,521
2032-33	5,431,519	817,567	6,249,086	370,000	5,801,519
2033-34	5,414,577	650,268	6,064,846	370,000	5,784,577
2034-35	5,292,697	491,664	5,784,361	370,000	5,662,697
2035-36	4,095,880	359,415	4,455,296	370,000	4,465,880
2036-37	3,084,128	256,171	3,340,299	370,000	3,454,128
2037-38	2,272,440	174,121	2,446,561	370,000	2,642,440
2038-39	1,645,820	112,966	1,758,786	370,000	2,015,820
2039-40	834,268	76,524	910,793	370,000	1,204,268
2040-41	702,786	55,282	758,068	365,000	1,067,786
2041-42	455,004	38,050	493,054	365,000	820,004
2042-43	260,000	26,000	286,000	365,000	625,000
2043-44	260,000	15,600	275,600	365,000	625,000
2044-45	260,000	5,200	265,200	365,000	625,000
2045-46	-	-	-	365,000	365,000
<b>Total</b>	<b>\$ 74,993,178</b>	<b>\$14,976,293</b>	<b>\$ 89,969,471</b>	<b>\$ 7,000,000</b>	<b>\$81,993,178</b>

<sup>1</sup> Excludes \$6,515,878 in principal payments and \$1,351,207 in interest payments made as of August 14, 2025.

Source: Town of Guilford, Finance Department.

Note: Totals may not sum due to rounding.

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

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**SCHEDULE OF GENERAL FUND BONDED DEBT**  
As of August 14, 2025 (Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds	Total
	Principal Payments	Interest Payments	Total Debt Service	Principal Payments	Principal Payments
2025-26 <sup>1</sup>	\$ 920,000	\$ 1,472,547	\$ 2,392,547	\$ -	\$ 920,000
2026-27	7,895,000	2,486,463	10,381,463	-	7,895,000
2027-28	7,950,000	2,152,544	10,102,544	370,000	8,320,000
2028-29	8,000,000	1,815,475	9,815,475	370,000	8,370,000
2029-30	7,005,000	1,502,713	8,507,713	370,000	7,375,000
2030-31	6,970,000	1,216,056	8,186,056	370,000	7,340,000
2031-32	5,275,000	971,453	6,246,453	370,000	5,645,000
2032-33	5,280,000	788,469	6,068,469	370,000	5,650,000
2033-34	5,260,000	624,228	5,884,228	370,000	5,630,000
2034-35	5,135,000	468,744	5,603,744	370,000	5,505,000
2035-36	3,935,000	339,678	4,274,678	370,000	4,305,000
2036-37	2,920,000	239,681	3,159,681	370,000	3,290,000
2037-38	2,105,000	160,944	2,265,944	370,000	2,475,000
2038-39	1,475,000	103,169	1,578,169	370,000	1,845,000
2039-40	660,000	70,175	730,175	370,000	1,030,000
2040-41	525,000	52,450	577,450	365,000	890,000
2041-42	410,000	37,900	447,900	365,000	775,000
2042-43	260,000	26,000	286,000	365,000	625,000
2043-44	260,000	15,600	275,600	365,000	625,000
2044-45	260,000	5,200	265,200	365,000	625,000
2045-46	-	-	-	365,000	365,000
<b>Total</b>	<b>\$ 72,500,000</b>	<b>\$14,549,488</b>	<b>\$ 87,049,488</b>	<b>\$ 7,000,000</b>	<b>\$79,500,000</b>

<sup>1</sup> Excludes \$6,505,000 in principal payments and \$1,347,034 in interest payments made as of August 14, 2025.

Source: Town of Guilford, Finance Department.

Note: Totals may not sum due to rounding.

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**SCHEDULE OF STATE OF CONNECTICUT DRINKING WATER  
STATE REVOLVING FUND LOAN**  
As of August 14, 2025 (Pro Forma)

<b>Fiscal Year</b>	<b>Existing Indebtedness</b>		
	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>
2025-26 <sup>1</sup>	\$ 120,862	\$ 44,704	\$ 165,566
2026-27	134,399	46,219	180,618
2027-28	137,111	43,506	180,618
2028-29	139,879	40,739	180,618
2029-30	142,702	37,915	180,618
2030-31	145,583	35,035	180,618
2031-32	148,521	32,096	180,618
2032-33	151,519	29,098	180,618
2033-34	154,577	26,040	180,618
2034-35	157,697	22,920	180,618
2035-36	160,880	19,737	180,618
2036-37	164,128	16,490	180,618
2037-38	167,440	13,177	180,618
2038-39	170,820	9,797	180,618
2039-40	174,268	6,349	180,618
2040-41	177,786	2,832	180,618
2041-42	45,004	150	45,154
<b>Total</b>	<b>\$ 2,493,178</b>	<b>\$ 426,806</b>	<b>\$ 2,919,983</b>

<sup>1</sup> Excludes \$10,878 in principal payments and \$4,173 in interest payments made as of August 14, 2025.

Source: Town of Guilford, Finance Department.

Note: Totals may not sum due to rounding.

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# COMPUTATION OF STATUTORY DEBT LIMITATION

Pro Forma as of August 14, 2025

Total fiscal year 2024 tax collections (including interest and lien fees) <sup>1</sup>	\$ 107,284,380
State Reimbursement for Revenue Loss on Tax Relief for the Elderly	14,387
Base for Establishing Debt Limit	<u>\$ 107,298,767</u>

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base).....	\$ 241,422,226					
(4.50 times base).....		\$ 482,844,451				
(3.75 times base).....			\$ 402,370,376			
(3.25 times base).....				\$ 348,720,993		
(3.00 times base).....					\$ 321,896,301	
(7.00 times base).....						\$751,091,369
<b>Indebtedness (Including This Issue)</b>						
Bonds Payable.....	\$ 19,207,638 <sup>2</sup>	\$ 53,292,362	\$ -	\$ -	\$ -	\$ 72,500,000
The Bonds (This Issue).....	138,700	6,861,300	-	-	-	7,000,000
Authorized but						
Unissued Debt.....	23,076,338	9,979,590	-	-	-	33,055,928
Gross Direct Debt.....	42,422,676	70,133,252	-	-	-	112,555,928
School grants receivable .....	-	-	-	-	-	-
Underlying Debt.....	-	-	-	-	-	-
Net Direct and Underlying Debt.....	42,422,676	70,133,252	-	-	-	112,555,928
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$198,999,550</u>	<u>\$412,711,199</u>	<u>\$402,370,376</u>	<u>\$348,720,993</u>	<u>\$321,896,301</u>	<u>\$638,535,441</u>

<sup>1</sup> Excludes tax collections of Coterminous Municipalities located within the Town of Guilford which have the power to issue debt or cause taxes to be levied on taxable property. See "Underlying Indebtedness" herein.

<sup>2</sup> Pursuant to Connecticut General Statutes Section 7-374, excludes \$2,493,178 in State of Connecticut Department of Public Health Drinking Water State Revolving Fund Project Loan Obligation that was used to finance a water main extension to coastal areas in Town. The loan will be repaid from assessments levied on the benefiting property owners. (See "Mulberry Point Water Main Extension" herein).

Source: Town of Guilford, Finance Department.

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**DEBT STATEMENT**  
Pro Forma as of August 14, 2025

<b>Bonded Indebtedness <sup>1</sup></b>	
<i>The Bonds (This Issue).....</i>	\$ 7,000,000
General Improvement.....	19,207,638
Schools.....	53,292,362
<b>Total Bonded Indebtedness.....</b>	<b>79,500,000</b>
<b>Short-Term Indebtedness.....</b>	
State of Connecticut Drinking Water Revolving Fund	
Project Loan Obligation <sup>2</sup> .....	2,493,178
<b>Total Direct Indebtedness.....</b>	<b>81,993,178</b>
Exclusions: (Self-supporting Water Debt).....	(2,493,178)
<b>Net Direct Indebtedness.....</b>	<b>79,500,000</b>
Underlying Indebtedness.....	-
<b>Net Direct Plus Underlying Indebtedness.....</b>	<b>\$ 79,500,000</b>

<sup>1</sup> Does not include authorized but unissued debt of \$33,055,928.

<sup>2</sup> In December 2021 the Town entered into a Project Loan Obligation ("PLO") with the State of Connecticut Department of Public Health Drinking Water State Revolving Fund to finance a water main extension to coastal areas in Town. The PLO will be repaid from assessments levied on the benefiting property owners. As of the August 14, 2025, the outstanding balance on the PLO is \$2,493,178. (See "Mulberry Point Water Main Extension" herein).

**CURRENT DEBT RATIOS**  
Pro Forma as of August 14, 2025

Total Direct Indebtedness .....	\$ 81,993,178
Net Direct Indebtedness .....	\$ 79,500,000
Net Direct Plus Underlying Indebtedness .....	\$ 79,500,000
Population <sup>1</sup> .....	22,037
Net Taxable Grand List (10/1/24) .....	\$4,182,067,000
Estimated Full Value .....	\$5,974,381,429
Equalized Net Taxable Grand List (2023) <sup>2</sup> .....	\$7,157,011,466
Per Capita Income <sup>1</sup> .....	\$ 70,909
<b>Total Direct Debt:</b>	
Per Capita.....	\$3,720.71
To Net Taxable Grand List.....	1.96%
To Estimated Full Value.....	1.37%
To Equalized Net Taxable Grand List.....	1.15%
Per Capita to Per Capita Income.....	5.25%
<b>Net Direct Debt:</b>	
Per Capita.....	\$3,607.57
To Net Taxable Grand List.....	1.90%
To Estimated Full Value.....	1.33%
To Equalized Net Taxable Grand List.....	1.11%
Per Capita to Per Capita Income.....	5.09%
<b>Net Direct Plus Underlying Indebtedness:</b>	
Per Capita.....	\$3,607.57
To Net Taxable Grand List.....	1.90%
To Estimated Full Value.....	1.33%
To Equalized Net Taxable Grand List.....	1.11%
Per Capita to Per Capita Income.....	5.09%

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

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

## HISTORICAL DEBT STATEMENT

	2024-25 <sup>1</sup>	2023-24	2022-23	2021-22	2020-21
Population <sup>2</sup> .....	22,037	22,037	22,037	22,046	22,113
Net taxable grand list .....	\$3,135,599,000	\$3,135,599,000	\$3,135,599,000	\$3,064,072,000	\$3,025,271,000
Estimated full value .....	\$4,479,427,143	\$4,479,427,143	\$4,479,427,143	\$4,377,245,714	\$4,321,815,714
Equalized net taxable grand list <sup>3</sup> ...	\$7,157,011,466	\$5,950,793,614	\$6,102,593,949	\$5,532,183,161	\$4,870,370,408
Per capita income <sup>2</sup> .....	\$70,909	\$70,909	\$70,909	\$ 70,609	\$ 65,362
Short-term debt .....	\$ -	\$ 2,650,000	\$ 2,650,000	\$ 2,650,000	\$ 6,015,080
Long-term debt .....	\$ 81,128,346	\$ 83,918,189	\$ 85,639,057	\$ 88,813,258	\$ 93,180,000
Total Direct Indebtedness .....	\$ 81,128,346	\$ 86,568,189	\$ 88,289,057	\$ 91,463,258	\$ 99,195,080
Net Direct Indebtedness .....	\$ 81,128,346	\$ 86,568,189	\$ 88,289,057	\$ 91,463,258	\$ 99,195,080
Net Direct Plus Underlying Indebtedness .....	\$ 81,128,346	\$ 86,568,189	\$ 88,289,057	\$ 91,463,258	\$ 99,195,080

<sup>1</sup> Unaudited estimate

<sup>2</sup> U.S. Census Bureau, American Community Survey.

<sup>3</sup> Office of Policy and Management, State of Connecticut

## HISTORICAL DEBT RATIOS

<b>Total Direct Indebtedness:</b>	2024-25 <sup>1</sup>	2023-24	2022-23	2021-22	2020-21
Per capita.....	\$3,681.46	\$3,928.31	\$4,006.40	\$4,148.75	\$4,485.83
To net taxable grand list.....	2.59%	2.76%	2.82%	2.99%	3.28%
To estimated full value.....	1.81%	1.93%	1.97%	2.09%	2.30%
To equalized net taxable.....					
grand list.....	1.13%	1.45%	1.45%	1.65%	2.04%
Debt per capita to per capita.....					
income.....	5.19%	5.54%	5.65%	5.88%	6.86%
<b>Net Direct Indebtedness:</b>					
Per capita.....	\$3,681.46	\$3,928.31	\$4,006.40	\$4,148.75	\$4,485.83
To net taxable grand list.....	2.59%	2.76%	2.82%	2.99%	3.28%
To estimated full value.....	1.81%	1.93%	1.97%	2.09%	2.30%
To equalized net taxable.....					
grand list.....	1.13%	1.45%	1.45%	1.65%	2.04%
Debt per capita to per capita.....					
income.....	5.19%	5.54%	5.65%	5.88%	6.86%
<b>Net Direct Plus Underlying Indebtedness:</b>					
Per capita.....	\$3,681.46	\$3,928.31	\$4,006.40	\$4,148.75	\$4,485.83
To net taxable grand list.....	2.59%	2.76%	2.82%	2.99%	3.28%
To estimated full value.....	1.81%	1.93%	1.97%	2.09%	2.30%
To equalized net taxable.....					
grand list.....	1.13%	1.45%	1.45%	1.65%	2.04%
Debt per capita to per capita.....					
income.....	5.19%	5.54%	5.65%	5.88%	6.86%

<sup>1</sup> Unaudited estimate.

## OUTSTANDING SHORT-TERM INDEBTEDNESS

The Town currently has no outstanding short-term indebtedness.

**MULBERRY POINT WATER MAIN EXTENSION**

The Town recently completed a 2.4-mile water main extension to the coastal neighborhoods of Long Cove, Mulberry Point and Tuttles Point in Town. The total project costs of approximately \$6.0 million were funded through a \$1.5 million contribution from the Connecticut Water Company, \$1.15 million from the State Bond Commission grant, a \$410 thousand project grant from the State of Connecticut Department of Health Drinking Water State Revolving Fund, and a \$2.95 million loan from the State of Connecticut DWSRF. In July 2019, the Town originally entered into an Interim Funding Obligation with the State of Connecticut DWSRF in the amount of \$3.4 million. On November 30, 2021, the Town entered in a final Project Loan Obligation ("PLO") with the State of Connecticut DWSRF in the amount of \$2.95 million. The Town has issued assessments to the property owners that benefitted from the water main which will be payable over twenty years. These assessments will cover the cost of the debt service on the loan. The Town will not issue any General Obligation bonds to fund the project.

The outstanding balance on the DWSRF loan is as follows:

<u>Loan Number</u>	<u>Date of Issue</u>	<u>Original 2% Loan Amount</u>	<u>Outstanding as of 8/14/2025</u>
DWSRF #2019-7079....	12/31/2021	\$ 2,955,081	\$ 2,493,178

**CAPITAL LEASES**

As of June 30, 2025, the Town has outstanding Board of Education technology leases in the amount of \$1,272,947. These payments are not included in the outstanding bonded debt herein.

In January 2018, the Town entered into a Guaranteed Energy Performance Contract ("EPC") with Johnson Controls Inc. ("JCI") under which various equipment and improvements intended to reduce energy consumption were undertaken at Town and Board of Education buildings. The total costs of the improvements was approximately \$9.6 million and the improvements were in part financed by the issuance of a 20-year tax-exempt municipal lease in the amount of \$9.1 million and a \$0.5 million energy rebate from Eversource Energy. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, JCI will cover the differential. As of June 30, 2025, the principal amount outstanding of lease payments was \$6,985,491. The lease payments are not included in the outstanding bonded debt herein.

**UNDERLYING INDEBTEDNESS**

There are four associations and one taxing district within the Town of Guilford with the power to issue debt or cause taxes to be levied on taxable property ("Coterminous Municipalities"). As of August 14, 2025, the Coterminous Municipalities have no outstanding indebtedness.

**LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING**

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness.

