

NEW ISSUE: Book-Entry-Only

RATING: Moody's Investors Service: "Aaa"

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



Town of Farmington, Connecticut
\$22,500,000
General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: November 1, 2026 – 2045,
As shown below:

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2026	\$ 1,125,000	._%	._%	311153	2036	\$ 1,125,000	._%	._%	311153
2027	1,125,000	._%	._%	311153	2037	1,125,000	._%	._%	311153
2028	1,125,000	._%	._%	311153	2038	1,125,000	._%	._%	311153
2029	1,125,000	._%	._%	311153	2039	1,125,000	._%	._%	311153
2030	1,125,000	._%	._%	311153	2040	1,125,000	._%	._%	311153
2031	1,125,000	._%	._%	311153	2041	1,125,000	._%	._%	311153
2032	1,125,000	._%	._%	311153	2042	1,125,000	._%	._%	311153
2033	1,125,000	._%	._%	311153	2043	1,125,000	._%	._%	311153
2034	1,125,000	._%	._%	311153	2044	1,125,000	._%	._%	311153
2035	1,125,000	._%	._%	311153	2045	1,125,000	._%	._%	311153

The \$22,500,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will bear interest payable on May 1, 2026 and semiannually thereafter on May 1 and November 1 in each year until maturity. The Bonds will be general obligations of the Town of Farmington, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein. **The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.**

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

Electronic bids via MuniAuction for the Bonds will be received between 11:15 A.M. and 11:30 A.M. (Eastern Time) on Thursday, October 30, 2025 at Farmington Town Hall, 1 Monteith Drive, Farmington, Connecticut 06032 as described in the Notice of Sale (see Appendix D to this Official Statement).

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 13, 2025.

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

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

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

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

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

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

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

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Table of Contents

	<u>Page</u>		<u>Page</u>
Bond Issue Summary.....	1	IV. Tax Base Data.....	24
I. Bond Information.....	2	Property Tax - Assessment Practices.....	24
Introduction.....	2	Tax Levy.....	25
Public Health Considerations.....	2	Comparative Assessed Valuations.....	25
Climate Change.....	3	Major Taxpayers.....	26
Cybersecurity.....	3	Property Tax Levies and Collections.....	26
Municipal Advisor.....	3	Property Taxes Receivable.....	26
Description of the Bonds.....	3	V. Debt Section.....	27
Redemption Provisions.....	3	Outstanding Bonded Debt.....	27
Authorization and Purpose.....	4	Outstanding Short-Term Debt.....	27
Book-Entry-Only Transfer System.....	5	State of Connecticut Clean Water Fund Program.....	28
DTC Practices.....	6	Capital Leases.....	28
Replacement Bonds.....	6	School Projects.....	28
Security and Remedies.....	6	Overlapping Debt.....	29
Qualification for Financial Institutions.....	7	Underlying Debt.....	29
Availability of Continuing Disclosure Information.....	7	Bonded Debt Maturity Schedule.....	29
Rating.....	7	Current Debt Statement.....	30
Tax Matters.....	8	Current Debt Ratios.....	30
Bond Insurance.....	9	Authority to Incur Debt.....	30
II. The Issuer.....	10	Temporary Financing.....	31
Description of the Town.....	10	Limitation of Indebtedness.....	31
Description of Government.....	12	Statement of Debt Limitation.....	32
Principal Municipal Officials.....	12	Authorized but Unissued Debt.....	32
Summary of Municipal Services.....	13	Ratios of Net Long-Term Debt to Valuation	
Educational System.....	15	Population and Income.....	33
School Enrollments.....	15	Comparison of Annual Debt Service to GF Expend.	33
School Facilities.....	16	Five-Year Capital Improvement Plan.....	33
Principal Public Facilities.....	16	VI. Financial Section.....	34
Municipal Employees.....	16	Fiscal Year.....	34
Municipal Employees Bargaining Organizations.....	17	Basis of Accounting.....	34
III. Demographic and Economic Data Section.....	18	Budget Procedure.....	34
Population Trends and Density.....	18	Investment Policy.....	34
Age Distribution of the Population.....	18	Audit.....	35
Income Levels.....	18	Liability Insurance.....	35
Income Distribution.....	19	Pension Plans.....	35
Educational Attainment.....	19	Other Post Employment Benefits.....	37
Major Employers.....	19	Summary of Accounting Principles.....	38
Labor Force Data.....	20	Comparative Balance Sheet.....	39
Industry Classification.....	20	General Fund Revenues and Expenditures.....	40
Commute to Work.....	21	Intergovernmental Revenues.....	41
Building Permits.....	21	Municipal Budget Expenditures Cap.....	41
Age Distribution of Housing.....	21	VII. Additional Information.....	42
Housing Units by Type of Structure.....	22	Litigation.....	42
Housing Unit Vacancy Rates.....	22	Documents Furnished at Delivery.....	42
Owner Occupied Housing Units.....	22	Concluding Statement.....	43
Land Use Summary.....	23	Appendix A: 2024 Financial Statements Excerpted	
		from the Town's Annual	
		Comprehensive Financial Report	
		Appendix B: Form of Opinion of Bond Counsel	
		Appendix C: Form of Continuing Disclosure Agreement	
		Appendix D: Notice of Sale	