**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 project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

## SCHOOL PROJECTS

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

### CAPITAL IMPROVEMENT PROGRAM

<b>Proposed Projects</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>Total</b>
Board of Education.....	\$ 4,238,203	\$ 3,268,363	\$ 5,378,645	\$ 4,411,594	\$ 3,311,000	\$20,607,805
General Government:						
Assessor.....	270,850	219,955	219,955	219,955	7,600	938,315
Communications.....	23,688	-	-	-	-	23,688
Engineering.....	5,489,000	3,425,000	30,575,000	1,325,000	575,000	41,389,000
Fire.....	409,437	70,915	2,476,517	26,517	1,676,517	4,659,903
Golf Course.....	81,200	-	17,000	147,500	47,500	293,200
Information Systems.....	25,000	17,351	22,701	12,000	12,000	89,052
Library.....	15,075	427,147	222,000	10,000	10,000	684,222
Natural Resources.....	92,479	175,000	55,000	55,000	55,000	432,479
Parks & Recreation.....	463,100	887,500	1,343,500	435,000	253,000	3,382,100
Planning & Zoning.....	550,000	-	-	-	-	550,000
Police.....	321,980	395,469	6,887,922	297,215	282,965	8,185,551
Public Works.....	243,146	44,813	160,962	35,000	37,000	520,921
Selectmen.....	3,000,000	-	-	-	-	3,000,000
Town Properties.....	10,000	20,500	-	90,000	-	120,500
Total General Government...	10,994,955	5,683,650	41,980,557	2,653,187	2,956,582	64,268,931
<b>Total Project Costs.....</b>	<b>\$15,233,158</b>	<b>\$ 8,952,013</b>	<b>\$47,359,202</b>	<b>\$ 7,064,781</b>	<b>\$ 6,267,582</b>	<b>\$84,876,736</b>
<b>Funding Sources</b>						
General Fund.....	\$ 1,058,934	\$ 1,421,548	\$ 1,263,602	\$ 1,178,232	\$ 793,982	\$ 5,716,298
General Obligation Bonds....	8,304,374	4,455,510	45,870,645	5,661,594	5,461,000	69,753,123
Other Funds .....	955,850	224,955	224,955	224,955	12,600	1,643,315
State and Federal Grants.....	4,914,000	2,850,000	-	-	-	7,764,000
<b>Total Funding Sources.....</b>	<b>\$15,233,158</b>	<b>\$ 8,952,013</b>	<b>\$47,359,202</b>	<b>\$ 7,064,781</b>	<b>\$ 6,267,582</b>	<b>\$84,876,736</b>

## AUTHORIZED BUT UNISSUED DEBT

Projects	Total Bond Authorization	Prior Bonds	The Bonds (This Issue)	Authorized But Unissued
		& Grants/ Contributions		
New High School Construction.....	\$ 92,220,800	\$ 91,543,554	\$ -	\$ 677,246 <sup>1</sup>
Road Reconstruction and Elevation Improvements (2013-14).....	2,500,000	1,545,000	-	955,000
Town Property Improvements (2013-14).....	1,235,000	1,070,000		165,000
Road Reconstruction and Improvement Program (2015-16).....	1,280,000	873,271	-	406,729
Town Facility Improvements (2015-16).....	2,205,000	1,605,661	-	599,339
School Facility Improvements (2015-16).....	3,595,000	2,370,279	97,738	1,126,983
Road Reconstruction and Improvement Program (2017-18).....	1,047,000	791,809	138,700	116,491
Public Safety Equipment (2017-18).....	1,451,804	1,291,734	-	160,070
School Facility Improvements (2017-18).....	3,464,999	2,162,015	1,065,367	237,617
Baldwin Middle School Security Upgrades (2017-18).....	660,000	-	295,445	364,555
School Facility Improvements (2018-19).....	3,650,000	2,672,123	633,616	344,261
Town Property Improvements & Road Reconstruction (2019-20)..	1,135,000	503,827	-	631,173
Town Vehicles and Equipment (2019-20).....	2,402,000	1,850,346	-	551,654
School Facility Improvements (2019-20).....	3,005,000	2,511,585	493,415	-
Baldwin Middle School HVAC Upgrade (2020-21).....	1,700,000	1,683,887	-	16,113
School Facility Improvements (2021-22).....	6,172,609	3,754,824	1,050,308	1,367,477
Town Facilities Improvements and Dump Trucks (2021-22).....	4,497,012	1,878,974		2,618,038
School Facility Improvements (2022-23).....	3,885,391	521,898	3,225,411	138,082
Class A, B and C Land Acquisition (2022-23).....	10,000,000	860,314	-	9,139,686
School Facility Improvements (2023-24).....	1,331,260	-	-	1,331,260
Town Road and Facility Improvements (2023-24).....	6,102,668	722,828	-	5,379,840
School Facility Improvements (2024-25).....	2,452,080	-	-	2,452,080
Town Vechiles, Road and Facility Improvements (2025-26).....	2,353,318	-	-	2,353,318
School Facility Improvements (2025-26).....	1,923,916	-	-	1,923,916
<b>Total.....</b>	<b>\$ 160,269,857</b>	<b>\$ 120,213,929</b>	<b>\$ 7,000,000</b>	<b>\$ 33,055,928</b>

<sup>1</sup> The Town recently received the balance of its outstanding State of Connecticut school construction grant retainage. The project will be closed out and the balance of any authorized debt will be authorized.

## RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES AND TRANSFERS OUT

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures and Transfers out	Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %
2026 <sup>1</sup>	\$ 10,166,847	\$ 122,554,319	8.30%
2025 <sup>2</sup>	10,166,846	117,553,015	8.65%
2024	10,858,139	128,069,572	8.48%
2023	10,259,728	121,995,496	8.41%
2022	10,452,144	118,789,578	8.80%
2021	10,491,490	112,365,889	9.34%

<sup>1</sup> Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, Budgetary Basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

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

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### **LITIGATION**

Following consultation with the Town's Counsel, and other attorneys advising the Town, as of the date of this Official Statement, Town officials advise that the Town of Guilford, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position or which would impact the validity of the Bonds or the power of the Town to levy and collect taxes to pay the Bonds.

### **MUNICIPAL ADVISOR**

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

### **TRANSCRIPTS AND CLOSING DOCUMENTS**

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

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman and the Finance Director, which will be dated the date of delivery and attached to a signed copy of the Official Statement, certifying that to the best of said officials' knowledge and belief, as of the date that the bids were accepted on the Bonds, the descriptions and statements in the Official Statement (with such supplemental information concerning ratings, interest rates, and corrections) 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. The approving opinion of Shipman & Goodwin LLP, Bond Counsel, in substantially the form set out in Appendix B, hereto;
4. Executed Continuing Disclosure Agreement in substantially the form set out in Appendix C; and
5. Receipt for the purchase price of the Bonds.

The Town has prepared a Preliminary Official Statement which is dated July 23, 2025. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. Within seven business days of the execution of the bid opening, the Town will furnish the purchasers with a reasonable number of copies of the Official Statement, as prepared for this issue at the Town's expense.

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

### **CONCLUDING STATEMENT**

Additional information may be obtained upon request from the Office of the Town Finance Director at (203) 453-8023 or from Munistat Services, Inc. at (203) 421-2880.

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 representations of fact. No representation is made that any of such statements will be realized. 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.

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

Shipman & Goodwin LLP, Bond Counsel, is not passing upon, and does not assume responsibility for, the accuracy or completeness of the statements made in this Official Statement, other than as set forth in Appendix B, herein, and it makes no representation that it has independently verified the same.

## **TOWN OF GUILFORD, CONNECTICUT**

By: \_\_\_\_\_  
**MATTHEW HOEY**  
*First Selectman*

By: \_\_\_\_\_  
**MARYJANE MALAVASI**  
*Finance Director*

**Dated: July \_\_, 2025**



## APPENDIX A - FINANCIAL STATEMENTS

### TOWN OF GUILFORD, CONNECTICUT

June 30, 2024

Page

Report of Independent Accountant	A-1
Management's Discussion and Analysis	A-5

Basic Financial Statements:

Government-Wide Financial Statements

Statement of Net Position	A-16
Statement of Activities	A-17

Fund Financial Statements

Balance Sheet - Governmental Funds	A-18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	A-20
Statement of Net Position - Proprietary Funds	A-22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	A-23
Statement of Cash Flows - Proprietary Funds	A-24
Statement of Fiduciary Net Position - Fiduciary Funds	A-25
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	A-26
Notes to Financial Statements	A-27
Required Supplementary Information	A-82

**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of Guilford for the Fiscal Year ending June 30, 2024 as presented by the auditors and does not include all of the schedules made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Guilford, Connecticut.



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Guilford, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Guilford, Connecticut, as of June 30, 2024, 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 Guilford, 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 Guilford, 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 Guilford, 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 Guilford, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Guilford, Connecticut's basic financial statements. The general fund combining balance sheet, schedule of property taxes levied, collected and outstanding, combining nonmajor governmental funds financial statements and combining nonmajor proprietary funds financial statements 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 general fund combining balance sheet, schedule of property taxes levied, collected and outstanding, combining nonmajor governmental funds financial statements and combining nonmajor proprietary funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

Board of Finance  
Town of Guilford, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the Town of Guilford, 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 Guilford, 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 Guilford, Connecticut's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 9, 2024

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

The management of the Town of Guilford, Connecticut (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$66,785,473 for the Governmental Activities, and the assets of the Town exceeded its liabilities by \$599,352 for the Business-Type Activities. Capital assets are reported net of accumulated depreciation and amortization, with both noncurrent (liabilities due in more than one year) and current liabilities being reported.
- On a government-wide basis, the government's total net position increased by \$4,181,875 for the Governmental Activities and increased by \$154,346 for the Business-Type Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$15,772,301, an increase of \$1,074,090 in comparison with the prior year. Of the total combined fund balances, \$23,538,098 is the total for the General Fund. The Nonmajor Governmental Funds have committed \$3,429,781 of fund balance for programs. The Miscellaneous Special Grants Fund has a balance of \$766,593. The Bonded Projects Fund has a total fund balance of (\$11,962,171) due to the timing of bond proceeds.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$14,089,934 or 12.3% of total General Fund expenditures and transfers out (GAAP basis). This amount is available for spending at the government's discretion.



**Overview of the Financial Statements**

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

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**Government-Wide Financial Statements**

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

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, education, debt service and capital outlay. The business-type activities of the Town include the Marina Fund and Waste Transfer Station.

The government-wide financial statements can be found on Exhibits I and II of this report.

**Fund Financial Statements**

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

**Governmental Funds**

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

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

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

The Town maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, High School Construction Fund, and the Bonded Projects Fund, which are considered major funds.

Data from the 22 nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits III and IV of this report.

**Proprietary Funds** – The Town maintains two enterprise type funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The Town uses enterprise funds to account for its marina and waste transfer station.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. All three funds are combined into a single, aggregated presentation in the Proprietary Fund financial statements. Individual fund data for each of the nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The Internal Service Fund, where medical benefit activity is reported, is presented as a governmental activity in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on Exhibits V, VI, and VII of this report.

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

The basic fiduciary fund financial statements can be found on Exhibits VII and IX 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 the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-80 of this report.

The notes to this report also contain certain supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees.



**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 82-92 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position, and an important determinant of its ability to finance services in the future. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$67,384,825 at the close of the June 30, 2024, fiscal year.

By far the largest portion of the Town's net position is its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation and amortization, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**NET POSITION  
June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current Assets	\$ 40,052,511	\$ 39,734,925	\$ 246,133	\$ 14,417	\$ 40,298,644	\$ 39,749,342
Capital Assets, Net of Accumulated Depreciation/Amortization	194,980,505	195,570,338	716,733	734,203	195,697,238	196,304,541
Total Assets	235,033,016	235,305,263	962,866	748,620	235,995,882	236,053,883
<b>Deferred Outflows of Resources</b>	4,704,921	10,655,530	-	-	4,704,921	10,655,530
<b>Liabilities:</b>						
Current Liabilities	26,231,306	24,403,839	363,514	303,614	26,594,820	24,707,453
Long-Term Liabilities Outstanding	129,639,541	137,100,120	-	-	129,639,541	137,100,120
Total Liabilities	155,870,847	161,503,959	363,514	303,614	156,234,361	161,807,573
<b>Deferred Inflows of Resources</b>	17,081,617	21,853,236	-	-	17,081,617	21,853,236
<b>Net Position:</b>						
Investments in Capital Assets	93,611,624	88,756,136	716,733	734,203	94,328,357	89,490,339
Restricted	1,610,651	970,780	-	-	1,610,651	970,780
Unrestricted	(28,436,802)	(27,123,318)	(117,381)	(289,197)	(28,554,183)	(27,412,515)
Total Net Position	\$ 66,785,473	\$ 62,603,598	\$ 599,352	\$ 445,006	\$ 67,384,825	\$ 63,048,604

- The Town's net position increased by \$4,336,221 overall during the fiscal year with net position of Governmental Activities increasing by \$4,181,875 and Business-Type Activities increasing by \$154,346.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**CHANGES IN NET POSITION  
For the Years Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 6,653,740	\$ 6,358,758	\$ 1,219,874	\$ 1,092,357	\$ 7,873,614	\$ 7,451,115
Operating Grants and Contributions	21,375,300	22,110,871	-	-	21,375,300	22,110,871
Capital Grants and Contributions	2,551,791	307,419	1,340	600	2,553,131	308,019
General Revenues:						
Property Taxes	107,735,862	104,584,108	-	-	107,735,862	104,584,108
Grants not Restricted to Specific Programs	1,634,809	1,292,160	-	-	1,634,809	1,292,160
Unrestricted Investment Earnings	1,932,926	988,227	5,211	14,555	1,938,137	1,002,782
Miscellaneous Revenue	277,776	243,367	435	366	278,211	243,733
Total Revenues	142,162,204	135,884,910	1,226,860	1,107,878	143,389,064	136,992,788
<b>Expenses:</b>						
General Government	10,671,638	9,185,059	-	-	10,671,638	9,185,059
Public Safety	19,770,478	19,039,118	-	-	19,770,478	19,039,118
Public Works	5,160,739	5,187,085	-	-	5,160,739	5,187,085
Health and Welfare	2,815,299	2,457,676	-	-	2,815,299	2,457,676
Culture and Recreation	5,705,384	5,057,845	-	-	5,705,384	5,057,845
Education	91,230,938	87,031,082	-	-	91,230,938	87,031,082
Interest and Fiscal Charges	2,540,853	1,601,922	-	-	2,540,853	1,601,922
Waste Transfer Station	-	-	992,761	975,515	992,761	975,515
Marina Fund	-	-	164,753	1,330,149	164,753	1,330,149
Total Expenses	137,895,329	129,559,787	1,157,514	2,305,664	139,052,843	131,865,451
<b>Change in Net Position Before Transfers</b>	4,266,875	6,325,123	69,346	(1,197,786)	4,336,221	5,127,337
Transfers	(85,000)	(100,000)	85,000	100,000	-	-
<b>Change in Net Position</b>	4,181,875	6,225,123	154,346	(1,097,786)	4,336,221	5,127,337
Net Position - Beginning of Year	62,603,598	56,378,475	445,006	1,542,792	63,048,604	57,921,267
<b>Net Position - End of Year</b>	<u>\$ 66,785,473</u>	<u>\$ 62,603,598</u>	<u>\$ 599,352</u>	<u>\$ 445,006</u>	<u>\$ 67,384,825</u>	<u>\$ 63,048,604</u>

**Governmental Activities**

Approximately 75.8% of revenue was derived from property taxes, followed by 15.0% from operating and capital grants, as compared to last fiscal year of 82.1% and 12.5%, respectively.

Major factors affecting operations include:

- Fees increased for certain Land Use Offices
- Property taxes increased by \$3,151,754 or 3.0% over the previous fiscal year.
- Capital grants increased by \$2,244,372. The majority of the increase is due primarily to an increase in grants for Road Projects.
- The October 1, 2022, grand list total taxable value (after Board of Assessment Appeals reductions) increased by \$1,029,473,509 or 32.8%.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**Business-Type Activities**

Business-type activities increased the Town's net position by \$154,346. The decrease is due to normal operations.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of 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.

The High School Construction Fund is considered a major governmental fund beginning with the year ending June 30, 2013. This fund accounts for the construction of a new Guilford High School. The Bond Anticipation Notes cover the remaining State Reimbursement expected for the project. The audit on this project was completed during this fiscal year after being delayed since March 2020 due to COVID restrictions. As of June 30, 2024, there was a \$2,120,000 Bond Anticipation Note against this project that was paid in August 2024; closing out this project within fiscal year 2024-25.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$15,772,301, an increase of \$1,074,090 from the prior year's \$14,698,211. This is due to additional revenue received from unbudgeted State of Connecticut grants, significant interest income and emergency services charges for services.

The Community Activities Fund includes a number of small projects and the Mulberry Point Water project. This water project was funded through grants and the general fund. The general fund was reimbursed by a \$2,955,080 loan from the State of Connecticut Department of Public Health Drinking Water Fund. The properties that benefitted from the water main will be charged an assessment that is payable over 20 years. These assessments will cover the cost of the monthly payments on the loan.

The Town has unspent American Rescue Plan Act funding as of June 30, 2024, in the amount of \$2,454,100. These funds are set aside in the Miscellaneous Special Grants Fund and will be distributed in accordance with guidance from the Treasury.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$23,538,098 and the unassigned general fund balance was \$14,089,934. The remainder of the fund balance is not available for new or additional appropriations because it is either committed to be used for a specific purpose as determined by the Board of Finance or assigned to liquidate encumbrances of the prior period.

As of June 30, 2024, \$6,563,051 of the total fund balance is committed for future projects including OPEB, Revaluation, Sick Leave Retirement, Facilities, Roads, Coastal Resilience, Transportation Plan, Sidewalks, Disaster Relief, Future Debt Service, and Technology. A total of \$1,832,089 is assigned to prior year encumbrances and carried in force.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

The overall fund balance of the Town's General Fund increased by \$369,672 during the current fiscal year. The unassigned fund balance decreased by \$115,920.

The Bonded Projects Fund had a fund balance of (\$11,952,171). The negative fund balance in the Bonded Projects Fund is due to the fact that the Town pays for projects prior to reimbursing itself with bond funds. Public Safety Communications Infrastructure in the amount of \$2,165,381 and School Facilities Improvements in the amount of \$1,927,490, expended during the fiscal year, are significant reasons for the change in fund balance. The Town plans to bond at least \$5,000,000 each of the next few years to cover this overage.

The High School Construction Fund had a \$0 fund balance as of June 30, 2024. This project has been audited by the State and closed out.

Combined, this represents an increase of \$101,294 in bonded projects; which will be funded by future bonds and school construction grants.

The Miscellaneous Special Grants Fund had a fund balance of \$766,593, which is made up of an accumulation of a number of small projects along with American Rescue Plan Act (ARPA) funding. The increase in fund balance is due to the transfer of unearned revenue in the ARPA fund.

Other Nonmajor Governmental Funds have a total fund balance of \$3,429,781, an increase of \$133,946 in the current year. This increase is made up of an accumulation of many small projects.

### **Proprietary Funds**

The Town's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall, Business-Type Proprietary Funds net position totals \$599,352 at the end of the year. Total net position of the Waste Transfer Fund at the end of the year is \$62,473, and the Marina Fund has total net position of \$536,879. The increase in the combined total net position for the two funds was \$154,346 due to normal operations.

The Internal Service Fund had \$4,230,836 in net position, which includes \$1,085,000 of medical claims incurred but not reported.

### **General Fund Budgetary Highlights**

Revenues were greater than budgetary estimates by \$1,909,993; mainly due to Intergovernmental Revenue, Interest Income, and the Fire Department. Expenditures were less than budgeted by \$289,959. During the year, a total of \$1,641,788 was transferred in from Committed and Unassigned Fund Balance Accounts. On a total budgetary basis, revenue exceeded expenditures and transfers by \$1,060,813. For the year ended June 30, 2024, revenues increased 3.18% over the prior year while expenditures increased by 4.89%. Debt service decreased by \$232,595 or 2.27%. Board of Education expenditures increased by \$2,937,034 or 4.48%. Other key factors affecting the General Fund are as follows:

- Budgetary transfers were made during the year from Debt Service for use of bond premium.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

- Bond Anticipation Notes for \$2,650,000 were issued in August 2023 primarily to provide temporary financing for the Guilford High School in the amount of \$2,120,000.
- In August 2023, a General Obligation Bond was issued for \$5,000,000 to finance Board of Education and Town of Guilford capital projects.
- Collections from property taxes, interest and lien fees generated \$405,489 less than the budget of \$103,452,787. This is due in part to a reduction in Taxes Receivable from the prior year. The tax collection rate on the current grand list was 99.48%.

Other local revenues were \$1,375,970 greater than budgeted; due mainly in part to increased revenue for interest income, Building Department, and the Fire Department.

**Capital Asset and Debt Administration**

**Capital Assets** – The Town's investment in capital assets (net of accumulated depreciation and amortization) for its Governmental Activities and Business-Type Activities as of June 30, 2024, is \$194,980,505 and \$716,733, respectively. This investment in capital assets included infrastructure, land, buildings and improvements, machinery and equipment and vehicles. The Town conducted an inventory of all capital assets and removed assets that were no longer in use. This caused a total decrease in the Town's investment in capital assets for the current fiscal year of \$607,303.

**CAPITAL ASSETS (Net of Depreciation and Amortization)  
For the Years Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 24,032,854	\$ 23,399,201	\$ 130,000	\$ 130,000	\$ 24,162,854	\$ 23,529,201
Land Improvements	6,148,206	5,532,633	426,212	458,304	6,574,418	5,990,937
Infrastructure	20,910,991	21,707,558	-	-	20,910,991	21,707,558
Buildings and Improvements	132,079,441	133,436,099	24,347	-	132,103,788	133,436,099
Machinery and Equipment	6,584,869	6,572,699	136,174	145,899	6,721,043	6,718,598
Vehicles	2,712,038	3,307,263	-	-	2,712,038	3,307,263
Subscription Based Information						
Technology Arrangements	120,933	173,397	-	-	120,933	173,397
Construction in Progress	2,391,173	1,441,488	-	-	2,391,173	1,441,488
Total	<u>\$ 194,980,505</u>	<u>\$ 195,570,338</u>	<u>\$ 716,733</u>	<u>\$ 734,203</u>	<u>\$ 195,697,238</u>	<u>\$ 196,304,541</u>

Additional information on the Town's capital assets can be found in Note 3C on pages 43-45 of this report.

**Long-Term Debt** – At the end of the current fiscal year, the Town had total bonded debt outstanding of \$81,285,000. All of the debt is backed by the full faith and credit of the Town.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

**OUTSTANDING DEBT**

**For the Years Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 81,285,000	\$ 83,260,000	\$ -	\$ -	\$ 81,285,000	\$ 83,260,000
Compensated Absences	1,624,471	1,884,951	-	-	1,624,471	1,884,951
Total	<u>\$ 82,909,471</u>	<u>\$ 85,144,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,909,471</u>	<u>\$ 85,144,951</u>

The Town maintains an Aa2 rating from Moody's and a AAA from Fitch and S&P for general obligation debt. Fitch updated the town's rating to AAA on October 10, 2016, due in part to the Town's sound debt management planning. The Town has been able to maintain these ratings even through COVID.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times its tax collection base. The current debt limitation for the Town is \$680,576,589, which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3F.

**Economic Factors and Next Year's Budget**

- The unemployment rate for the Town as of June 30, 2024, was 2.1%, no change from a rate of 2.1% the previous year.
- Although unemployment is stable, uncertainty regarding the continued effects of COVID 19 on residents, taxpayers, and town government was taken into consideration.
- The Town has ceased its practice of reserving and relying on fund balance for the subsequent year's operating budget. In the past, this use of available fund balance lessened the burden on taxpayers; however, as a result, fund balance was reduced to inadequate levels. The restoration and preservation of fund balance is vital to the Town's overall fiscal stability. The Town has made measurable progress to meet this objective.

Key budget initiatives for 2024-25 are a continuation of multi-year long-range budget objectives, which include the following:

- Continuing the multi-year strategy to maintain the General Fund capital budget at a level that allows the Town to pay for regular, recurring capital projects on a "pay-as-you-go" basis, reserving bonding for more expensive construction or building projects.
- Funding the contributions to both the Town and Police pension plans at the levels recommended by the Town's actuary with the long-term goal of eliminating the unfunded liabilities to significantly reduce our future pension obligation.
- Increasing the amount of funding for road maintenance that has been deferred for many years due to budget reductions.

**TOWN OF GUILFORD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2024**

- Negotiate and settle labor agreements with terms that are both fair to the employee and favorable to the Town. Strategies to control employee medical benefits remain a priority.
- To stabilize mill rate increases to lessen the burden on taxpayers.

As a result of these efforts the Town adopted a 2024-25 General Fund budget of \$117,930,224 which represents an increase of \$3,413,204 or 2.98% over the 2023-24 budget.

During fiscal year 2024-25, the five-year capital plan updated each year by the Board of Selectmen will be used as a blueprint for capital and debt management. This plan includes capital expenditures which will preserve the Town's investment in its properties and buildings, and new vehicles and equipment to ensure continued service delivery. In April 2024 appropriations and bond authorizations totaling \$2,452,080 were approved at referendum for projects on the Board of Education capital plan.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government'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, Town of Guilford, 31 Park Street, Guilford, Connecticut, 06437.

## **BASIC FINANCIAL STATEMENTS**



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

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Guilford Library Association
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 24,718,409	\$ 206,568	\$ 24,924,977	\$ 214,001
Investments	8,460,778	-	8,460,778	1,667,632
Property Taxes Receivable, Net	1,678,882	-	1,678,882	-
Due from Other Governments	965,142	-	965,142	-
Special Assessments Receivable	2,274,308	-	2,274,308	-
Other Receivables	1,588,786	39,565	1,628,351	-
Leases Receivables	90,570	-	90,570	-
Supplies	35,751	-	35,751	-
Prepaid Items	239,885	-	239,885	-
Capital Assets, Nondepreciable	26,424,027	130,000	26,554,027	-
Capital Assets, Net of Depreciation/Amortization	168,556,478	586,733	169,143,211	-
Total Assets	235,033,016	962,866	235,995,882	1,881,633
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	80,750	-	80,750	-
Deferred Outflows Related to Pension	1,902,735	-	1,902,735	-
Deferred Outflows Related to OPEB	2,721,436	-	2,721,436	-
Total Deferred Outflows of Resources	4,704,921	-	4,704,921	-
<b>LIABILITIES</b>				
Accounts Payable and Accrued Items	5,359,606	220,897	5,580,503	-
Interest Payable	3,201,071	-	3,201,071	-
Unearned Revenue	4,855,424	142,617	4,998,041	-
Claims Incurred but not Reported	1,085,000	-	1,085,000	-
Bond Anticipation Notes Payable	2,650,000	-	2,650,000	-
Due Within One Year	9,080,205	-	9,080,205	-
Due in More than One Year	129,639,541	-	129,639,541	-
Total Liabilities	155,870,847	363,514	156,234,361	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	581,109	-	581,109	-
Advance Property Tax Collections	268,120	-	268,120	-
Leases	84,243	-	84,243	-
Deferred Inflows Related to Pension	1,515,057	-	1,515,057	-
Deferred Inflows Related to OPEB	14,633,088	-	14,633,088	-
Total Deferred Inflows of Resources	17,081,617	-	17,081,617	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	93,611,624	716,733	94,328,357	-
Restricted:				
Volunteer Firefighters	813,139	-	813,139	-
Grants	797,512	-	797,512	-
Unrestricted	(28,436,802)	(117,381)	(28,554,183)	1,881,633
Total Net Position	\$ 66,785,473	\$ 599,352	\$ 67,384,825	\$ 1,881,633

See accompanying Notes to Financial Statements.

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

		Program Revenues			Net Revenue (Expense) and Changes in Net Position			
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Guilford Library Association
<b>PRIMARY GOVERNMENT</b>								
Governmental Activities:								
General Government	\$ 10,671,638	\$ 1,991,433	\$ 1,538,099	\$ 213,074	\$ (6,929,032)	\$ -	\$ (6,929,032)	\$ -
Public Safety	19,770,478	1,527,701	94,292	-	(18,148,485)	-	(18,148,485)	-
Public Works	5,160,739	7,000	356,509	-	(4,797,230)	-	(4,797,230)	-
Health and Welfare	2,815,299	801,908	2,665,891	-	652,500	-	652,500	-
Culture and Recreation	5,705,384	1,045,077	24,587	-	(4,635,720)	-	(4,635,720)	-
Education	91,230,938	1,280,621	16,695,922	2,338,717	(70,915,678)	-	(70,915,678)	-
Interest and Fiscal Charges	<u>2,540,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,540,853)</u>	<u>-</u>	<u>(2,540,853)</u>	<u>-</u>
Total Governmental Activities	137,895,329	6,653,740	21,375,300	2,551,791	(107,314,498)	-	(107,314,498)	-
Business-Type Activities:								
Waste Transfer Station	992,761	961,491	-	-	-	(31,270)	(31,270)	-
Marina Fund	<u>164,753</u>	<u>258,383</u>	<u>-</u>	<u>1,340</u>	<u>-</u>	<u>94,970</u>	<u>94,970</u>	<u>-</u>
Total Business-Type Activities	<u>1,157,514</u>	<u>1,219,874</u>	<u>-</u>	<u>1,340</u>	<u>-</u>	<u>63,700</u>	<u>63,700</u>	<u>-</u>
Total Primary Government	<u>\$ 139,052,843</u>	<u>\$ 7,873,614</u>	<u>\$ 21,375,300</u>	<u>\$ 2,553,131</u>	(107,314,498)	63,700	(107,250,798)	-
Component Unit:								
Guilford Library Association	<u>\$ 1,816,185</u>	<u>\$ 57,463</u>	<u>\$ -</u>	<u>\$ -</u>			-	(1,758,722)
<b>GENERAL REVENUES</b>								
Property Taxes					107,735,862	-	107,735,862	
Grants and Contributions not Restricted to Specific Programs					1,634,809	-	1,634,809	1,555,283
Unrestricted Investment Earnings					1,932,926	5,211	1,938,137	195,700
Miscellaneous					277,776	435	278,211	106,167
Transfers					<u>(85,000)</u>	<u>85,000</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers					<u>111,496,373</u>	<u>90,646</u>	<u>111,587,019</u>	<u>1,857,150</u>
<b>CHANGE IN NET POSITION</b>					4,181,875	154,346	4,336,221	98,428
Net Position - Beginning of Year					<u>62,603,598</u>	<u>445,006</u>	<u>63,048,604</u>	<u>1,783,205</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 66,785,473</u>	<u>\$ 599,352</u>	<u>\$ 67,384,825</u>	<u>\$ 1,881,633</u>

See accompanying Notes to Financial Statements.

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

	General	Bonded Projects	High School Construction	Miscellaneous Special Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 5,511,619	\$ -	\$ 1,898,104	\$ 3,117,505	\$ 8,957,313	\$ 19,484,541
Investments	8,460,778	-	-	-	-	8,460,778
Property Taxes Receivable, Net	1,678,882	-	-	-	-	1,678,882
Special Assessment Receivable	-	-	-	-	2,274,308	2,274,308
Due from Other Governments	644,150	-	-	-	320,992	965,142
Other Receivables	1,537,736	-	-	12,744	38,375	1,588,855
Leases Receivable	-	-	-	-	90,570	90,570
Due from Other Funds	13,317,608	-	221,896	29,423	46,986	13,615,913
Supplies	-	-	-	-	35,751	35,751
Prepaid Items	239,885	-	-	-	-	239,885
Total Assets	<u>\$ 31,390,658</u>	<u>\$ -</u>	<u>\$ 2,120,000</u>	<u>\$ 3,159,672</u>	<u>\$ 11,764,295</u>	<u>\$ 48,434,625</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Items	\$ 5,316,855	\$ 878,728	\$ -	\$ 20,304	\$ 746,365	\$ 6,962,252
Due to Other Funds	705,609	10,553,443	-	-	2,764,165	14,023,217
Unearned Revenue	17,215	-	-	2,372,775	2,465,434	4,855,424
Bond Anticipation Notes Payable	-	530,000	2,120,000	-	-	2,650,000
Total Liabilities	<u>6,039,679</u>	<u>11,962,171</u>	<u>2,120,000</u>	<u>2,393,079</u>	<u>5,975,964</u>	<u>28,490,893</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	1,544,761	-	-	-	-	1,544,761
Unavailable Revenue - Special Assessments	-	-	-	-	2,274,307	2,274,307
Lease	-	-	-	-	84,243	84,243
Advance Property Tax Collections	268,120	-	-	-	-	268,120
Total Deferred Inflows of Resources	<u>1,812,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,358,550</u>	<u>4,171,431</u>
<b>FUND BALANCES</b>						
Nonspendable	239,885	-	-	-	35,751	275,636
Restricted	813,139	-	-	766,593	30,919	1,610,651
Committed	6,563,051	3,083,022	2,980	-	3,792,118	13,441,171
Assigned	1,832,089	-	-	-	-	1,832,089
Unassigned	14,089,934	(15,045,193)	(2,980)	-	(429,007)	(1,387,246)
Total Fund Balances	<u>23,538,098</u>	<u>(11,962,171)</u>	<u>-</u>	<u>766,593</u>	<u>3,429,781</u>	<u>15,772,301</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,390,658</u>	<u>\$ -</u>	<u>\$ 2,120,000</u>	<u>\$ 3,159,672</u>	<u>\$ 11,764,295</u>	<u>\$ 48,434,625</u>

See accompanying Notes to Financial Statements.

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

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III) \$ 15,772,301

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

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

Governmental Capital Assets	277,650,227
Less: Accumulated Depreciation/Amortization	<u>(82,669,722)</u>
Net Capital Assets	194,980,505

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

Property Tax and Interest Receivables Greater than 60 days	1,544,761
Special Assessments	2,274,307
Deferred Outflows Related to Refundings	80,750
Deferred Outflows Related to Pension	1,902,735
Deferred Outflows Related to OPEB	2,721,436

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

4,230,836

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

Bonds Payable	(81,285,000)
Clean Water Notes Payable	(2,252,479)
Notes Payable	(7,987,103)
Subscription Based Information Technology Arrangement Liability	(106,910)
Teamsters Pension Plan Liability	(2,268,785)
Unamortized Premium on Bonds Payable	(7,713,316)
Interest Payable on Bonds	(1,273,158)
Total OPEB Liability	(13,398,034)
Compensated Absences	(1,624,471)
Net Pension Liability	(19,161,157)
Total Pension Liability	(2,922,491)
Deferred Inflows Related to Refundings	(581,109)
Deferred Inflows Related to Pension	(1,515,057)
Deferred Inflows Related to OPEB	<u>(14,633,088)</u>

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

\$ 66,785,473

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

	General	Bonded Projects	High School Construction	Miscellaneous Special Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes, Interest, and Lien Fees	\$ 106,969,624	\$ -	\$ -	\$ -	\$ 148,305	\$ 107,117,929
Intergovernmental Revenues	15,176,369	-	2,338,717	2,701,270	4,297,795	24,514,151
Charges for Services	4,035,584	-	-	-	2,618,156	6,653,740
Other Local Revenues	1,794,485	18,802	-	345,388	218,689	2,377,364
Total Revenues	127,976,062	18,802	2,338,717	3,046,658	7,282,945	140,663,184
<b>EXPENDITURES</b>						
Current:						
General Government	5,914,521	-	-	1,325,365	501,838	7,741,724
Public Safety	12,684,893	-	-	287,927	170,997	13,143,817
Public Works	3,431,422	-	-	-	-	3,431,422
Health and Welfare	1,499,648	-	-	587,045	68,291	2,154,984
Culture and Recreation	2,387,395	-	-	396,566	1,326,468	4,110,429
Education	79,181,604	-	-	-	3,567,699	82,749,303
Pension and Other Employee Benefits	8,507,776	-	-	-	-	8,507,776
Debt Service:						
Principal Retirement	7,683,132	-	-	-	126,596	7,809,728
Interest and Other Charges	3,175,007	63,027	56,156	-	54,022	3,348,212
Capital Outlay	2,517,282	7,947,496	-	-	1,505,103	11,969,881
Total Expenditures	126,982,680	8,010,523	56,156	2,596,903	7,321,014	144,967,276
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	993,382	(7,991,721)	2,282,561	449,755	(38,069)	(4,304,092)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds Issuance	-	5,000,000	-	-	-	5,000,000
Premium on Bonds Issued	463,182	-	-	-	-	463,182
Transfers in from Other Funds	-	-	800,454	29,423	172,015	1,001,892
Transfers out to Other Funds	(1,086,892)	-	-	-	-	(1,086,892)
Total Other Financing Sources (Uses)	(623,710)	5,000,000	800,454	29,423	172,015	5,378,182
<b>NET CHANGE IN FUND BALANCES</b>	369,672	(2,991,721)	3,083,015	479,178	133,946	1,074,090
Fund Balances - Beginning of Year	23,168,426	(8,970,450)	(3,083,015)	287,415	3,295,835	14,698,211
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 23,538,098</b>	<b>\$ (11,962,171)</b>	<b>\$ -</b>	<b>\$ 766,593</b>	<b>\$ 3,429,781</b>	<b>\$ 15,772,301</b>

See accompanying Notes to Financial Statements.

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

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 1,074,090

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

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

Capital Outlay	4,647,020
Depreciation and Amortization Expense	(5,236,853)

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

Property Taxes Collected After 60 Days	595,781
Grants	(520,484)
Special Assessments	(104,426)
Deferred Outflows Related to Pension	(4,571,562)
Deferred Outflows Related to OPEB	(1,365,004)

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. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bonds Issuance	(5,000,000)
Principal Payments on Bonds Payable	6,975,000
Principal Payments on Clean Water Notes Payable	126,578
Principal Payments on Notes Payable	708,159
Subscription Based Information Technology Arrangement Principal Payments	52,906
Bond Premium	(463,182)

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

Amortization of Deferred Charge on Refunding	36,711
Amortization of Premium	1,467,777
Accrued Interest	32,123
Change in Long-Term Compensated Absences	260,480
Payment on Teamsters Pension Plan Liability	174,516
Change in Total Pension Liability	(92,986)
Change in Net Pension Liability	2,629,043
Change in Total OPEB Liability	283,157
Deferred Inflows Related to Pension	296,031
Deferred Inflows Related to OPEB	2,911,185

The net expense of the internal service funds is reported with governmental activities. (734,185)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 4,181,875
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See accompanying Notes to Financial Statements.