Bond Issue Summary

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

Date of Sale:	Thursday, October 30, 2025 at 11:15 A.M to 11:30 A.M. (Eastern Time).
Location of Sale:	Farmington Town Hall, 1 Monteith Drive, Farmington, Connecticut 06032.
Issuer:	Town of Farmington, Connecticut (the "Town").
Issue:	\$22,500,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
Dated Date:	Date of Delivery
Principal Due:	The Bonds are due serially, November 1, 2026 through November 1, 2045, as detailed in this Official Statement.
Interest Due:	May 1, 2026 and semiannually thereafter on November 1 and May 1, in each year until maturity or earlier redemption.
Authorization and Purpose:	The Bond proceeds will be used to provide funds for various school and general purpose projects. (See "Authorization and Purpose" herein)
Redemption:	The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein)
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "Aaa" by Moody's Investors Service ("Moody's"). (See "Ratings" herein)
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such event and (iii) timely notice of a failure by the Town to provide the required annual financial and operating data pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Pullman & Comley, LLC, of Hartford, Connecticut.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 13, 2025. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Joseph Swetcky, Jr., Director of Finance, Town of Farmington, 1 Monteith Drive, Farmington, Connecticut 06032. Telephone (860) 675-2338.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Farmington, Connecticut (the “Town”), in connection with the issuance and sale of \$22,500,000 General Obligation Bonds, Issue of 2025 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated October 21, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale attached hereto as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of Statutes, Charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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

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

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

Public Health Considerations

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

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

The Town received \$7,545,852.07 from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasingly extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town’s operations and finances. The Town has taken several steps to mitigate the threats and effects of climate change and severe weather events. The Town’s hazard mitigation capabilities include its emergency responders, snow, tree and drainage management, and regulations limiting construction in hazard zones. Hazard mitigation due to flooding and erosion is specifically addressed in the Town’s Plan of Conservation and Development.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. In addition, the Town contracts with a cybersecurity company to continually monitor the Town's IT systems for attempted intrusions and suspicious activity. All of the Town computers and computer servers are protected by this security software, firewalls and monitoring. These security protection systems are continually evaluated for upgrades or replacements.

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

Municipal Advisor

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

Description of the Bonds

The Bonds will be dated the date of delivery, and will mature in annual installments on November 1 in each year and in the principal amount set forth on the cover page of this Official Statement. Interest on the Bonds will be payable on May 1, 2026 and semiannually on November 1 and May 1 in each year until maturity. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of April and October in each year, or the preceding business day if such fifteenth day is not a business day, by check, mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. See "Book-Entry-Only Transfer System". The Bonds are subject to redemption prior to maturity. See "Redemption Provisions".

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. See Appendix B to this Official Statement.

Redemption Provisions

The Bonds maturing on or before November 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after November 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 price (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
November 1, 2033 and thereafter.....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor 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 contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Titles 7 and 10, as applicable, of the General Statutes of the State of Connecticut, as amended, the Charter of the Town, and bond resolutions presented at Town Meetings and approved at Referenda. The Bonds are being issued to provide financing for the following projects:

<i>Project</i>	<i>Aggregate Amount Authorized</i>	<i>This Issue: The Bonds</i>
New Farmington High School.....	\$ 145,300,000	\$ 8,585,295
2023 Road & Drainage Repairs & Reconstruction...	4,000,000	2,056,780
1928 Section of Farmington HS Building Reno.	16,000,000	8,000,000
West Woods Upper Elementary School Roof	2,385,000	1,400,000
Fire Engine 8 Replacement	1,400,000	707,925
Quint Fire Truck	1,750,000	1,750,000
<i>Total.....</i>	<i>\$ 170,835,000</i>	<i>\$ 22,500,000</i>

Book-Entry-Only Transfer System

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity 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.