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

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 206,568	\$ 5,233,868
Accounts Receivable, Net	39,565	60
Due from Other Funds	-	407,304
Total Current Assets	<u>246,133</u>	<u>5,641,232</u>
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	<u>716,733</u>	<u>-</u>
Total Assets	962,866	5,641,232
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Items	220,897	325,396
Unearned Revenue	142,617	-
Claims Incurred but Not Reported	-	1,085,000
Total Current Liabilities	<u>363,514</u>	<u>1,410,396</u>
<b>NET POSITION</b>		
Investment in Capital Assets	716,733	-
Unrestricted	<u>(117,381)</u>	<u>4,230,836</u>
Total Net Position	<u><u>\$ 599,352</u></u>	<u><u>\$ 4,230,836</u></u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 1,219,874	\$ 14,691,000
Other	435	-
Total Operating Revenues	<u>1,220,309</u>	<u>14,691,000</u>
<b>OPERATING EXPENSES</b>		
Salaries, Wages, and Employee Benefits	491,701	-
Medical Claims	-	15,390,764
Depreciation Expense	48,743	-
Operation and Supplies	617,070	34,421
Total Operating Expenses	<u>1,157,514</u>	<u>15,425,185</u>
<b>OPERATING INCOME (LOSS)</b>	62,795	(734,185)
<b>NONOPERATING REVENUES</b>		
Income on Investments	5,211	-
Total Nonoperating Revenues	<u>5,211</u>	<u>-</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	68,006	(734,185)
Capital Contributions	1,340	-
Transfers In	85,000	-
Total	<u>86,340</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	154,346	(734,185)
Net Position - Beginning of Year	<u>445,006</u>	<u>4,965,021</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 599,352</u>	<u>\$ 4,230,836</u>

See accompanying Notes to Financial Statements.



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

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 1,208,153	\$ 14,691,553
Payments to Suppliers	(568,265)	(15,011,733)
Payments to Employees	(491,701)	-
Payments for Interfund Services Used	(463,280)	922,223
Net Cash Provided (Used) by Operating Activities	(315,093)	602,043
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from Other Funds	85,000	-
Net Cash Provided by Noncapital Financing Activities	85,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions	1,340	-
Additions to Property, Plant, and Equipment	(31,274)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(29,934)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	5,211	-
Net Cash Provided by Investing Activities	5,211	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(254,816)	602,043
Cash and Cash Equivalents - Beginning of Year	461,384	4,631,825
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 206,568</u>	<u>\$ 5,233,868</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 62,795	\$ (734,185)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	48,743	-
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(23,252)	553
(Increase) Decrease in Due from Other Funds	(463,280)	922,223
Increase (Decrease) in Due to Other Funds	-	-
Increase (Decrease) in Unearned Revenue	11,096	-
Increase (Decrease) in Accounts Payable and Accrued Items	48,805	325,396
Increase (Decrease) in Claims Payable	-	88,056
Total Adjustments	(377,888)	1,336,228
Net Cash Provided (Used) by Operating Activities	<u>\$ (315,093)</u>	<u>\$ 602,043</u>

See accompanying Notes to Financial Statements.

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

	Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 767,796
Investments, at Fair Value:	
Mutual Funds	82,266,686
Receivables:	
Accrued Interest and Dividends	22,393
Total Assets	<u>83,056,875</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>-</u>
<b>NET POSITION</b>	
Restricted for Pension Benefits	79,968,934
Restricted for OPEB Benefits	<u>3,087,941</u>
Total Net Position	<u><u>\$ 83,056,875</u></u>

See accompanying Notes to Financial Statements.

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

	Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 4,198,704
Plan Members	<u>373,127</u>
Total Contributions	<u>4,571,831</u>
Investment Earnings:	
Net Change in Fair Value of Investments	5,817,115
Interest	104,369
Dividends	<u>2,091,974</u>
Total Investment Earnings	<u>8,013,458</u>
Less Investment Expenses:	
Investment Management Fees	<u>1,533</u>
Net Investment Earnings	<u>8,011,925</u>
Total Additions	12,583,756
<b>DEDUCTIONS</b>	
Benefits	6,012,696
Administrative Expense	<u>6,807</u>
Total Deductions	<u>6,019,503</u>
<b>CHANGE IN NET POSITION</b>	6,564,253
Net Position - Beginning of Year	<u>76,492,622</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 83,056,875</u></u>

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Guilford, Connecticut (the Town) was incorporated in 1639. It operates under the Board of Selectmen/Board of Finance form of government and provides the following services: public safety (police and fire), public works, health and welfare, culture, recreation, education, and general government.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements (see below for description) to emphasize that they are legally separate from the government.

Discretely Presented Component Unit

The Guilford Free Library (the Library) is included in the Town's Annual Comprehensive Financial Report as a discretely presented component unit. The Town's Board of Selectmen is empowered to appoint the Guilford Library Association, Inc. (the Association) to take over the administration of the Library. The Association shall annually account to the Selectmen of its doings for the preceding fiscal year in time to allow said report to be printed in the Annual Town Report. The Library is a not-for-profit organization incorporated under the laws of the State of Connecticut. Although it is legally separate from the Town of Guilford, the Library is presented discretely as it is fiscally dependent upon the Town. The Town contributes almost seventy percent (70%) of the Library's annual operating budget. The Library does not provide services primarily to the Town, but to its citizens.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and an Other Employee Benefit Trust Fund (OPEB) plan to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension and OPEB Boards and is required to make contributions to the pension and OPEB plans and can impose its will.

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

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

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

**B. Basis of Presentation**

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

**C. Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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.

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

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

The Town reports the following major governmental funds:

**General Fund**

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

**Bonded Projects**

The Bonded Projects Fund accounts for funds to be used for improvements to educational facilities, athletic fields, and land acquisition. Majority of the capital outlays are financed by the issuance of general obligation bonds.

**High School Construction Fund**

The High School Construction *Fund* accounts for funds to be used for high school building construction project. Majority of the project will be financed by the issuance of general obligation bonds.

**Miscellaneous Special Grants Fund**

The Miscellaneous Special Grants Fund accounts for grants and donations used to provide various community programs and improvements.

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

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

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

Additionally, the Town reports the following fund types:

**Enterprise Funds**

The Enterprise Funds are used to account for the operations that are financed through user charges. The nonmajor Enterprise Funds include the Waste Transfer Station and the Marina Fund.

**Internal Service Fund**

The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. The self-insurance fund is the Town's only internal service fund and is used to account for the medical insurance benefits provided to Town employees.

**Pension and Other Employees Benefit Trust Funds**

The Pension and Other Employees Benefit Trust Funds are used to account for the three single-employer defined-benefit pension plans and one other employee benefit plan. The pension plans are maintained by the Town for full-time employees: Employees' Pension Plan, Police Retirement Fund and Public-School Employees' Pension Plan. The other employee benefit plan is also maintained by the Town.

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

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

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

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

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

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

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

**E. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

**F. Investments**

Investments are stated at fair value.

**G. Supplies and Prepaid Items**

Supplies of donated commodities are stated at fair value. Supplies of governmental funds are recorded as expenditures when consumed rather than when purchased.

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



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

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

**H. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**I. Leases – Lessor**

The Town of Guilford is a lessor for a noncancellable leases of cell towers. The Town of Guilford recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

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

Key estimates and judgments include how the Town of Guilford determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town of Guilford uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

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

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

**J. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives.

Building and Improvements	25 to 40 Years
Land Improvements	20 Years
Infrastructure	10 to 65 Years
Vehicles	5 to 15 Years
Machinery and Equipment	5 to 15 Years

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.

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.

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

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

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

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

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 apply 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 charge on refunding and deferred inflows related to pension and OPEB in the government-wide statement of net position. The Town also reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, grants, and assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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

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

**L. Compensated Absences**

Based on union contracts, certain employees may accumulate a certain amount of unused sick leave until retirement, termination, or death, at which time the accumulated amounts become vested, and the employee is paid a percentage of the accumulated sick leave. The amount recorded as a liability is based upon current salary levels. Vacation time earned during the fiscal year may, in some situations, be carried over to the next fiscal year. All vacation and sick pay are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**M. 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.

**N. Net Other Post Employment Benefits Other than Pensions (OPEB) Liability**

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

**O. Long-Term Obligations**

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

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

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

**O. Long-Term Obligations (Continued)**

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

**P. Equity**

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

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

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

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

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

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

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

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

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

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

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

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

**Q. Property Taxes**

Property taxes are assessed as of October 1 and billed the following July 1 and January 1. Taxes are overdue on August 1 and February 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of June 30 following the payable 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 to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in unavailable revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**R. 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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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

**A. Budgetary Information**

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

The budget is adopted by referendum.

Budgetary control is maintained at the department level. The Board of Finance may make budget transfers between departments and supplemental appropriations that, in the aggregate, do not exceed 1% of the approved budget. Transfers and supplemental appropriations in excess of this amount must be approved at the Town meeting. Management does not have the authority to change the budget between departments. Transfers from the contingency account are excluded from the 1% determination. During the year, no supplemental budgetary appropriations were approved. Except for those appropriations approved for continuance by the Board of Finance, unencumbered appropriations lapse at year-end.

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

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

**A. Budgetary Information (Continued)**

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction. Encumbrances do not impact the classification of fund balance.

The Town does not have legally adopted budgets for its special revenue funds. Budgets for the various special funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are nonlapsing and may comprise of more than one fiscal year.

**B. Deficit Fund Equity**

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

Bonded Projects	\$ 11,962,171
Nonmajor Governmental Funds:	
Revaluation Fund	450
Special Education Grants	27,217
Police Outside Services	117,886
Small Cities Grant	19,358
Grant Projects	264,546

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

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

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

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

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

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

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

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

Deposits

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$17,815,556 of the Town's bank balance of \$23,878,964 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 15,977,953
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	1,837,603
Total Amount Subject to Custodial Risk	<u><u>\$ 17,815,556</u></u>

At June 30, 2024, \$57,832 of the Guilford Library Association's bank balance was covered by federal depository insurance.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2024, the Town's cash equivalents amounted to \$3,634,528. The following table provides summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.



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

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

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

Cash Equivalents (Continued)

	Standard & Poor's
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Principal	*

\* Not Rated

At June 30, 2024, the cash equivalents for the Guilford Library Association amounted to \$184,070, of which was held in Fidelity investments. Fidelity Investments is not rated by a nationally recognized statistical rating organization.

Investments

As of June 30, 2024, the Town had \$90,749,858 of investments, of which \$82,269,080 of the balance was invested in mutual funds. The mutual funds do not have a credit rating. The remaining balance of \$8,460,778 was invested in U.S. Government Securities.

At June 30, 2024, the component unit had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More than 10
Interest-Bearing Investments:					
U.S. Government Agencies	A3	\$ 8,460,778	\$ -	\$ 8,460,778	\$ -
Total		8,460,778	\$ -	\$ 8,460,778	\$ -
Other Investments:					
Mutual Funds	N/A	82,289,080			
Total Investments		<u>\$ 90,749,858</u>			

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

Credit Risk

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

Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

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

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

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

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Fair Value

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

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

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 8,460,778	\$ 8,460,778	\$ -	\$ -
Mutual Funds	82,289,080	82,289,080	-	-
Total Investments by Fair Value Level	<u>\$ 90,749,858</u>	<u>\$ 90,749,858</u>	<u>\$ -</u>	<u>\$ -</u>

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

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 23,850	\$ 23,850	\$ -	\$ -
Corporate Bonds	244,393	-	244,393	-
Mutual Funds	1,005,065	1,005,065	-	-
Common Stock	394,324	394,324	-	-
Total Investments by Fair Value Level	<u>\$ 1,667,632</u>	<u>\$ 1,423,239</u>	<u>\$ 244,393</u>	<u>\$ -</u>

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

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

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

**B. Receivables**

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

	Property Taxes	Property Tax Interest and Lien Fees	Due from Other Governments	Special Assessments	Other Receivables	Leases	Total
Accounts Receivable	\$ 1,366,578	\$ 362,304	\$ 965,142	\$ 2,274,308	\$ 1,628,351	\$ 90,570	\$ 6,687,253
Less Allowance for Uncollectible Accounts	(50,000)	-	-	-	-	-	(50,000)
Net Accounts Receivable	<u>\$ 1,316,578</u>	<u>\$ 362,304</u>	<u>\$ 965,142</u>	<u>\$ 2,274,308</u>	<u>\$ 1,628,351</u>	<u>\$ 90,570</u>	<u>\$ 6,637,253</u>

**Leases Receivable**

The Town, acting as lessor, leases various cell towers under long-term, noncancelable lease agreements. The leases expire on July 1, 2027. During the year ended June 30, 2024, the Town recognized \$75,367 and \$6,901 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 42,534	\$ 2,849	\$ 45,383
2026	44,267	1,116	45,383
2027	3,769	13	3,782
Total Minimum Lease Payments	<u>\$ 90,570</u>	<u>\$ 3,978</u>	<u>\$ 94,548</u>

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

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

**C. Capital Assets**

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

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 23,399,201	\$ -	\$ 633,653	\$ -	\$ 24,032,854
Construction in Progress	1,441,488	-	949,685	-	2,391,173
Total Capital Assets Not Being Depreciated	24,840,689	-	1,583,338	-	26,424,027
Capital Assets Being Depreciated:					
Buildings and Improvements	176,161,814	-	1,343,196	-	177,505,010
Infrastructure	40,339,620	-	68,818	-	40,408,438
Land Improvements	7,488,061	-	887,581	-	8,375,642
Machinery and Equipment	12,571,202	-	328,610	(269,381)	12,630,431
Vehicles	15,417,297	-	435,477	(3,748,703)	12,104,071
Total Capital Assets Being Depreciated	251,977,994	-	3,063,682	(4,018,084)	251,023,592
Less Accumulated Depreciation for:					
Buildings and Improvements	42,725,715	-	2,699,854	-	45,425,569
Infrastructure	18,632,062	-	865,385	-	19,497,447
Land Improvements	1,955,428	-	272,008	-	2,227,436
Machinery and Equipment	5,998,503	-	316,440	(269,381)	6,045,562
Vehicles	12,110,034	-	1,030,702	(3,748,703)	9,392,033
Total Accumulated Depreciation	81,421,742	-	5,184,389	(4,018,084)	82,588,047
Subscription Based Information Technology Arrangements	202,608	-	-	-	202,608
Less Accumulated Amortization:					
Subscription Based Information Technology Arrangements	29,211	-	52,464	-	81,675
Total Accumulated Amortization	29,211	-	52,464	-	81,675
Total Capital Assets being Depreciated/Amortized, Net	170,729,649	-	(2,173,171)	-	168,556,478
Governmental Activities Capital Assets, Net	<u>\$ 195,570,338</u>	<u>\$ -</u>	<u>\$ (589,833)</u>	<u>\$ -</u>	<u>\$ 194,980,505</u>

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

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

**C. Capital Assets (Continued)**

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000
Total Capital Assets Not Being Depreciated	130,000	-	-	-	130,000
Capital Assets Being Depreciated:					
Buildings and Improvements	162,007	-	24,972	-	186,979
Land Improvements	953,522	-	6,301	-	959,823
Machinery and Equipment	404,803	-	-	-	404,803
Total Capital Assets Being Depreciated	1,520,332	-	31,273	-	1,551,605
Less Accumulated Depreciation for:					
Buildings and Improvements	162,007	-	625	-	162,632
Land Improvements	495,218	-	38,393	-	533,611
Machinery and Equipment	258,904	-	9,725	-	268,629
Total Accumulated Depreciation	916,129	-	48,743	-	964,872
Total Capital Assets being Depreciated, Net	604,203	-	(17,470)	-	586,733
Business-Type Activities Capital Assets, Net	<u>\$ 734,203</u>	<u>\$ -</u>	<u>\$ (17,470)</u>	<u>\$ -</u>	<u>\$ 716,733</u>

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

Governmental Activities:	
General Government	\$ 152,543
Public Safety	1,143,664
Public Works	1,163,300
Health and Welfare	128,357
Education	2,147,863
Culture and Recreation	501,126
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 5,236,853</u>
Business-Type Activities:	
Waste Transfer Station	\$ 5,580
Marina	43,163
Total Depreciation Expense - Business-Type Activities	<u>\$ 48,743</u>

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

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

**C. Capital Assets (Continued)**

Construction Commitments

The government has several active construction projects as of June 30, 2024. At year-end, the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Baldwin Middle School Kitchen Renovations	\$ 1,168,546	\$ 30,154
Gulford Lakes - HVAC Upgrades	1,151,365	5,000
School Security Enhancements	919,225	25,868
Nut Plains Road Reconstruction	750,972	1,791,454
Rt. 77 Pedestrian Bridge	672,158	78,300
595 New England Road	193,707	2,105,880
32 Church St Emergency Generator	16,850	159,444
Apparatus Bay Extension	14,545	1,184,182
Total	<u>\$ 4,887,368</u>	<u>\$ 5,380,282</u>

The commitments are being financed with bond anticipation notes and state and federal grants.

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

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

Receivable Fund	Payable Fund	Amount
General Fund	Bonded Projects Funds	\$ 10,553,443
	Nonmajor Governmental Funds	<u>2,764,165</u>
General Fund Total		13,317,608
Miscellaneous Special Grants	General Fund	29,423
Nonmajor Governmental Funds	General Fund	46,986
High School Construction	General Fund	221,896
Internal Service Fund	General Fund	<u>407,304</u>
Total		<u>\$ 14,023,217</u>

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

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

**D. Interfund Receivables, Payables, and Transfers (Continued)**

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

The transfers that occurred during the year are as follows:

	Transfers In				Total Transfers Out
	High School Construction	Miscellaneous Special Grants	Nonmajor Governmental Funds	Nonmajor Business-Type Funds	
Transfers Out:					
General Fund	\$ 800,454	\$ 29,423	\$ 172,015	\$ 85,000	\$ 1,086,892
Total Transfers In	<u>\$ 800,454</u>	<u>\$ 29,423</u>	<u>\$ 172,015</u>	<u>\$ 85,000</u>	<u>\$ 1,086,892</u>

Transfers are used to move funds from the General Fund to the other funds in accordance with budget authorizations.

**E. Long-Term Liabilities**

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 83,260,000	\$ 5,000,000	\$ 6,975,000	\$ 81,285,000	\$ 7,280,000
Direct Borrowing-Clean Water Notes	2,379,057	-	126,578	2,252,479	129,133
Subscription Liability	159,816	-	52,906	106,910	34,527
Unamortized Premium	8,717,911	463,182	1,467,777	7,713,316	-
Total Bonds Payable	<u>94,516,784</u>	<u>5,463,182</u>	<u>8,622,261</u>	<u>91,357,705</u>	<u>7,443,660</u>
Notes Payable - Direct Borrowing	8,695,262	-	708,159	7,987,103	665,577
Teamsters Pension Plan Liability	2,443,301	-	174,516	2,268,785	174,516
Compensated Absences	1,884,951	-	260,480	1,624,471	696,452
Net OPEB Liability	13,681,191	-	283,157	13,398,034	-
Total Pension Liability	2,829,505	92,986	-	2,922,491	100,000
Net Pension Liability	<u>21,790,200</u>	<u>-</u>	<u>2,629,043</u>	<u>19,161,157</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 145,841,194</u>	<u>\$ 5,556,168</u>	<u>\$ 12,677,616</u>	<u>\$ 138,719,746</u>	<u>\$ 9,080,205</u>

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

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

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

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

Changes in Long-Term Liabilities (Continued)

General obligation bonds and notes payable currently outstanding are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
<b>Bonds Payable:</b>					
General Purpose:					
General Obligation	3/10/16	8/15/30	2-5.0%	\$ 9,932,000	\$ 4,872,000
General Obligation	8/8/18	8/1/38	2-5.0	12,000,000	8,900,000
General Obligation	8/7/19	8/1/39	2-5.0	400,503	336,000
General Obligation	6/10/20	8/1/28	3-5.0	4,566,000	2,677,000
General Obligation	8/6/20	8/1/40	2-5.0	1,005,000	873,000
General Obligation	8/5/21	8/1/41	2-5.0	2,339,154	2,212,000
General Obligation	9/14/21	8/1/35	2-5.0	4,815,000	3,818,000
General Obligation	8/4/22	8/1/30	3.5-5.0	4,000,000	4,000,000
General Obligation	8/4/23	8/1/31	3.5-5.0	5,000,000	5,000,000
Total General Purpose				<u>44,057,657</u>	<u>32,688,000</u>
School:					
School Improvement	3/10/16	8/15/30	2-5.0	4,673,000	2,588,000
School Improvement	8/10/16	8/1/36	2-4.0	15,630,000	10,680,000
School Improvement	8/1/17	8/1/36	2-5.0	7,000,000	5,150,000
School Improvement	8/7/19	8/1/39	2-5.0	2,799,497	2,319,000
School Improvement	8/7/19	8/1/29	2.5-3.0	850,000	510,000
School Improvement	6/10/20	8/1/34	3-5.0	18,854,000	13,503,000
School Improvement	8/6/20	8/1/40	2-5.0	1,995,000	1,777,000
School Improvement	8/5/21	8/1/41	2-5.0	660,846	618,000
School Improvement	9/14/21	8/1/35	2-5.0	13,200,000	11,452,000
Total School				<u>65,662,343</u>	<u>48,597,000</u>
Total Bonds Payable				109,720,000	81,285,000
Clean Water Notes Payable:					
Water:					
Clean Water Fund	11/30/2021	9/30/41	5.0	<u>2,955,081</u>	<u>2,252,479</u>
Total Outstanding				<u>\$ 112,675,081</u>	<u>\$ 83,537,479</u>



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

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

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

Changes in Long-Term Liabilities (Continued)

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

Year Ending June 30,	Governmental Activities General Obligation Bonds		Year Ending June 30,	Governmental Activities Clean Water Notes Payable	
	Principal	Interest		Principal	Interest
2025	\$ 7,280,000	2,927,167	2025	\$ 129,133	\$ 56,544
2026	7,425,000	2,595,730	2026	131,740	54,039
2027	7,630,000	2,269,238	2027	134,399	51,484
2028	7,685,000	1,948,568	2028	137,111	48,878
2029	7,735,000	1,624,751	2029	139,879	43,506
2030-2034	28,465,000	4,348,042	2030-2034	742,902	174,883
2035-2039	14,250,000	872,396	2035-2039	820,965	98,364
2040-2044	815,000	20,126	2040-2044	16,350	19,128
Total	<u>\$ 81,285,000</u>	<u>\$ 16,606,018</u>	Total	<u>\$ 2,252,479</u>	<u>\$ 546,826</u>

Clean Water Notes

The Town's outstanding clean water notes contains a provision that, in event of default, the State may declare, by notice to the Town, that the principal of and interest accrued on any outstanding amounts are immediately due and payable in full, automatically, without further notices or demand of any kind.

Note Payable – Direct Borrowings

The Town entered into a finance agreement for energy improvements and equipment for several town buildings and Board of Education schools. The agreement qualifies as a note payable for accounting purposes (title transfer at end of terms) and therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. The Town's outstanding note for equipment contains a provision that, in event of default, the Town return all equipment at the Town's expense. For energy improvements, if the Town defaults on any obligation, the Town will be solely responsible for, and liable for, the entire rental amount and all other amounts owed from the date of default.

The following is a schedule of future minimum payments and the present value of the net minimum payments at June 30, 2024:

Year Ending June 30,	Governmental Activities Notes Payable - Direct Borrowings	
	Principal	Interest
2025	\$ 665,577	\$ 231,249
2026	613,836	213,457
2027	542,153	195,861
2028	447,842	178,492
2029	452,878	165,527
2030-2034	2,661,590	614,613
2035-2039	2,603,227	193,631
Total	<u>\$ 7,987,103</u>	<u>\$ 1,792,830</u>

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

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

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

The Subscription-Based Information Technology Arrangements

The Town has entered into subscription based-information technology arrangements (SBITAs) for educational software, public safety software and other software used in the operation of the Town.

Total future minimum payments under SBITA agreements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 34,527	\$ 938
2026	23,962	505
2027	24,126	340
2028	24,295	171
Total	<u>\$ 106,910</u>	<u>\$ 1,954</u>

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 234,117,779	\$ 45,779,540	\$ 188,338,239
Schools	468,235,557	101,410,393	366,825,164
Sewers	390,196,298	2,252,479	387,943,819
Urban Renewal	338,170,125	-	338,170,125
Pension Deficit	312,157,038	-	312,157,038

Total debt outstanding may not exceed seven times annual receipts from taxation of \$738,366,422.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2024, is \$50,627,830. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Bond Anticipation Notes

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 01, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
8/4/2022	8/3/2023	2.50 %	\$ 2,650,000	\$ -	\$ 2,650,000	
8/4/2023	8/3/2024	2.50	-	2,650,000	-	2,650,000
Total			<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>

The bond anticipation notes were issued for high school construction and other projects of the Town.

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

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

**F. Fund Balance**

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

	General Fund	Bonded Projects Fund	High School Construction	Miscellaneous Grants	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 35,751	\$ 35,751
Prepays	239,885	-	-	-	-	239,885
Restricted for:						
Grants	-	-	-	766,593	30,919	797,512
Volunteer Firefighter Fund	813,139	-	-	-	-	813,139
Committed to:						
Revaluation	300,887	-	-	-	-	300,887
Sick Leave Retirement	378,586	-	-	-	-	378,586
Facilities Task	50,000	-	-	-	-	50,000
Facilities Project	662,779	-	-	-	-	662,779
Coastal Resilience	926,533	-	-	-	-	926,533
Road Projects	509,265	-	-	-	-	509,265
Sidewalks	434,214	-	-	-	-	434,214
Technology	355,792	-	-	-	-	355,792
Disaster Relief	165,903	-	-	-	-	165,903
Transportation Plan	240,000	-	-	-	-	240,000
Safe Streets	218,045	-	-	-	-	218,045
Planning	429,182	-	-	-	-	429,182
Future Building Projects	500,000	-	-	-	-	500,000
Future Debt Payments	1,391,865	-	-	-	-	1,391,865
Land Acquisition	-	-	-	-	731,248	731,248
Road Repair and Sidewalk	-	-	-	-	745,039	745,039
General Government	-	-	-	-	51,441	51,441
Public Safety	-	-	-	-	2,331	2,331
Education	-	-	-	-	1,184,534	1,184,534
Culture and Recreation Programs	-	-	-	-	526,374	526,374
Shellfish	-	-	-	-	146,823	146,823
Community Activities	-	-	-	-	404,778	404,778
Revaluation	-	-	-	-	(450)	(450)
Various Capital Projects	-	3,083,022	2,980	-	-	3,086,002
Assigned to:						
General Government	190,541	-	-	-	-	190,541
Public Safety	104,180	-	-	-	-	104,180
Public Works	95,650	-	-	-	-	95,650
Health and Welfare	632	-	-	-	-	632
Culture and Recreation Programs	11,673	-	-	-	-	11,673
Education	-	-	-	-	-	-
Capital Outlay	246,713	-	-	-	-	246,713
Reserve for Personnel	177,069	-	-	-	-	177,069
GHS Financing	-	-	-	-	-	-
Carried in Force	1,005,631	-	-	-	-	1,005,631
Unassigned	14,089,934	(15,045,193)	(2,980)	-	(429,007)	(1,387,246)
Total Fund Balances	<u>\$ 23,538,098</u>	<u>\$ (11,962,171)</u>	<u>\$ -</u>	<u>\$ 766,593</u>	<u>\$ 3,429,781</u>	<u>\$ 15,772,301</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$480,743 and committed fund balance for Capital Projects Fund of \$3,083,022, High School Construction Fund of \$2,980, and Nonmajor Governmental Funds of \$678,768.

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

**NOTE 4 EMPLOYEE RETIREMENT PLAN**

**Pension Trust Fund**

The Town maintains three single-employer Public Employee Retirement Systems (PERS) established and administered by the Town to provide pension benefits for full-time employees: Employees' Pension Plan, Police Retirement Fund and Public-School Employees' Pension Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Stand-alone financial statements are not issued for these plans.

Management of the Plan rests with a Pension Committee of not less than three (3) nor more than five (5) members who shall be appointed by the Town of Guilford Board of Selectmen. Members of the Pension Committee shall serve for four (4) year terms. One of the Pension Committee members shall be designated Chairman by the Board of Selectmen.

**A. Plan Description and Benefits Provided**

**Employees' Pension Plan**

All full-time employees, except members of the State of Connecticut Teachers' Retirement System, employees of the police department and employees of the public works department, who elect to become members of the Teamsters Union Local No. 443, are eligible to participate in the Employees' Pension Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for Plan participants equals 2% of an employee's "compensation base" (average of the employee's highest four consecutive annual salaries), multiplied by the number of years of credited service. Effective July 1, 2003, for all Guilford Supervisors Association Members, a compensation base of 2.5% would be considered for calculating the retirement benefits. Article XIII of the plan document, as well as the provisions of any applicable collective bargaining agreement, provide the authority under which benefit provisions are established or amended.

**Police Retirement Fund**

All regular full-time employees of the Guilford Police Department are eligible to participate in the Police Retirement Fund. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits equal 2.25% of an employee's "compensation base" (average of the employee's highest two consecutive annual salaries), multiplied by the number of years of credited service. Article XIII of the plan document, as well as the provisions of any applicable collective bargaining agreement, provide the authority under which benefit provisions are established or amended.

**Public School Employees' (Noncertified) Pension Plan**

All regular full-time employees of the Town school system, other than instruction and supervisory staff, are eligible to participate in the Public School Employees' (Noncertified) Pension Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for Plan participants are 1.5% of an employee's "compensation base" (average of the employee's highest four or five consecutive annual salaries), multiplied by the number of years of credited service. Article XIII of the plan document, as well as the provisions of any applicable collective bargaining agreement, provide the authority under which benefit provisions are established or amended.

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

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

**Pension Trust Fund (Continued)**

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

**Public School Employees' (Noncertified) Pension Plan (Continued)**

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

	<u>Employees' Pension Plan</u>	<u>Police Retirement Fund</u>	<u>Public School Employees' Pension Plan</u>
Retirees and Beneficiaries Currently Receiving Benefits	49	56	80
Vested Terminated Employees	16	1	12
Active Employees	64	13	53
Total Participants	<u>129</u>	<u>70</u>	<u>145</u>

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

Investments are reported at fair value. Investment income is recognized as earned.

**C. Funding Policy**

**Employees' Pension Plan**

This Plan provides for employee contributions of up to 2.5% of straight-time earnings, and for Guilford Supervisors Association members, 3.5% of straight-time earnings. The Town is required by its Charter to contribute amounts necessary to fund the Plan. Employer contributions to the Plan are made in accordance with actuarially determined requirements. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the Plan to the Town of Guilford.

Administrative costs of the Plan are financed through investment earnings.

**Police Retirement Fund**

Plan provisions require employee contributions of 6% of salary. The Town is required by its Charter to contribute amounts necessary to fund the Plan. Employer contributions to the Plan are made in accordance with actuarially determined requirements. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the Plan to the Town.

Administrative costs of the Plan are financed through investment earnings.

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

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

**Pension Trust Fund (Continued)**

**C. Funding Policy (Continued)**

Public School Employees' (Noncertified) Pension Plan

Employees are not required to contribute to the Plan. The Town is required by its Charter to contribute amounts necessary to fund the Plan. Employer contributions to the Plan are made in accordance with actuarially determined requirements. The State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the Plan to the Town of Guilford Board of Education.

Administrative costs of the Plan are financed through investment earnings.

**D. Investments**

The Pension Committee takes a moderately-conservative approach with regard to the Portfolio. At the same time, it recognizes that prudent investing requires taking reasonable risks in order to achieve the targeted investment returns. As a result of the Committee's recognition that higher returns involve the necessity of experiencing some cyclical market volatility, the Committee has indicated a willingness to tolerate temporary declines in the value of the Portfolio. The Portfolio will be managed in a manner that seeks to minimize principal fluctuations over the established time horizons and is consistent with the stated objectives. Financial research has demonstrated that risk is best minimized through diversification of assets, including international investments.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 10.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

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

	Employees	Police	Public School Employees	Total
Total Pension Liability	\$ 44,597,372	\$ 35,815,510	\$ 18,717,209	\$ 99,130,091
Plan Fiduciary Net Position	38,777,184	27,772,562	13,419,188	79,968,934
Net Pension Liability	<u>\$ 5,820,188</u>	<u>\$ 8,042,948</u>	<u>\$ 5,298,021</u>	<u>\$ 19,161,157</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>86.95 %</u>	<u>77.54 %</u>	<u>71.69 %</u>	<u>80.67 %</u>

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

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

**Pension Trust Fund (Continued)**

**E. Net Pension Liability of the Town (Continued)**

Actuarial Assumptions

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

Inflation	2.60%
Salary Increases	Varies by Group
Investment Rate of Return	5.75%

Mortality rates were based on PubG-2010 Mortality Table for employees, Healthy Annuitants and Disabled annuitants with generational projection of future improvements per the MP-2021 Ultimate scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Pension plan's target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Growth	21.25 %	5.75 %
U.S. Large Value	21.25	5.43
U.S. Mid Caps	12.00	5.95
U.S. Short Bonds	8.40	0.78
U.S. Interim Bonds	8.40	1.00
Global Equity	6.50	6.49
U.S. High Yield Bonds	5.00	4.24
U.S. Cash	4.00	0.21
Emerging Markets Equity	4.00	9.44
U.S. REITs	4.00	6.27
U.S. Small & Mid Caps	2.60	6.44
Non-U.S. Small Cap	2.60	7.86
Total	<u>100.00 %</u>	

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

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

**Pension Trust Fund (Continued)**

**F. Changes in the Net Pension Liability**

	Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 42,896,004	\$ 35,305,657	\$ 7,590,347
Changes for the Year:			
Service Cost	672,755	-	672,755
Interest on Total Pension Liability	2,460,007	-	2,460,007
Effect of Plan Changes	337,557	-	337,557
Effect of Economic/Demographic (Gains) or Losses	(174,641)	-	(174,641)
Effect of Assumption Changes or Inputs	-	-	-
Employer Contributions	-	1,144,569	(1,144,569)
Member Contributions	-	239,126	(239,126)
Net Investment Income	-	3,685,393	(3,685,393)
Benefit Payments, Including			
Refund to Employee Contributions	(1,594,310)	(1,594,310)	-
Administrative Expenses	-	(3,251)	3,251
Net Changes	1,701,368	3,471,527	(1,770,159)
Balances - June 30, 2024	\$ 44,597,372	\$ 38,777,184	\$ 5,820,188

	Police Retirement Fund		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 34,341,785	\$ 26,066,890	\$ 8,274,895
Changes for the Year:			
Service Cost	258,320	-	258,320
Interest on Total Pension Liability	1,931,472	-	1,931,472
Effect of Economic/Demographic (Gains) or Losses	665,768	-	665,768
Effect of Assumption Changes or Inputs	665,335	-	665,335
Employer Contributions	-	900,241	(900,241)
Member Contributions	-	134,001	(134,001)
Net Investment Income	-	2,721,001	(2,721,001)
Benefit Payments, Including			
Refund to Employee Contributions	(2,047,170)	(2,047,170)	-
Administrative Expenses	-	(2,401)	2,401
Net Changes	1,473,725	1,705,672	(231,947)
Balances - June 30, 2024	\$ 35,815,510	\$ 27,772,562	\$ 8,042,948



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

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

**Pension Trust Fund (Continued)**

**F. Changes in the Net Pension Liability (Continued)**

	Public School Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 18,465,567	\$ 12,540,609	\$ 5,924,958
Changes for the Year:			
Service Cost	279,374	-	279,374
Interest on Total Pension Liability	1,040,971	-	1,040,971
Effect of Plan Changes	208,179	-	208,179
Effect of Economic/Demographic (Gains) or Losses	23,495	-	23,495
Effect of Assumption Changes or Inputs	-	-	-
Employer Contributions	-	871,055	(871,055)
Net Investment Income	-	1,309,056	(1,309,056)
Benefit Payments, Including			
Refund to Employee Contributions	(1,300,377)	(1,300,377)	-
Administrative Expenses	-	(1,155)	1,155
Net Changes	251,642	878,579	(626,937)
Balances - June 30, 2024	\$ 18,717,209	\$ 13,419,188	\$ 5,298,021

The Police Retirement Fund and GSA and IAFF portions of the Employee's Pension Plan are closed to new entrants. Effective July 1, 2014, the Plan Multiplier for the Employee's Pension Plan was changed from 2% to 2.25% and the Employee contribution rate was increased to 8% as of July 1, 2017.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.75%, previously 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

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

**Pension Trust Fund (Continued)**

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

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

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Employees' Net Pension Liability	\$ 11,281,998	\$ 5,820,188	\$ 1,257,527
Police Net Pension Liability	12,269,362	8,042,948	4,541,010
Public School Employees' Net Pension Liability	7,349,026	5,298,021	3,542,697

**H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources			
	Employees' Pension Plan	Police Retirement Fund	Public School Employees Pension Plan	Total
Changes of Assumptions	\$ 949,314	\$ -	\$ -	\$ 949,314
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	48,629	115,388	164,017
Differences Between Expected and Actual Experience	23,110	-	26,182	49,292
Total	<u>\$ 972,424</u>	<u>\$ 48,629</u>	<u>\$ 141,570</u>	<u>\$ 1,162,623</u>

	Deferred Inflows of Resources			
	Employees' Pension Plan	Police Retirement Fund	Public School Employees Pension Plan	Total
Changes of Assumptions	\$ 47,441	\$ -	\$ 4,307	\$ 51,748
Net Difference Between Projected and Actual Earning on Pension Plan Investments	32,562	-	-	32,562
Differences Between Expected and Actual Experience	443,115	-	-	443,115
Total	<u>\$ 523,118</u>	<u>\$ -</u>	<u>\$ 4,307</u>	<u>\$ 527,425</u>

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

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

**Pension Trust Fund (Continued)**

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

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

<u>Year Ending June 30.</u>	<u>Employees' Pension Plan</u>	<u>Police Retirement Fund</u>	<u>Public School Employees Pension Plan</u>	<u>Total</u>
2025	\$ 364,845	\$ (160,511)	\$ (64,644)	\$ 139,690
2026	974,207	855,241	516,904	2,346,352
2027	(557,463)	(395,717)	(194,937)	(1,148,117)
2028	(332,283)	(250,384)	(120,060)	(702,727)
Thereafter	-	-	-	-
Total	<u>\$ 449,306</u>	<u>\$ 48,629</u>	<u>\$ 137,263</u>	<u>\$ 635,198</u>

For the year ended June 30, 2024, the Town recognized pension expense of \$4,893,804 as follows:

	<u>Pension Expense</u>
Employees' Pension Plan	\$ 2,012,448
Police Retirement Fund	1,852,907
Public School Employees Pension Plan	1,028,449
Total	<u>\$ 4,893,804</u>

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

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

**Connecticut Teachers Retirement System – Pension**

**A. Plan Description**

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

**B. Benefit Provisions**

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

**Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**Early Retirement**

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

**Disability Retirement**

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

**C. Contributions**

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

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

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

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

**C. Contributions (Continued)**

Employer (School Districts)

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

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$-0- 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 salary for the pension benefit.