Purchases of 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or its 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

DTC Practices

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

Replacement Bonds

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

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

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

Availability of Continuing Disclosure Information

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form included in Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such event and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town of Farmington prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to Moody's Investors Service ongoing disclosure in the form of the annual financial report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

Pursuant to the Rule, the Town has previously undertaken in continuing disclosure agreements entered into for the benefit of the holders of certain of its general obligation bonds and notes to provide certain annual financial information, operating data, and event notices. In the past five years the Town has not failed to comply in any material respect with its undertakings under such agreements.

Rating

The Bonds have been rated "Aaa" by Moody's Investors Service ("Moody's"). The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the view of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant.

Tax Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bond Insurance

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

SECTION II – THE ISSUER



Description of the Town

The Town of Farmington (the “Town” or “Farmington”) was incorporated in 1645 from what was known as Tunxis Plantation, one of the largest single land grants in the Colonies. Known as the “Mother Town,” Farmington subsequently was partitioned into the towns of Avon, Bristol, Plainville, New Britain, Berlin, Southington, and Burlington. Today, Farmington comprises 28.7 square miles along the Farmington River, lying ten miles west of Hartford, equidistant from the cities of Bristol and New Britain. The Town is bordered on the north by Avon, on the east by West Hartford, New Britain, and Newington, and on the south by Plainville. Bristol and Burlington are to the west.

Farmington is a residential suburb in the Hartford Metropolitan area that has retained its distinctive character through maintenance of its historic districts and careful land use planning for the future. The Town’s population rose to 26,712 according to the 2020 Census, up from the 2010 U.S. Census figure of 25,340. Many of Farmington’s residents are professionals or executives in the area’s insurance, financial, medical or industrial companies. According to the 2018–2022 American Community Survey of the U.S. Census Bureau, per capita income was \$64,417, 24% over the State of Connecticut figure of \$52,034. Over 95% of adult residents have completed high school or higher degrees and over 65% have completed four or more years of college. The Town has had zoning and subdivision regulations for many years with 41.0% of its 18,386 acres zoned for residential use.

Farmington maintains 142.82 miles of sanitary sewers and 68.4 miles of storm sewers. In November of 2014, Town voters approved an authorization to borrow up to \$57.2 million to upgrade the current wastewater treatment plant. In March 2016, the Town Council and Water Pollution Control Authority approved a \$9,862,837 revenue bond authorization in addition to the \$57.2 million previously approved by the voters. Construction began in March of 2016 and was substantially completed in the fall of 2019. The project was paid for through a Clean Water Fund Grant of \$14.1 million, Clean Water Fund Loans totaling \$46.4 million, and assessments on the Towns of Avon, Burlington and Canton, as well as the University of Connecticut Health Center.

Under the service contracts with the Towns of Avon, Burlington, and Canton and the University of Connecticut Health Center, each user is responsible for a pro rata share of Farmington's Clean Water Fund debt service based on their flow rate. In total, it is estimated that external users will pay 29% of the contractual debt service over the 20-year life of the State Loans.

Farmington has four public elementary schools (K–4), one upper elementary school (5–6), one public middle school (7–8), and one public high school (9–12). In June of 2021, Town voters approved an authorization to build a new high school on the campus of the existing school. Construction began on the new high school in December of 2022, and the new high school project was substantially completed in time for the opening of school in the fall of 2024. The new high school will be paid for through borrowing and state school construction grants. The State of Connecticut has committed to pay for up to 30% of the eligible costs of the project. Farmington is also home to Miss Porter's, a private girls' school, the State-run Tunxis Community College, and the University of Connecticut Health Center.

There are two post offices in Town, and the public library has over 148,000 volumes and over 15,000 borrowers' cards outstanding. Farmington has six parks and public squares, eight churches and synagogues, two museums, several private country and field clubs and two public golf courses, one of which, Westwoods, is Town-owned. Hartford, New Britain, and Bristol daily newspapers serve the Town as do a large number of local radio and television stations.

Farmington lies at the hub of major I-84 interchanges, giving it a strong location advantage as a site for central Connecticut business and industry. The Town has direct access to Connecticut Route 9 (Central Connecticut Expressway) and is also served by U.S. Highway 6 and Connecticut Routes 4, 10, 167, and 177. There are 118.58 miles of Town-owned roads and 51 miles of State roads in Town. Connecticut Transit provides commuter bus service to Hartford. Numerous motor common carriers provide the bulk of freight transportation.

The Farmington Industrial Park is headquarters for a number of manufacturing corporations, including New England Airfoil Products, Mallory Industries, and Connecticut Spring and Stamping Company. The Park also hosts the foreign firm Trumpf America Incorporated, which recently expanded their facilities by 58,000 square feet and added 15 new employees. Other firms located in Farmington include Stanley Access Technologies, Raytheon Technologies Realty, Inc., Otis Elevator and The Jackson Laboratory. ConnectiCare, one of the State's largest HMOs, has its headquarters in Farmington.

West Farms Mall, a regional shopping center with over 1.2 million square feet of retail floor space valued in excess of \$ 158.0 million, has over one hundred twenty stores. The major anchor tenants include Nordstrom's, Macy's, J.C. Penney and Jordan's Furniture.

The University of Connecticut Health Center, the Town's largest employer with over 5,000 employees, is composed of the School of Medicine, School of Dental Medicine, John Dempsey Hospital, the UConn Medical Group, UCONN Health Partners and University Dentists. Founded in 1961, the Health Center pursues a mission of providing health care education in an environment of patient care, research and public service.

The main complex occupies 206 acres on a hilltop overlooking interstate 84 (I-84). The building originally contained approximately 1.2 million square feet, seven miles of corridors, and 2,000 rooms. Its first major addition, the Andrew J. Canzonetti M.D. Building, was dedicated in 1994. It added 94,000 square feet next to John Dempsey Hospital. The Health Center's newest addition, the Academic Research Building, is an 11-story structure that provides 170,000 square feet of state-of-the-art laboratory space and was opened in 1999.

John Dempsey Hospital, the University's hospital, has 186 beds in operation and provides specialized and routine inpatient and outpatient services. The Hospital is widely recognized for its work in maternal fetal medicine, cardiology, cancer care and orthopedics. In addition, John Dempsey Hospital has the only full-service emergency department in the Farmington Valley. In 2010, the Connecticut General Assembly approved legislation that created opportunities for a major renewal of the Hospital, including renovations to the existing Hospital as well as the construction of a new patient tower.

A new \$325.8 million hospital tower was opened in the spring of 2016. The building houses staff offices, the emergency department, the intensive care unit, orthopedic and general surgery and 169 private patient rooms. The 380,000 square foot hospital tower is a key component in the UConn Health Systems' expansion.

Dedicated to providing broad educational opportunities in the biomedical sciences, the Health Center offers degree programs in medicine (M.D.), dental medicine (D.M.D.), and biomedical science (Ph.D.); master's degree programs in public health and dental science; postdoctoral fellowships; residency programs providing specialty training for newly graduated physicians and dentists; and continuing education programs for practicing health-care professionals.

In January of 2012, the State of Connecticut signed an agreement with The Jackson Laboratory, a Maine-based 501c nonprofit biomedical research institution, whereby The Jackson Laboratory built a \$1.1 billion laboratory on the University of Connecticut Health Center campus in Farmington. The Jackson Laboratory provided \$809 million in financing through federal grants, philanthropy, and service income. The State provided \$291 million in loans and grants for construction and research. Completed in October 2014, The Jackson Laboratory for Genomic Medicine building is a 183,500 square foot facility on a 17 acre parcel of land on the UConn Health Center Campus. Researchers focus on human genomics and facilitate clinical collaboration with many Connecticut universities and hospitals.

An ongoing priority of the Town has been the revitalization of the Unionville and Farmington centers. Approximately \$2.0 million in Federal and state grants and local funds have been used in the Unionville Center to restore historic buildings, implement a building façade grant program, make streetscape improvements including improvements for handicap accessibility and renovations to the Town-owned Maple Village housing complex. In addition, the Town committed \$2,000,000 to improvements to the Farmington Village center, including new sidewalks, crosswalks and plantings.

The Town has over 300 hotel rooms. The Farmington Inn and Suites, Homewood Suites by Hilton, Extended Stay America, and the Hampton Inn & Suites are located in Town.

Description of Government

Farmington is administered under the Council-Manager form of government. The Town Charter, which is the primary organizational document, was first adopted in 1947 and last was revised on December 4, 2003. The seven-member council, the Town's legislative body, is elected biennially for a term of two years and serves without compensation. Minority party representation of at least two is guaranteed. The Town Manager serves as the full-time Chief Executive and is aided by an Assistant Town Manager. The Town employs a full-time Director of Finance, who also serves as Town Treasurer, a Tax Collector, and an Assessor. Finances are under the control of the Town Council, the Town Manager, and the Director of Finance/Treasurer.

Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection/Term</i>	<i>Length Of Service</i>
Chairman	Joseph Capodiferro	Elected/2 years	5 years
Member (Vice Chair).....	Keith Vibert	Elected/2 years	3 years
Member	Patti Boye-Williams	Elected/2 years	1 year
Member	Brian Connolly	Elected/2 years	5 years
Member	Sarah Healey	Elected/2 years	1 year
Member	Amy Palumbo	Elected/2 years	1 year
Member	David Wlodkowski	Elected/2 years	1 year
Town Manager	Kathleen A. Blonski	Appointed	25 years
Director of Finance/Treasurer	Joseph Swetcky, Jr.	Appointed	21 years
Tax Collector	Samantha Pletscher	Appointed	7 years
Town Clerk	Maureen Frink	Elected/4 years	3 years
Corporation Counsel	Halloran & Sage, LLP	Appointed	13 years
Assessor	David Gardner	Appointed	6 years
Superintendent of Schools	Kathleen C. Greider	Appointed	16 years

Summary of Municipal Services

Police: The Police Department currently employs a full-time Director of Emergency Services/Police Chief, a Captain, three Lieutenants, eight Sergeants, three Detectives, 31 Patrol Officers, an Animal Control Officer, a Communications Supervisor, fourteen Dispatchers, and three full-time clerical staff. The department employs thirty-nine vehicles for patrol and transportation services. The department is nationally accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc.

Fire: Fire protection is provided by a combination department of 125 volunteer firefighters and nine paid professional, full-time firefighters. Stations are located in five areas of the Town: Farmington Center, Unionville, East Farms, Oakland Gardens, and Southwest Farmington. Fire equipment consists of eight pumpers, one rescue truck, five medical units, four utility vehicles, and one aerial ladder truck. The department has a Knox Box program in place to facilitate access to secured buildings during an emergency.

Emergency Medical Services: The Town is served by a professional ambulance company and emergency medical response from the Fire Department. The Town uses the 911 emergency telephone system for emergency service dispatched from the Farmington Police Department. In July of 2025 the Town entered into an interlocal agreement with the Town of Avon, a neighboring town, to provide emergency dispatch services. As part of the agreement, the Town hired the dispatchers currently working for the Town of Avon. In exchange for providing dispatch services the Town of Avon will pay the Town of Farmington for the personnel costs for four dispatchers. The Town also provides emergency dispatch services to the Town of Burlington through another interlocal agreement.

Sewers: Farmington owns and operates a sanitary sewer system, which serves approximately 85% of the population in Town plus portions of the population of the Towns of Avon, Burlington and Canton. The University of Connecticut Health Center also sends effluent to the Town's processing plant. Wastewater treatment is provided for both domestic and industrial wastes.

Wastewater treatment operations and maintenance are accounted for through a special revenue fund. The fund is supported through the levy and collection of user fees. Individual homeowners are charged \$366.00 as an annual service fee, while commercial users are charged a rate based on water usage. For fiscal year 2025-26 the rate is \$3.17 per 100 cubic feet of water used. Sewer-related debt is partially retired by sewer assessment payments and sewer user fees with the balance of sewer debt service payments coming from the General Fund.

Health Services: The University of Connecticut Health Center, located in Farmington, is a major hospital, teaching and research facility for the State of Connecticut. The hospital component of the Health Center offers a comprehensive range of primary and tertiary care resources. John Dempsey Hospital is a 234-bed acute-care facility with around-the-clock medical and dental emergency services and both inpatient and outpatient capabilities in pediatrics, obstetrics, psychiatry, dentistry, adult medicine and surgery, plus intensive care for adults, children, and newborns.

Recreation: The Recreation Department provides recreation and leisure activities for the enjoyment of all Farmington residents. The department employs a Director of Recreation, a recreation supervisor and program staff. The Town maintains an extensive network of recreational facilities including soccer, baseball, softball, lacrosse and football fields, tennis courts, multiuse trail ways, and a Town-owned executive golf course. Currently the Town is building a \$1.4 million splash pad and pickleball complex adjacent to the Town owned golf course.

Public Works: The Department of Public Works employs a total of 39 individuals who staff the Highway, Grounds, and Engineering Departments. The Highway and Grounds Department has seventeen dump trucks/snowplows and several heavy-duty loaders, excavators, sanders, spreaders and leaf vacuums. The department is responsible for maintaining all Town roads; grounds; trail ways and athletic fields.