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

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

At June 30, 2024, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	110,078,016
Total	<u>\$ 110,078,016</u>

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

For the year ended June 30, 2024, the Town recognized pension expense and revenue of \$10,372,676 in Exhibit II.

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

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

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

**E. Actuarial Assumptions**

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

Inflation	2.50%
Salary Increase	3.00-6.50%, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2021 for the period after service retirement.

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

**Cost-of-Living Allowance**

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

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

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

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

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

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

**E. Actuarial Assumptions (Continued)**

Long-Term Rate of Return

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

Asset Class	Expected Return	Target Allocation
Global Equity	0.07 %	37.00 %
Public Credit	2.90	2.00
Core Fixed Income	0.40	13.00
Liquidity Fund	(0.40)	1.00
Risk Mitigation	0.10	5.00
Private Equity	11.20	15.00
Private Credit	6.10	10.00
Real Estate	6.20	10.00
Infrastructure and Natural Resources	7.70	7.00
Total		<u>100.00 %</u>

**F. Discount Rate**

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

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

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

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

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

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

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. Other Information**

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

**Volunteer Fire Department**

The Town provides retirement and death benefits for the Volunteer Fire Department through the Town of Guilford Volunteer Fire Department Financial Security Plan (the Plan), a single employer defined-benefit pension plan. All benefits due and payable under the terms of the Plan are paid from the general assets of the Town. The assets accumulated for purposes of benefit payments are accounted for in the general fund. However, the pension assets are not legally protected by creditors of the Town.

The Town designates an Administrator who is responsible for supervision and control of the operation of the Plan and who has all of the powers necessary or appropriate to properly administer the Plan in accordance with the Town of Guilford Volunteer Fire Department Financial Security Plan & Trust Documents.

**A. Plan Description**

Any Volunteer who has been credited with a year of service and attained age nineteen becomes a participant in the Plan as of the next July 1. A participant or terminated participant who has reached normal retirement date prior to his death shall be entitled to receive a retirement benefit equal to \$150.00 per month plus \$15.00 per month for each year of service in excess of 10 years of service, to a maximum of \$300 per month.

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

	<u>Volunteer Fire Department</u>
Retirees and Beneficiaries Currently Receiving Benefits	27
Vested Terminated Participants	44
Active Participants	<u>23</u>
Total Participants	<u><u>94</u></u>



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

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

**Volunteer Fire Department (Continued)**

**B. Benefit Provisions**

Year of Service

Years of Service prior to 7/1/90 shall not be counted unless the Participant is subsequently credited with five Years of Service since 7/1/90.

Pre-Retirement Death Benefit

A participant who dies prior to his Normal Retirement Date shall be entitled to have his beneficiary receive a monthly income of \$156 plus \$16 per month for each year of service in excess of ten years of service, to a maximum of \$312 per month.

Alternately, a Participant who dies prior to his Normal Retirement Date may elect to have his beneficiary receive a lump sum death benefit of \$7,500 plus \$750 for each year of service in excess of 10 years of service, to a maximum of \$15,000.

Such Participant shall not be entitled to any other benefits under the Plan.

Timing of Payment

Retirement Benefit – Monthly payments commencing on the first of the month coinciding with or following Normal Retirement Date and continuing until death but with 180 monthly payments certain.

Death Benefit – Monthly payment commencing on first day of sixth month after death (or upon receipt of insurance proceeds if later) and continuing for 15 years or as soon as possible if lump sum option.

**C. Total Pension Liability of the Town and Actuarial Assumptions**

Total pension liability of the Town was measured at June 30, 2024, and was determined by an actuarial valuation dated July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	N/A
Mortality Rate	2020 Static Mortality Table Combined

Discount Rate

The discount rate used to measure the total pension liability was 3.6%, previously 4.1%. The discount rate was based on the S&P 20-year municipal high-grade bond index.

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

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

**Volunteer Fire Department (Continued)**

**D. Changes in Total Pension Liability**

	Volunteer Fire Department
	<u>Increase</u>
	<u>(Decrease)</u>
	Total Pension
	Liability
Balances - July 1, 2023	\$ 2,829,505
Changes for the Year:	
Service Cost	15,622
Interest on Total Pension Liability	99,932
Difference Between Expected and Actual Experience	84,677
Changes in Assumptions	-
Benefit Payments, Including Refund to Employee Contributions	<u>(107,245)</u>
Net Changes	<u>92,986</u>
Balances - June 30, 2024	<u>\$ 2,922,491</u>

**E. Sensitivity of the Total Pension Liability to Changes in the Discount Rate**

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

	1.5% Decrease (2.6%)	Current Discount Rate (3.6%)	.5% Increase (4.6%)
Volunteer Fire Department	<u>\$ 3,206,486</u>	<u>\$ 2,922,491</u>	<u>\$ 2,557,187</u>

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

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

**Volunteer Fire Department (Continued)**

**F. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the Volunteer Fire Department recognized pension expense of \$110,619. At June 30, 2024, the Volunteer Fire Department reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Volunteer Fire Department</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 740,112	\$ 987,632
Changes in Assumptions	-	-
Total	<u>\$ 740,112</u>	<u>\$ 987,632</u>

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

<u>Year Ending June 30.</u>	<u>Amount</u>
2025	\$ (3,849)
2026	(3,849)
2027	(3,849)
2028	(3,849)
2029	(3,849)
Thereafter	(228,275)
Total	<u>\$ (247,520)</u>

**G. Aggregate Pension Information**

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2024:

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense</u>
Public Employee Retirement System	\$ 19,161,157	\$ -	\$ 1,162,623	\$ 527,425	\$ 4,893,804
Connecticut Teachers Retirement System	-	-	-	-	10,372,676
Volunteer Fire Department	-	2,922,491	740,112	987,632	110,619
Total	<u>\$ 19,161,157</u>	<u>\$ 2,922,491</u>	<u>\$ 1,902,735</u>	<u>\$ 1,515,057</u>	<u>\$ 15,377,099</u>

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

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

**New England Teamsters and Trucking Industry Pension Fund**

Pursuant to the Reentry Agreement between the Town and Teamsters Union Local No. 443 effective July 1, 2012, the Town is required to contribute to the New England Teamsters and Trucking Industry Pension Fund, a multiple-employer defined-contribution plan, on behalf of full-time employees in the Public Works Department. The parties, through this agreement, can amend plan provisions and contribution requirements. The Town's required contribution for the fiscal year ended June 30, 2024 was \$4.60 for each hour worked up to a maximum of \$184.00 per week for any one employee. The contribution made during the fiscal year ended June 30, 2024 was \$208,358, which represents 13.43% of covered payroll of \$1,551,855

Effective June 30, 2012, the Town withdrew from the Pension Fund and agreed to a withdrawal liability of \$4,362,977 consisting of 300 monthly payments of \$14,543 to be made over a 25-year period commencing on July 1, 2012, and ending on July 31, 2037. During the fiscal year ended June 30, 2023, the Town paid \$174,516 in accordance with the schedule.

The total amount contributed to the New England Teamsters Pension Fund during the fiscal year was \$382,874, which represented 24.67% of covered payroll.

**Defined Contribution Retirement Plan**

The Town established a defined contribution plan effective October 17, 2011. Any full-time employee who is not in the Defined Benefit Plan is eligible to participate. There is a mandatory participant contribution between 3-8% of employee's base earnings; the employer will match that contribution. The participant shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan participant. The Town specifies the following vesting schedule:

After one (1) year of service:	20% vested
After two (2) year of service:	40% vested
After three (3) year of service:	60% vested
After four (4) year of service:	80% vested
After five (5) year of service:	100% vested

Total contribution to the plan for the year ended June 30, 2024, was \$-0- for each of the employees and the Town.

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS**

**Retiree Benefit Program**

**A. Plan Description**

The Town, in accordance with various collective bargaining agreements, provides medical, dental and life insurance benefits to eligible retirees and their spouses. The plan covers Town, Police, Fire and Board of Education employees. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The Town established an OPEB Trust on July 1, 2022. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The Town does not issue a stand-alone financial report for the plan. The plan is a single-employer plan.

Management of the Plan rests with an OPEB Board. The Pension Committee, by Town ordinance, shall constitute the OPEB Board for the OPEB Trust. Membership on the OPEB Board shall be subject to all of the applicable terms governing the Pension Committee, and appointed by the Town of Guilford Board of Selectmen. Members of the OPEB Board shall serve for four (4) years. One of the OPEB Board members shall be designated Chairman by the OPEB Board.

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

	<b>Retiree Benefit Program</b>
Active Plan Members	659
Retired Members	72
Spouses of Retired Members	13
Beneficiaries	5
Total	<u><u>749</u></u>

**B. Funding Policy**

The Town has adopted a five-year ladder funding policy for the OPEB Trust. Contributions to the Trust shall be part of the budget process. The Town and the Board of Education shall contribute to the Trust based on the 5-year plan. Administrative costs of the Trust are financed through investment earnings.

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Benefit Program (Continued)**

**C. Benefits Provided**

The Town plan provides for medical benefits for all eligible Board of Education retirees. The Town plan provides self-insured medical and prescription drug coverage for all eligible teachers and administrators retiring from the Teachers Retirement Act. The retiree pays 100% of the premium less the state subsidy for medical coverage for either the lifetime of the employee and spouse or until participating in Medicare. Surviving spouses are eligible to continue coverage upon death of the retiree by continuing to pay 100% of the premium less the state subsidy for medical coverage. The results are highly dependent on two key assumptions: the assumed rate at which medical costs will increase over time and the discount rate used to translate future payments into current dollars.

**D. Investments**

**Investment Policy**

The Trust's assets shall be invested in accordance with sound investment practices grounded in fundamental analysis and which place emphasis on long-term investment objectives and return considerations. In establishing the investment objectives of the Trust, the OPEB Board has considered the financial needs and circumstances of the Trust, the time horizon available for investment, the nature of the Trust's cash flows and liabilities, and other factors that affect their risk tolerance.

**Rate of Return**

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability**

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

Total OPEB Liability	\$ 16,485,975
Plan Fiduciary Net Position	3,087,941
Net OPEB Liability	<u>\$ 13,398,034</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.73 %
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**TOWN OF GUILFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Benefit Program (Continued)**

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	2.75%
Discount Rate	6.00%
Retirement Age	Varies by Group/Age
Healthcare Cost Trend Rates	Getzen Model - Varies by Plan
Mortality	

BOE Certified: PubT-2010 Mortality Table for Employees and Healthy and Disabled Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 Ultimate scale.  
All Other Employees: Pub-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with generational projection of future improvements per the MP Ultimate scale. PubS-2010 tables are used for public safety groups.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	40.00 %	2.07 %
U.S. Broad Equity Market	30.25	5.56
Non-U.S. Equity	24.75	7.64
Global REITs	5.00	7.34
Total	<u>100.00 %</u>	

**G. Discount Rate**

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

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Benefit Program (Continued)**

**H. Changes in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 16,260,657	\$ 2,579,466	\$ 13,681,191
Changes for the Year:			
Service Cost	332,240	-	332,240
Interest on Total Pension Liability	963,917	-	963,917
Effect of Plan Changes	-	-	-
Effect of Economic/Demographic (Gains) or Losses	-	-	-
Effect of Assumption Changes or Inputs	-	-	-
Employer Contributions	-	1,282,839	(1,282,839)
Net Investment Income	-	298,008	(298,008)
Benefit Payments, Including Refund to Employee Contributions	(1,070,839)	(1,070,839)	-
Administrative Expenses	-	(1,533)	1,533
Net Changes	<u>225,318</u>	<u>508,475</u>	<u>(283,157)</u>
Balances - June 30, 2024	<u>\$ 16,485,975</u>	<u>\$ 3,087,941</u>	<u>\$ 13,398,034</u>

**I. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	<u>\$ 15,281,413</u>	<u>\$ 13,398,034</u>	<u>\$ 11,822,014</u>

**J. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	<u>\$ 11,409,880</u>	<u>\$ 13,398,034</u>	<u>\$ 15,816,190</u>



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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Benefit Program (Continued)**

**K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the Town recognized OPEB expense of \$546,499. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 422,884	\$ 4,120,290
Changes in Assumptions	2,236,101	10,512,798
Net Difference Between Projected and Actual Results	62,451	-
Total	<u>\$ 2,721,436</u>	<u>\$ 14,633,088</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (1,324,323)
2026	(1,514,368)
2027	(2,306,884)
2028	(2,299,648)
2029	(2,272,265)
Thereafter	(2,194,164)
Total	<u>\$ (11,911,652)</u>

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

**A. Plan Description**

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

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

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**B. Benefit Provisions**

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 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 \$220 per month towards coverage under a local school district plan.

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

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

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**C. Eligibility**

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

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**C. Eligibility (Continued)**

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

Ten or more years of Credited Service.

**D. Contributions**

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State 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.

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**D. Contributions (Continued)**

Employer (School Districts) (Continued)

For the year ended June 30, 2024, the amount of “on-behalf” contributions made by the State was \$10,312,799 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2024, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town’s Proportionate Share of the Net OPEB Liability	\$ -
State’s Proportionate Share of the Net OPEB Liability	
Associated with the Town	10,312,799
Total	<u>\$ 10,312,799</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the Town recognized OPEB expense and revenue of \$138,988 in Exhibit II.

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. Actuarial Assumptions**

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

Inflation	2.50%
Health Care Costs Trend Rate:	6.5% for 2023, decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	3.00%, net of OPEB plan investment expense, including inflation
Year Fund Net Position will be Depleted	2028

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of a study of economic assumptions for use in actuarial valuations dated April 24, 2019.

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

- Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2023, was updated to equal the SEIR of 3.64% as of June 30, 2023;

The changes in the benefit terms since the prior year are as follows:

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

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. Actuarial Assumptions (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

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

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Other Post-Employment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

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

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

**I. OPEB Plan Fiduciary Net Position**

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

**J. Other Information**

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

**NOTE 6 COMBINING TRUST FUND SCHEDULES**

Financial statements for the individual pension plans and the OPEB plan as of and for the year ended June 30, 2024 are as follows:

**Statement of Fiduciary Net Position**

	Employee's Pension Plan	Police Retirement Fund	Public School Employees' Pension Plan	Other Post Employment Benefit Fund Town	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 760,627	\$ -	\$ -	\$ 7,169	\$ 767,796
Investments, at Fair Value:					
Mutual Funds	37,994,164	27,772,562	13,419,188	3,080,772	82,266,686
Total Investments	37,994,164	27,772,562	13,419,188	3,080,772	82,266,686
Receivables:					
Accrued Interest and Dividends	22,393	-	-	-	22,393
Total Assets	38,777,184	27,772,562	13,419,188	3,087,941	83,056,875
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	-	-
<b>NET POSITION</b>					
Restricted for Pension Benefits	38,777,184	27,772,562	13,419,188	-	79,968,934
Restricted for OPEB Benefits	-	-	-	3,087,941	3,087,941
Total Net Position	<u>\$ 38,777,184</u>	<u>\$ 27,772,562</u>	<u>\$ 13,419,188</u>	<u>\$ 3,087,941</u>	<u>\$ 83,056,875</u>

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

**NOTE 6 COMBINING TRUST FUND SCHEDULES (CONTINUED)**

**Statement of Changes in Fiduciary Net Position**

	Employee's Pension Plan	Police Retirement Fund	Public School Employees' Pension Plan	Other Post Employment Benefit Fund Town	Total
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 1,144,569	\$ 900,241	\$ 871,055	\$ 1,282,839	\$ 4,198,704
Plan Members	239,126	134,001	-	-	373,127
Total Contributions	1,383,695	1,034,242	871,055	1,282,839	4,571,831
Investment Earnings:					
Net Decrease in Fair Value of Investments	2,672,813	1,973,393	949,386	221,523	5,817,115
Interest	13,319	9,834	4,731	76,485	104,369
Dividends	999,261	737,774	354,939	-	2,091,974
Total Investment Gain	3,685,393	2,721,001	1,309,056	298,008	8,013,458
Less Investment Expenses:					
Investment Management Fees	-	-	-	1,533	1,533
Net Investment Loss	3,685,393	2,721,001	1,309,056	296,475	8,011,925
Total Additions	5,069,088	3,755,243	2,180,111	1,579,314	12,583,756
<b>DEDUCTIONS</b>					
Benefits	1,594,310	2,047,170	1,300,377	1,070,839	6,012,696
Administrative Expense	3,251	2,401	1,155	-	6,807
Total Deductions	1,597,561	2,049,571	1,301,532	1,070,839	6,019,503
<b>CHANGE IN NET POSITION</b>	3,471,527	1,705,672	878,579	508,475	6,564,253
Net Position - Beginning of Year	35,305,657	26,066,890	12,540,609	2,579,466	76,492,622
<b>NET POSITION - END OF YEAR</b>	<u>\$ 38,777,184</u>	<u>\$ 27,772,562</u>	<u>\$ 13,419,188</u>	<u>\$ 3,087,941</u>	<u>\$ 83,056,875</u>

**NOTE 7 OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2024.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the employees' health insurance plan. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. A premium is charged to each fund that accounts for full or part-time employees. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator.