Housing Authority: The Housing Authority, established in 1972, works to further affordable housing opportunities in the Town of Farmington. It also investigates alternative solutions and initiatives regarding affordable housing. The Housing Authority awards Town-owned lots to first-time homebuyers under its Cooperative Ownership Program, which began in 1981. As of December 31, 2022, a total of 38 lots have been awarded. The Town also owns nine affordable rental units of various sizes. These units are maintained through the rental fees that are collected.

The Executive Director of the Housing Authority is responsible for administering Maple Village, a 40-unit elderly and disabled housing apartment complex located on Maple Avenue Extension in Unionville. The staff of the Community Services Department provides intake and counseling services and income determinations for tenants and applicants. Built in 1975, the complex houses individuals over age 62 or who are disabled. The complex has undergone extensive renovations over the past ten years through a combination of Federal, state and local funding.

The Farmington Housing Authority continues to participate in the State's Rental Assistance program for elderly tenants in Authority-operated housing. Additionally, the Authority administers 90 HUD Section 8 vouchers, which provide rental subsidies for persons of low income.

Service Contract – Solid Waste Disposal: The Town provides curbside solid waste and recyclables collection and disposal to residents. Residents are charged a fee of \$276.00 per year for this service. The Town entered into a long-term service contract (the "Service Contract") with the Materials Innovation and Recycling Authority ("MIRA") (formerly known as the Connecticut Resource Recovery Authority) for the disposal of solid waste through the Mid-Connecticut System (the "System"). The Service Contract became effective on October 19, 2011 and was to expire on June 30, 2027.

Each municipality signing a Service Contract, including the Town, agreed to cause to be delivered to the Mid-Connecticut System all solid waste under the legal control of the municipality. MIRA was required to impose service payments at a uniform rate per ton for all municipalities, such that the aggregate of all such service payments received by MIRA would be sufficient to pay for the net cost of operation of the System as defined in the Service Contract. Under the Service Contract, the Town had no obligation for a minimum tonnage commitment; however, it committed to a "flow control" provision which required that all solid waste and residential recyclables generated within its borders be directed to the MIRA facility.

After a comprehensive study, MIRA determined that it was no longer feasible to maintain the trash burn facility in Hartford. In the winter of 2022, MIRA announced that effective July 1, 2022, MIRA planned to begin the process of decommissioning the burn facility and opening a transfer station where trash would be collected and shipped out of state. MIRA requested that participating Towns amend their contracts with MIRA to reflect this new disposal arrangement. Towns were also given the option to opt out of their agreements with MIRA and find alternative methods for disposing of trash and recyclables. The Town of Farmington chose to opt out of its service contract with MIRA and contracted with a private company to dispose of its municipal solid waste, bulky waste and recyclables. The contract was effective July 1, 2022, and has a five-year term. Under the agreement the Town will pay \$110.00 per ton for the disposal of municipal solid waste in the first two years; \$115.00 per ton in years three and four; and, \$120.00 per ton in the fifth year of the contract. The Town does not pay a fee for the disposal of acceptable recyclables.

Libraries: The Town provides a substantial annual contribution to the Farmington Village Green and Library Association ("FVGLA") in order to assist FVGLA in operating a public library system in Town. FVGLA currently has two facilities, a large public library on the Town Hall campus, as well as a branch library, known as the Barney Library, in Farmington Center. The Town provides over 90% of the funding support for the library system's total operating budget. The remainder of the funding comes from private donations, grants and an endowment. In recent years the Library has changed its focus to meet the changing needs of the Town. The Library has become heavily involved in technology and offers a variety of programming for all age groups.

Other Services: The Town's health service needs are met by the Farmington Valley Health District (the "District"). The District is charged with protecting the public health through inspections of food service establishments, septic systems, swimming pools and private water supplies. The District has also been actively involved with the COVID-19 pandemic, offering advice, establishing protocols, and administering vaccines. The District is funded in part through assessments on its member towns. The Town assessment for 2025/2026 is \$206,474.

The Town partners with H.O.P.E. Partners of Farmington, a nonprofit agency, to provide elderly services such as congregate meals, and medical equipment. In addition, the Town operates a five day a week "Dial-a-Ride" program which provides elderly citizens with rides to medical providers and shopping facilities.

The Town rents small plots of land to individuals for community gardening. The Town plows, fertilizes, and stakes the individual plots and rents them to interested parties for a minimal charge. Approximately 224 plots are available during the planting season.

Educational System

The Farmington public school system is comprised of seven schools organized into four school levels. Four elementary schools serve children in grades kindergarten through 4. Each of Farmington's elementary schools earned distinction as Nationally Recognized Blue Ribbon Schools by the U.S. Department of Education and consistently rank among the top performers on the State standardized tests. Students in grades 5 and 6 attend the West Woods Upper Elementary School. This 132,000-square-foot school was constructed in 2001-02 and opened in the fall of 2002. Irving A. Robbins Middle School is also a Nationally Recognized Blue Ribbon School. All Farmington students in grades 7 and 8 are served at this middle school. Farmington High School serves all students in grades 9-12 and is identified by Newsweek as one of the top 100 high schools in the country. More than 90% of the graduates continue their education at two or four year colleges.

For the 2024-25 school year, 4,096 students were enrolled in the Farmington public schools including 127 Hartford students who enroll in the Farmington schools through the State's Open Choice Program. The Board of Education employs approximately 471 professional educators and approximately 238 support staff to provide the educational programs and to support approximately 770,000 square feet of school building space.

The school system is governed by a nine-member elected Board of Education. The Board employs a Superintendent of Schools to operate as the system's chief executive officer. Kathleen C. Greider was appointed Superintendent of Schools in 2009. The Board of Education and Superintendent are committed to a well-established system of accountability and continuous improvement reflected in the school district's mission or over-riding purpose:

The mission of the Farmington Public Schools is to enable all students to achieve academic excellence, exhibit persistent effort and live as resourceful, inquiring and contributing global citizens.

This accountability and continuous improvement system focuses directly on measurable results that are portrayed and analyzed at the school and district level each year. This achievement-oriented, value-added approach is best reflected by Farmington's per pupil expenditure ranking in Connecticut – 112 of 169 school districts contrasted with performance on statewide tests in grades 5 and 8 in the top 10% of Connecticut school districts. Ninety-four percent of the Class of 2018 graduating class went on to college or military service. More than 50% of upper classmen took one or more Advanced Placement or college courses while in high school. All students begin studying a world language in grade 5. A town-wide technology plan has resulted in each school building having diverse technologies available to support teaching and learning. Comprehensive and award-winning programs in the arts, music and physical education are provided at each school level.

School Enrollments

School Year	Grades K-4	Grades 5-6	Grades 7-8	Grades 9-12	Special Education	Total Enrollment
Historical						
2015-16	1,428	663	623	1,231	31	3,976
2016-17	1,437	651	674	1,186	30	3,978
2017-18	1,422	688	672	1,206	36	4,024
2018-19	1,401	661	655	1,254	34	4,005
2019-20	1,466	634	683	1,250	35	4,068
2020-21	1,397	623	682	1,273	19	3,994
2021-22	1,487	608	656	1,269	18	4,038
2022-23	1,495	641	625	1,272	12	4,045
2023-24	1,528	630	625	1,297	13	4,093
2024-25	1,461	676	670	1,273	16	4,096
Projected						
2025-26	1,467	679	672	1,283	-	4,101

Source: Town of Farmington, Board of Education

School Facilities

School	Grades	Date of Construction (Additions, Remodeling)	Number of Classrooms	10/1/2024 Enrollment	Rated Capacity
Noah Wallace.....	K-4	1904 (2019)	22	342	440
West District	K-4	1963 (2019)	22	357	440
Union	K-4	1939 (2019)	21	305	420
East Farms	K-4	1967 (2021)	24	457	480
I.A.R. Middle School.....	7-8	1959 (2022)	45	670	900
West Wood Upper Elementary..	5-6	2002	54	676	756
Farmington High	9-12	2024	83	1,273	1,347
Total			271	4,080	4,783

Principal Public Facilities

Facility	Date Constructed	Additions & Renovations	Type of Construction	Planned Major Improvements
Town Hall.....	1968	–	Steel/brick	2026
Treatment Plant.....	1961	2019	Steel/brick	None
Police Station.....	2002	–	Steel/brick	2025
Highway Garage.....	1979	–	Steel/brick	2026
Senior/Community Center.....	2002	–	Steel/brick	2026
1928 Town Hall.....	1928	2025	Steel/brick	2025

Municipal Employees¹

	2024-25	2023-24	2022-23	2021-22	2020-21
General Government.....	167	163	164	161	160
Board of Education.....	709	697	801	705	676
Total.....	876	860	965	866	836

¹ Full-time equivalent.