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

**NOTE 7 OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. All claims are reflected in the statement of net position as current liabilities based on prior years' experience. Changes in the claims liability for the past two years are as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2022-23	\$ 1,112,000	\$ 14,558,497	\$ (14,673,553)	\$ 996,944
2023-24	996,944	15,390,764	(15,302,708)	1,085,000

**B. Contingent Liabilities**

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

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**NOTE 8 SUBSEQUENT EVENTS**

On July 23, 2024, the Town issued \$5,000,000 in General Obligation Bonds with a coupon rate between 3.0% and 5.0%. The bonds are being issued to finance capital projects as authorized.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GUILFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes, Interest, and Lien Fees	\$ 107,375,113	\$ 107,375,113	\$ 106,969,624	\$ (405,489)
Intergovernmental Revenues:				
State of Connecticut - General Government	1,497,440	1,497,440	1,991,318	493,878
State of Connecticut - Board of Education	1,766,084	1,766,084	1,806,229	40,145
Total Intergovernmental Revenues	3,263,524	3,263,524	3,797,547	534,023
Other Local Revenues:				
Licenses, Fees, and Permits:				
Board of Selectmen	1,000	1,000	131,982	130,982
Town Clerk	938,925	938,925	750,284	(188,641)
Charges for Services:				
Engineering	11,600	11,600	15,150	3,550
Public Works	28,000	28,000	39,539	11,539
Assessor	1,200	1,200	825	(375)
Building Department	750,000	750,000	959,650	209,650
Planning and Zoning	30,000	30,000	26,737	(3,263)
Natural Resources	12,000	12,000	20,673	8,673
Zoning Board of Appeals	4,000	4,000	2,429	(1,571)
Police Department	58,733	58,733	48,875	(9,858)
Fire Department	916,000	916,000	1,367,732	451,732
Social Services	150	150	-	(150)
Department of Health	79,800	79,800	55,375	(24,425)
Youth and Family Services	174,000	174,000	250,991	76,991
Parks and Recreation Department	137,600	137,600	164,402	26,802
Golf	233,500	233,500	331,140	97,640
Historic District	1,875	1,875	1,782	(93)
Interest and Dividends	500,000	500,000	1,086,787	586,787
Other	-	-	-	-
Total Other Local Revenues	3,878,383	3,878,383	5,254,353	1,375,970
Other Financing Sources:				
Use of Fund Balance	-	1,641,788	-	(1,641,788)
Total Revenues	<u>\$ 114,517,020</u>	<u>\$ 116,158,808</u>	116,021,524	<u>\$ (137,284)</u>
Budgetary Revenues are Different than GAAP Revenues Because:				
On-Behalf Contributions to the Connecticut State Teachers' Retirement System for Town Teachers are not Budgeted				
Pension			10,213,688	
OPEB			138,988	
Pension Refunds Not Budgeted			15,625	
Premium on Bonds Issued			463,182	
Interest Income Related to Volunteer Firefighter			36,460	
Interest Income Not Budgeted			523,631	
Grants Not Budgeted			1,026,146	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 128,439,244</u>	

**TOWN OF GUILFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
General Government:				
Board of Selectmen	\$ 448,522	\$ 448,522	\$ 445,558	\$ 2,964
Town Clerk	209,490	213,385	207,209	6,176
Finance	399,330	433,857	429,724	4,133
Human Resources	178,742	182,944	176,270	6,674
Information Systems	443,765	492,465	492,446	19
Insurance	825,378	825,378	711,987	113,391
Registrar of Voters	121,547	123,889	119,826	4,063
Legal	438,928	438,928	366,141	72,787
Engineering	348,555	350,172	322,869	27,303
Building	356,766	363,024	321,485	41,539
Assessor	260,446	265,214	236,161	29,053
Board of Assessment Appeals	5,075	5,075	4,664	411
Tax Collector	183,716	184,153	178,171	5,982
Planning and Zoning	232,551	249,111	246,794	2,317
Zoning Board of Appeals	2,050	2,050	1,625	425
Natural Resources	355,272	356,895	326,233	30,662
Economic Development Commission	52,446	52,446	22,526	29,920
Historic District	3,025	3,025	2,876	149
Library	1,184,938	1,208,203	1,192,003	16,200
Total General Government	6,050,542	6,198,736	5,804,568	394,168
Public Safety:				
Police Department	5,577,130	5,542,378	5,422,849	119,529
Fire Department	5,800,328	6,352,513	6,352,510	3
Communications Department	806,578	806,578	805,145	1,433
Total Public Safety	12,184,036	12,701,469	12,580,504	120,965
Public Works:				
Public Works Department	2,430,134	2,487,346	2,479,898	7,448
Town Properties	1,104,640	1,109,145	1,000,737	108,408
Total Public Works	3,534,774	3,596,491	3,480,635	115,856
Health and Welfare:				
Department of Health	305,523	308,331	304,342	3,989
Social Services	226,825	228,245	226,634	1,611
Human Services	115,191	115,191	112,691	2,500
Youth and Family Services	662,061	668,889	665,023	3,866
Total Health and Welfare	1,309,600	1,320,656	1,308,690	11,966
Culture and Recreation:				
Park and Recreation Department	1,972,835	1,992,707	1,975,658	17,049
Golf	302,866	317,930	317,890	40
Total Culture and Recreation	2,275,701	2,310,637	2,293,548	17,089

**TOWN OF GUILFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Education:				
Board of Education	\$ 68,666,172	\$ 68,666,172	\$ 68,562,977	\$ 103,195
Pension and Other Employee Benefits	9,170,164	9,006,728	8,713,550	293,178
Debt Service:				
Principal Retirement	6,992,132	6,992,132	6,992,132	-
Interest	3,175,006	3,175,006	3,065,007	109,999
Total Debt Service	10,167,138	10,167,138	10,057,139	109,999
Capital Outlay:				
Capital Outlay	1,073,893	2,105,781	2,104,100	1,681
Total Capital Outlay	1,073,893	2,105,781	2,104,100	1,681
Total Expenditures	114,432,020	116,073,808	114,905,711	1,168,097
Other Financing Uses:				
Transfers Out	85,000	85,000	85,000	-
Total Other Financing Uses	85,000	85,000	85,000	-
Excess of Revenues over Expenditures and Other Uses				
Total	<u>\$ 114,517,020</u>	<u>\$ 116,158,808</u>	114,990,711	<u>\$ 1,168,097</u>
Budgetary Expenditures are Different than GAAP Expenditures Because:				
State of Connecticut on-Behalf Payments to the Connecticut State				
Teachers' Retirement System for Town Teachers are Not Budgeted:				
Pension			10,213,688	
OPEB			138,988	
Encumbrances for Purchases and Commitments Ordered but Not				
Received are Reported in the Year the Order is Placed for Budgetary Purposes,				
but in the Year Received for Financial Statement Purposes.			436,591	
Activity Related to Volunteer Fire Firefighter Fund Not Budgeted for			97,929	
Non-budgeted investment expenses			16,965	
Use of Committed Balances			1,001,892	
The Town does not budget for certain GAAP expenditures			146,662	
Bond and Note Proceeds Activity Not Budgeted for				
Grants Not Budgeted			1,026,146	
Total Expenditures and Other Financing Uses as Reported on the Statement				
of Revenues, Expenditures, and Changes in Fund Balances - Governmental				
Funds - Exhibit IV			<u>\$ 128,069,572</u>	

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**EMPLOYEES' PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 672,755	\$ 739,155	\$ 707,223	\$ 747,150	\$ 708,567	\$ 738,254	\$ 777,783	\$ 841,660	\$ 778,532	\$ 753,600
Interest	2,460,007	2,389,152	2,339,881	2,265,437	2,079,997	1,942,842	1,874,765	1,781,139	1,430,662	1,364,352
Effect of Plan Changes	337,557	-	-	-	-	-	-	86,039	697,036	-
Effect of Economic/Demographic (Gains) or Losses	(174,641)	(239,740)	(415,771)	(217,680)	(77,960)	369,790	(352,524)	(256,202)	379,533	447,056
Effect of Assumption Changes or Inputs	-	(92,623)	1,158,339	1,083,513	2,512,146	-	662,168	518,184	2,063,541	-
Benefit Payments, Including Refunds of Member Contributions	(1,594,310)	(1,402,931)	(1,138,388)	(1,037,383)	(991,305)	(833,436)	(781,117)	(380,178)	(430,201)	(1,935,532)
Net Change in Total Pension Liability	1,701,368	1,393,013	2,651,284	2,841,037	4,231,445	2,217,450	2,181,075	2,590,642	4,919,103	629,476
Total Pension Liability - Beginning	42,896,004	41,502,991	38,851,707	36,010,670	31,779,225	29,561,775	27,380,700	24,790,058	19,870,955	19,241,479
Total Pension Liability - Ending (a)	44,597,372	42,896,004	41,502,991	38,851,707	36,010,670	31,779,225	29,561,775	27,380,700	24,790,058	19,870,955
Plan Fiduciary Net Position:										
Contributions - Employer	1,144,569	1,155,462	1,243,616	1,142,823	1,191,328	1,123,550	949,847	1,014,989	957,362	1,580,742
Contributions - Member	239,126	251,539	268,963	278,073	294,421	313,166	316,420	335,570	291,088	238,573
Net Investment Income	3,685,393	2,789,728	(5,416,607)	7,958,227	1,465,295	1,562,666	1,198,194	1,488,681	546,755	285,094
Benefit Payments, Including Refunds of Member Contributions	(1,594,310)	(1,402,931)	(1,138,388)	(1,037,383)	(991,305)	(833,436)	(781,117)	(380,178)	(430,201)	(1,935,531)
Administrative Expense	(3,251)	(11,660)	(2,727)	(11,015)	(9,903)	(2,122)	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,471,527	2,782,138	(5,045,143)	8,330,725	1,949,836	2,163,824	1,683,344	2,459,062	1,365,004	168,878
Plan Fiduciary Net Position - Beginning	35,305,657	32,523,519	37,568,662	29,237,937	27,288,101	25,124,277	23,440,933	20,981,871	19,616,867	19,447,989
Plan Fiduciary Net Position - Ending (b)	38,777,184	35,305,657	32,523,519	37,568,662	29,237,937	27,288,101	25,124,277	23,440,933	20,981,871	19,616,867
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 5,820,188</u>	<u>\$ 7,590,347</u>	<u>\$ 8,979,472</u>	<u>\$ 1,283,045</u>	<u>\$ 6,772,733</u>	<u>\$ 4,491,124</u>	<u>\$ 4,437,498</u>	<u>\$ 3,939,767</u>	<u>\$ 3,808,187</u>	<u>\$ 254,088</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.95%	82.31%	78.36%	96.70%	81.19%	85.87%	84.99%	85.61%	84.64%	98.72%
Covered Payroll	\$ 5,111,099	\$ 5,171,286	\$ 4,815,540	\$ 5,070,240	\$ 5,285,251	\$ 5,167,840	\$ 5,606,594	\$ 7,188,230	\$ 7,286,617	\$ 7,184,431
Net Pension Liability (Asset) as a Percentage of Covered Payroll	113.87%	146.78%	186.47%	25.31%	128.14%	86.91%	79.15%	54.81%	52.26%	3.54%

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**POLICE RETIREMENT PLAN**  
**LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 258,320	\$ 298,265	\$ 371,735	\$ 392,158	\$ 396,026	\$ 385,819	\$ 401,606	\$ 354,833	\$ 367,021	\$ 387,089
Interest	1,931,472	1,892,960	1,897,106	1,882,832	1,776,583	1,756,521	1,752,272	1,706,595	1,589,824	1,528,651
Effect of Plan Changes	-	-	-	-	-	-	-	-	-	-
Effect of Economic/Demographic (Gains) or Losses	665,768	512,017	21,322	86,902	263,662	(273,511)	(148,499)	514,837	(122,391)	846,480
Effect of Assumption Changes or Inputs	665,335	(25,674)	915,963	865,634	1,986,820	-	640,969	447,218	1,103,046	-
Benefit Payments, Including Refunds of Member Contributions	(2,047,170)	(1,890,683)	(1,770,051)	(1,658,549)	(1,593,445)	(1,548,057)	(1,583,933)	(1,399,452)	(1,119,611)	(927,150)
Net Change in Total Pension Liability	1,473,725	786,885	1,436,075	1,568,977	2,829,646	320,772	1,062,415	1,624,031	1,817,889	1,835,070
Total Pension Liability - Beginning	34,341,785	33,554,900	32,118,825	30,549,848	27,720,202	27,399,430	26,337,015	24,712,984	22,895,095	21,060,025
Total Pension Liability - Ending (a)	35,815,510	34,341,785	33,554,900	32,118,825	30,549,848	27,720,202	27,399,430	26,337,015	24,712,984	22,895,095
Plan Fiduciary Net Position:										
Contributions - Employer	900,241	876,781	915,379	808,481	785,612	797,029	670,238	437,809	785,553	1,688,800
Contributions - Member	134,001	142,932	155,251	171,339	170,157	177,771	184,889	186,195	201,988	212,322
Net Investment Income	2,721,001	2,128,778	(4,475,175)	6,564,838	1,262,041	1,409,901	1,137,790	1,526,050	586,805	294,651
Benefit Payments, Including Refunds of Member Contributions	(2,047,170)	(1,890,683)	(1,770,051)	(1,658,549)	(1,593,445)	(1,548,057)	(1,583,933)	(1,399,452)	(1,119,611)	(927,150)
Administrative Expense	(2,401)	(8,897)	(2,178)	(9,086)	(8,530)	(1,915)	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,705,672	1,248,911	(5,176,774)	5,877,023	615,835	834,729	408,984	750,602	454,735	1,268,623
Plan Fiduciary Net Position - Beginning	26,066,890	24,817,979	29,995,753	24,118,730	23,502,895	22,668,166	22,259,182	21,508,580	21,053,845	19,785,222
Plan Fiduciary Net Position - Ending (b)	27,772,562	26,066,890	24,818,979	29,995,753	24,118,730	23,502,895	22,668,166	22,259,182	21,508,580	21,053,845
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,042,948</u>	<u>\$ 8,274,895</u>	<u>\$ 8,735,921</u>	<u>\$ 2,123,072</u>	<u>\$ 6,431,118</u>	<u>\$ 4,217,307</u>	<u>\$ 4,731,264</u>	<u>\$ 4,077,833</u>	<u>\$ 3,204,404</u>	<u>\$ 1,841,250</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.54%	75.90%	73.97%	93.39%	78.95%	84.79%	82.73%	84.52%	87.03%	91.96%
Covered Payroll	\$ 1,752,103	\$ 2,130,721	\$ 1,941,176	\$ 2,177,534	\$ 2,120,877	\$ 1,953,628	\$ 2,344,354	\$ 2,453,338	\$ 2,913,282	\$ 3,151,421
Net Pension Liability as a Percentage of Covered Payroll	459.05%	388.36%	450.03%	97.50%	303.23%	215.87%	201.82%	166.22%	109.99%	58.43%

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**PUBLIC SCHOOL EMPLOYEES' PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 279,374	\$ 321,664	\$ 330,800	\$ 381,540	\$ 379,118	\$ 405,826	\$ 416,858	\$ 417,287	\$ 376,001	\$ 385,638
Interest	1,040,971	1,038,951	1,050,251	1,127,800	1,080,930	1,080,618	1,084,299	1,041,358	921,038	873,129
Changes of Benefit Terms	208,179	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	23,495	330,532	550,790	(151,542)	573,769	(203,038)	(119,150)	361,689	(115,277)	126,083
Changes of Assumptions		(90,463)	507,180	513,539	1,262,362	-	381,540	314,087	1,269,024	-
Benefit Payments, Including Refunds of Member Contributions	(1,300,377)	(1,740,027)	(1,986,041)	(2,724,084)	(1,067,351)	(1,430,728)	(958,782)	(934,782)	(617,110)	(514,058)
Net Change in Total Pension Liability	251,642	(139,343)	452,980	(852,747)	2,228,828	(147,322)	804,765	1,199,639	1,833,676	870,792
Total Pension Liability - Beginning	18,465,567	18,604,910	18,151,930	19,004,677	16,775,849	16,923,171	16,118,406	14,918,709	13,085,033	12,214,241
Total Pension Liability - Ending (a)	18,717,209	18,465,567	18,604,910	18,151,930	19,004,677	16,775,849	16,923,171	16,118,348	14,918,709	13,085,033
Plan Fiduciary Net Position:										
Contributions - Employer	871,055	867,181	891,000	860,000	700,000	810,000	1,406,714	412,737	385,000	317,750
Net Investment Income	1,309,056	1,060,003	(2,627,079)	3,840,576	738,031	841,212	635,931	858,809	346,708	184,400
Benefit Payments, Including Refunds of Member Contributions	(1,300,377)	(1,740,027)	(1,986,041)	(2,724,084)	(1,067,351)	(1,430,728)	(958,782)	(934,724)	(617,110)	(514,058)
Administrative Expense	(1,155)	(4,430)	(1,167)	(5,316)	(4,988)	(1,142)	-	-	(12,197)	(6,773)
Net Change in Plan Fiduciary Net Position	878,579	182,727	(3,723,287)	1,971,176	365,692	219,342	1,083,863	336,822	102,401	(18,681)
Plan Fiduciary Net Position - Beginning	12,540,609	12,357,882	16,081,169	14,109,993	13,744,301	13,524,959	12,441,096	12,104,274	12,001,873	12,020,555
Plan Fiduciary Net Position - Ending (b)	13,419,188	12,540,609	12,357,882	16,081,169	14,109,993	13,744,301	13,524,959	12,441,096	12,104,274	12,001,874
Net Pension Liability - Ending (a)-(b)	\$ 5,298,021	\$ 5,924,958	\$ 6,247,028	\$ 2,070,761	\$ 4,894,684	\$ 3,031,548	\$ 3,398,212	\$ 3,677,252	\$ 2,814,435	\$ 1,083,159
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.69%	67.91%	66.42%	88.59%	74.24%	81.93%	79.92%	77.19%	81.13%	91.72%
Covered Payroll	\$ 2,767,219	\$ 3,142,011	\$ 3,326,489	\$ 3,774,841	\$ 4,139,901	\$ 4,396,641	\$ 4,709,202	\$ 5,051,980	\$ 5,227,413	\$ 5,432,422
Net Pension Liability as a Percentage of Covered Payroll	191.46%	188.57%	187.80%	54.86%	118.23%	68.95%	72.16%	72.79%	53.84%	19.94%



**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS**  
**VOLUNTEER FIRE DEPARTMENT PLAN**  
**LAST EIGHT FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability:								
Service Cost	\$ 15,622	\$ 13,451	\$ 31,483	\$ 26,362	\$ 26,314	\$ 24,198	\$ 40,580	\$ 43,993
Interest	99,932	109,896	78,472	84,898	80,596	81,163	80,676	73,916
Differences Between Expected and Actual Experience	84,677	-	-	-	-	-	(38,364)	-
Changes of Assumptions	-	199,568	(995,151)	329,465	201,000	100,453	44,875	(187,899)
Benefit Payments, Including Refunds of Member Contributions	(107,245)	(115,870)	(55,488)	(43,611)	(40,257)	(25,722)	(23,832)	(18,642)
Net Change in Total Pension Liability	92,986	207,045	(940,684)	397,114	267,653	180,092	103,935	(88,632)
Total Pension Liability - Beginning	2,829,505	2,622,460	3,563,144	3,166,030	2,898,377	2,718,285	2,614,350	2,702,982
Total Pension Liability - Ending	<u>\$ 2,922,491</u>	<u>\$ 2,829,505</u>	<u>\$ 2,622,460</u>	<u>\$ 3,563,144</u>	<u>\$ 3,166,030</u>	<u>\$ 2,898,377</u>	<u>\$ 2,718,285</u>	<u>\$ 2,614,350</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68.

**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
EMPLOYEES' PENSION PLAN  
LAST TEN FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,114,082	\$ 1,155,462	\$ 1,243,616	\$ 1,142,823	\$ 1,181,328	\$ 1,123,550	\$ 949,847	\$ 1,014,989	\$ 957,362	\$ 742,014
Contributions in Relation to the Actuarially Determined Contribution	<u>1,144,569</u>	<u>1,155,462</u>	<u>1,243,616</u>	<u>1,142,823</u>	<u>1,181,328</u>	<u>1,123,550</u>	<u>949,847</u>	<u>1,014,989</u>	<u>957,362</u>	<u>1,580,742</u>
Contribution Deficiency (Excess)	<u>\$ (30,487)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (838,728)</u>
Covered Payroll	\$ 5,111,099	\$ 5,171,286	\$ 4,815,540	\$ 5,070,240	\$ 5,285,251	\$ 5,167,840	\$ 5,606,594	\$ 7,188,230	\$ 7,286,617	\$ 7,184,431
Contributions as a Percentage of Covered Payroll	22.4%	22.3%	25.8%	22.5%	22.4%	21.7%	16.9%	14.1%	13.1%	22.0%

## Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported.

## Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Method	17 Years
Asset Valuation Method:	
Smoothing Period	5 Years
Recognition Method	Non-Asymptotic
Corridor	80% - 120% of Market Value of Assets
Inflation	2.6%
Salary Increases	Varies by Group
Investment Rate of Return	5.75%
Retirement Age	Varies by Group/Age
Turnover	Varies by Age and Sex
Mortality	Pub-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with Generational Projection of Future Improvements Per the MP-2021 Ultimate Scale.

\* Contribution amounts for fiscal year ending June 30, 2015 are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE RETIREMENT FUND  
LAST TEN FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 849,414	\$ 876,781	\$ 915,379	\$ 808,481	\$ 785,612	\$ 797,029	\$ 670,238	\$ 437,809	\$ 785,553	\$ 520,249
Contributions in Relation to the Actuarially Determined Contribution	900,241	876,781	915,379	808,481	785,612	797,029	670,238	437,809	785,553	1,688,800
Contribution Deficiency (Excess)	<u>\$ (50,827)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,168,551)</u>
Covered Payroll	\$ 1,752,103	\$ 2,130,721	\$ 1,941,176	\$ 2,177,534	\$ 2,120,877	\$ 1,953,628	\$ 2,344,354	\$ 2,453,338	\$ 2,913,282	\$ 3,151,421
Contributions as a Percentage of Covered Payroll	51.4%	41.1%	47.2%	37.1%	37.0%	40.8%	28.6%	17.8%	27.0%	53.6%

## Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported.

## Methods and Assumptions Used to Determine

## Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Dollar, Closed

Remaining Amortization Method

17 Years

Asset Valuation Method:

Smoothing Period

5 Years

Recognition Method

Non-Asymptotic

Corridor

80% - 120% of Market Value of Assets

Inflation

2.60%

Salary Increases

2.75%

Investment Rate of Return

5.75%

Retirement Age

Varies by Group/Age

Turnover

Varies by Age and Sex

Mortality

PubG-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with Generational Projection of Future Improvements Per the MP-2021 Ultimate Scale

\* Contribution amounts for fiscal year ending June 30, 2015 are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PUBLIC SCHOOL EMPLOYEES' PENSION PLAN  
LAST TEN FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 850,780	\$ 867,181	\$ 887,241	\$ 859,869	\$ 868,345	\$ 959,690	\$ 905,710	\$ 758,694	\$ 612,839	\$ 539,550
Contributions in Relation to the Actuarially Determined Contribution	871,055	867,181	891,000	860,000	700,000	810,000	317,750	412,737	385,000	317,750
Contribution Deficiency (Excess)	<u>\$ (20,275)</u>	<u>\$ -</u>	<u>\$ (3,759)</u>	<u>\$ (131)</u>	<u>\$ 168,345</u>	<u>\$ 149,690</u>	<u>\$ 587,960</u>	<u>\$ 345,957</u>	<u>\$ 227,839</u>	<u>\$ 221,800</u>
Covered Payroll	\$ 2,767,219	\$ 3,142,011	\$ 3,326,489	\$ 3,774,841	\$ 4,139,901	\$ 4,396,641	\$ 4,709,202	\$ 5,051,980	\$ 5,227,413	\$ 5,432,422
Contributions as a Percentage of Covered Payroll	31.5%	27.6%	26.8%	22.8%	16.9%	18.4%	6.7%	8.2%	7.4%	5.8%

## Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported.

## Methods and Assumptions Used to Determine

## Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Dollar, Closed

Amortization Period

17 Years

Asset Valuation Method:

Smoothing Period

5 Years

Recognition Method

Non-Asymptotic

Corridor

80% - 120% of Market Value of Assets

Inflation

2.60%

Salary Increases

2.75%

Investment Rate of Return

5.75%

Retirement Age and Turnover

Varies by Age and Sex

Mortality

PubG-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with Generational Projection of Future Improvements Per the MP-2021 Ultimate Scale

\* Contribution amounts for fiscal year ending June 30, 2015 are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
PENSION PLANS  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense:										
Employees' Pension Plan	10.35%	8.52%	-14.89%	27.10%	5.28%	6.16%	5.07%	7.00%	2.82%	2.17%
Police Retirement Fund	10.35%	8.52%	-14.89%	27.10%	5.28%	6.16%	5.07%	7.00%	2.82%	2.17%
Public Schools Employees' Pension Plan	10.35%	8.52%	-14.89%	27.10%	5.28%	6.16%	5.07%	7.00%	2.82%	2.17%

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS RETIREMENT FUND**  
**LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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 (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	110,078,016	117,865,801	97,479,841	123,079,291	110,417,597	85,138,383	89,377,099	94,293,524	73,088,842	67,555,987
<b>Total</b>	<b>\$ 110,078,016</b>	<b>\$ 117,865,801</b>	<b>\$ 97,479,841</b>	<b>\$ 123,079,291</b>	<b>\$ 110,417,597</b>	<b>\$ 85,138,383</b>	<b>\$ 89,377,099</b>	<b>\$ 94,293,524</b>	<b>\$ 73,088,842</b>	<b>\$ 67,555,987</b>
Town's Covered Payroll	\$ 31,169,223	\$ 29,997,293	\$ 28,998,356	\$ 28,399,034	\$ 27,890,705	\$ 27,137,830	\$ 26,751,436	\$ 23,285,404	\$ 23,251,427	\$ -
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	64.72%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

## Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation.
Remaining Amortization Period	27.8 Years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

## \* Notes:

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

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**LAST SEVEN FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	\$ 332,240	\$ 328,411	\$ 788,220	\$ 1,213,323	\$ 872,352	\$ 794,486	\$ 926,798
Interest	963,917	900,358	556,966	813,750	1,000,928	1,023,998	875,750
Effect of Plan Changes	-	-	-	-	-	-	-
Effect of Economic/Demographic (Gains) or Losses	-	524,784	-	(6,249,872)	-	(1,539,946)	-
Effect of Assumption Changes or Inputs	-	352,867	(10,727,151)	(5,536,787)	6,900,391	520,468	(2,977,829)
Benefit Payments, Including Refunds of Member Contributions	(1,070,839)	(1,031,595)	(854,290)	(847,982)	(931,222)	(833,900)	(802,162)
Net Change in Total Pension Liability	225,318	1,074,825	(10,236,255)	(10,607,568)	7,842,449	(34,894)	(1,977,443)
Total OPEB Liability - Beginning	16,260,657	15,185,832	25,422,087	36,029,655	28,187,206	28,222,100	30,199,543
Total OPEB Liability - Ending (a)	16,485,975	16,260,657	15,185,832	25,422,087	36,029,655	28,187,206	28,222,100
Plan Fiduciary Net Position:							
Contributions - Employer	1,282,839	1,138,595	3,554,290	847,982	931,222	833,900	802,162
Contributions - Member	-	-	-	-	-	-	-
Net Investment Income	298,008	175,702	(403,236)	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,070,839)	(1,031,595)	(854,290)	(847,982)	(931,222)	(833,900)	(802,162)
Administrative Expense	(1,533)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	508,475	282,702	2,296,764	-	-	-	-
Plan Fiduciary Net Position - Beginning	2,579,466	2,296,764	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	3,087,941	2,579,466	2,296,764	-	-	-	-
Net OPEB Liability - Ending (a)-(b)	<u>\$ 13,398,034</u>	<u>\$ 13,681,191</u>	<u>\$ 12,889,068</u>	<u>\$ 25,422,087</u>	<u>\$ 36,029,655</u>	<u>\$ 28,187,206</u>	<u>\$ 28,222,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.73%	15.86%	15.12%	0.00%	0.00%	N/A	N/A
Covered Payroll	\$ 46,519,563	\$ 46,519,563	\$ 44,035,991	\$ 44,035,991	\$ 42,465,398	\$ 42,465,398	N/A
Net OPEB Liability as a Percentage of Covered Payroll	28.80%	29.41%	29.27%	57.73%	84.84%	N/A	N/A

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

**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
LAST SEVEN FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution*	\$ 1,539,106	\$ 1,138,595	\$ 3,554,290	\$ 847,982	\$ 931,222	\$ 833,900	\$ 802,162
Contributions in Relation to the Actuarially Determined Contribution	1,282,839	1,031,595	854,290	847,982	931,222	833,900	802,162
Contribution Deficiency (Excess)	<u>\$ 256,267</u>	<u>\$ 107,000</u>	<u>\$ 2,700,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 46,519,563	\$ 46,519,563	\$ 44,035,991	\$ 44,035,991	\$ 42,465,398	\$ 42,465,398	N/A
Contributions as a Percentage of Covered Payroll	2.8%	2.2%	1.9%	1.9%	2.2%	2.0%	N/A

## Notes to Schedule:

Valuation Date: July 1, 2022  
Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported.

## Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method                   Entry Age Normal  
Amortization Method                   Level Dollar, Closed  
Remaining Amortization Method       20 Years  
Asset Valuation Method:  
    Smoothing Period                   N/A  
    Recognition Method                N/A  
    Corridor                            N/A  
Inflation                               2.60%  
Salary Increases                       2.75%  
Discount Rate                         6.00%  
Retirement Age                       Varies by Group/Age  
Healthcare Cost Trend Rates         Getzen Model - Varies by Plan  
Mortality

BOE Certified: PubT-2010 Mortality Table for Employees and Healthy and Disabled  
Annuitants (adjusted 105% for males and 103% for females at ages 82 and above)



**TOWN OF GUILFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
LAST THREE FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.68%	7.37%	-17.71%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF GUILFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST SEVEN FISCAL YEARS\***

	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%
Town's Proportionate Share of the Net OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	10,312,799	10,322,341	10,620,250	18,357,281	17,220,247	17,019,716	23,004,657
Total	<u>\$ 10,312,799</u>	<u>\$ 10,322,341</u>	<u>\$ 10,620,250</u>	<u>\$ 18,357,281</u>	<u>\$ 17,220,247</u>	<u>\$ 17,019,716</u>	<u>\$ 23,004,657</u>
Town's Covered Payroll	\$ 31,169,223	\$ 29,997,293	\$ 28,998,356	\$ 28,399,034	\$ 27,890,705	\$ 27,137,830	\$ 26,751,436
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%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

## Notes to Schedule:

## Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023;

Actuarial Cost Method

Entry Age

Amortization Method

Level Percent of Payroll Over an Open Period

Remaining Amortization Period

30 Years

Asset Valuation Method

Market Value of Assets

Investment Rate of Return

3.00%, Net of Investment Related Expense Including Price Inflation

Price Inflation

2.50%

## \* Notes:

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

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

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

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

Town of Guilford, Connecticut  
Town Hall  
31 Park Street  
Guilford, Connecticut 06437

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Guilford, Connecticut (the "Town") of its \$7,000,000 General Obligation Bonds, Issue of 2025, dated August 14, 2025, maturing August 1, 2027-2045 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 14, 2025, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

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

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

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

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

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

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

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

4. We are of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

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

Very truly yours,

Shipman & Goodwin LLP

## **CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.**

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

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

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

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

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

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

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

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or the market price of the Bonds.

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

## **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

#### **ORIGINAL ISSUE DISCOUNT.**

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

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

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

#### **ORIGINAL ISSUE PREMIUM.**

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

\* \* \* \* \*

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

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 14th day of August, 2025 by the Town of Guilford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$7,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds"), dated August 14, 2025 for the benefit of the beneficial owners from time to time of the Bonds.

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

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

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

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

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

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

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

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,

- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2025. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

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

### **Section 3. Listed Events.**

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;



- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

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

#### **Section 5. Use of Agents.**

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

#### **Section 6. Termination.**

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Identifying Information.**

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

#### **Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Finance Director receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director is Town of Guilford, Town Hall, 31 Park Street, Guilford, Connecticut 06437. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 9. Miscellaneous.**

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF GUILFORD, CONNECTICUT

By \_\_\_\_\_  
Matthew Hoey  
First Selectman

By \_\_\_\_\_  
Maryjane Malavasi  
Finance Director

**APPENDIX D – NOTICE OF SALE**

**NOTICE OF SALE**

**\$7,000,000**

**TOWN OF GUILFORD, CONNECTICUT**

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

**ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System** (“PARITY”) will be received by the Town of Guilford, Connecticut (the "Town") at the office of the First Selectman, 2<sup>nd</sup> Floor Conference Room, 31 Park Street, Guilford, Connecticut 06437, until **11:30 A.M. (Eastern Time) on WEDNESDAY,**

**JULY 30, 2025**

for the purchase, when issued, of the whole of the Town's \$7,000,000 General Obligation Bonds, Issue of 2025, dated August 14, 2025, bearing interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2026, and maturing on August 1 in each year as follows:

2027	\$370,000	2037	\$370,000
2028	\$370,000	2038	\$370,000
2029	\$370,000	2039	\$370,000
2030	\$370,000	2040	\$365,000
2031	\$370,000	2041	\$365,000
2032	\$370,000	2042	\$365,000
2033	\$370,000	2043	\$365,000
2034	\$370,000	2044	\$365,000
2035	\$370,000	2045	\$365,000
2036	\$370,000		

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about August 14, 2025. The Bonds **shall be** designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

The Bonds maturing on or before August 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2033, at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b><u>Redemption Dates</u></b>	<b><u>Redemption Price</u></b>
August 1, 2033 and thereafter	100%

**Proposals.** All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$7,000,000 Bonds, or for less than par and accrued interest, will be considered.**

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 14, 2025, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

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

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY®, the use of such facilities being the sole risk of the prospective bidder.

**Disclaimer** - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY® are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY®, this Notice of Sale shall control.

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

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

purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., Email: [bill.lindsay@munistat.com](mailto:bill.lindsay@munistat.com), Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

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

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

**Competitive Sale Rule Met.** If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of July 30, 2025 (the “Sale Date”).

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

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

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

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

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

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

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

- (i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5<sup>th</sup>) business day after the Sale Date of the Bonds; and
- (iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

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

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

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

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated July 23, 2025 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

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

**DTC Book-Entry.** The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

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

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

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

**Additional Information.** For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated July 23, 2025. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and Official Statement may be obtained from Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone (203) 421-2880.

July 23, 2025

Matthew Hoey  
First Selectman

Maryjane Malavasi  
Finance Director

## ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Guilford, Connecticut  
\$7,000,000 General Obligation Bonds, Issue of 2025

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated July 23, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/01/2027	\$370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2028	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2029	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2030	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2031	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2032	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2033	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2034	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2035	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2036	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2037	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2038	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2039	370,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2040	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2041	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2042	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2043	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2044	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2045	365,000	_____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

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

[NAME OF UNDERWRITER/REPRESENTATIVE]

By: \_\_\_\_\_  
Name:  
Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on July 31, 2025:

**Bond Counsel:** [mrutter@goodwin.com](mailto:mrutter@goodwin.com)

**Municipal Advisor:** [bill.lindsay@munistat.com](mailto:bill.lindsay@munistat.com)