Source: Town of Farmington

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Municipal Employees Bargaining Organizations

	Positions Covered	Current Contract Expiration Date
Board of Education Groups		
Farmington Education Association (CEA/NEA)	404	6/30/2026
Farmington Association of School Administrators ...	13	6/30/2027
School Nurses	9	6/30/2026
Farmington Public School Employees United.....	229	6/30/2027
Organized.....	655	
Non-Union.....	54	
Sub-Total.....	709	
General Government		
The Fraternal Order of Police, Lodge No. 331.....	45	6/30/2028
AFSCME.....	76	6/30/2027
International Association of Fire Fighters	9	6/30/2027
SEIU/CSEA Local 2001.....	22	6/30/2027
Organized.....	152	
Non-Union.....	15	
Sub-Total	167	
Total	876	

Source: Town of Farmington

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

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SECTION III – DEMOGRAPHIC AND ECONOMIC DATA SECTION

Population Trends and Densities

Year	Population ¹	% Increase (Decrease)	Density ²
2023 ³	26,685	-0.1%	926.6
2020	26,712	5.4%	927.5
2010	25,340	7.2%	879.9
2000	23,641	14.7%	820.9
1990	20,608	25.6%	715.6
1980	16,407	14.0%	569.7
1970	14,390	--	499.7

¹ 1970-2020, U.S. Department of Commerce, Bureau of Census

² Per square mile: 28.8 square miles

³ American Community Survey 2019-2023.

Age Distribution of the Population

Age	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,117	4.2%	181,240	5.0%
5 to 9 years	1,489	5.6	195,390	5.4
10 to 14 years	1,584	5.9	217,297	6.0
15 to 19 years	1,514	5.7	238,145	6.6
20 to 24 years	1,576	5.9	233,423	6.5
25 to 34 years	3,254	12.2	449,771	12.5
35 to 44 years	3,680	13.8	451,461	12.5
45 to 54 years	3,517	13.2	462,543	12.9
55 to 59 years	1,918	7.2	260,758	7.2
60 to 64 years	1,661	6.2	257,548	7.2
65 to 74 years	2,906	10.9	376,023	10.4
75 to 84 years	1,811	6.8	187,378	5.2
85 years and over	658	2.5	87,371	2.4
Total.....	26,685	100.0%	3,598,348	100.0%
Median Age (Years) 2023.....	43.1		41.2	
Median Age (Years) 2010 ¹	42.0		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2019-2023.

Income Levels

	Town of Farmington	State of Connecticut
Per Capita Income	\$67,565	\$54,409
Median Household Income	\$134,237	\$93,760
Median Family Income	\$163,599	\$120,011

Source: American Community Survey 2019-2023.

Income Distribution

	Town of Farmington		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	69	1.0%	22,973	2.5%
\$10,000 to \$14,999.....	62	0.9	12,547	1.4
\$15,000 to \$24,999.....	116	1.6	29,893	3.3
\$25,000 to \$34,999.....	245	3.4	35,598	3.9
\$35,000 to \$49,999.....	229	3.2	61,793	6.7
\$50,000 to \$74,999.....	464	6.4	108,046	11.8
\$75,000 to \$99,999.....	535	7.4	108,216	11.8
\$100,000 to \$149,999.....	1,396	19.4	185,242	20.2
\$150,000 to \$199,999.....	1,361	18.9	128,574	14.0
\$200,000 or more.....	2,731	37.9	224,258	24.5
Total.....	7,208	100.0%	917,140	100.0%

Source: American Community Survey 2019-2023.

Educational Attainment

Years of School Completed – Age 25 and Over

	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	327	1.7%	101,530	4.0%
9th to 12th grade, no diploma.....	376	1.9	118,019	4.7
High School graduate (incl. equivalency).....	2,592	13.4	647,094	25.5
Some college, no degree.....	2,055	10.6	410,591	16.2
Associate degree.....	1,207	6.2	193,216	7.6
Bachelor's degree.....	6,431	33.1	581,935	23.0
Graduate or professional degree.....	6,417	33.1	480,468	19.0
Total.....	19,405	100.0%	2,532,853	100.0%
Percent high school graduate or higher.....		96.4%		91.3%
Percent bachelor's degree or higher.....		66.2%		41.9%

Source: American Community Survey 2019-2023.

Major Employers As of September 2025

Employer	Type of Business	Approximate Number of Employees
UConn Health Center	Hospital/College	7,664
Trumpf, Inc.....	Manufacturer	1,700
Town of Farmington/Board of Education	Municipal Government	876
Ebm-papst.....	Fan Manufacturer	515
Conecticare.....	Health Insurer	501
Otis Elevator Company.....	Elevator Manufacturer	500
Tunxis Community College.....	Education	500
American Red Cross.....	Nonprofit	428
Connecticut Spring & Stamp.....	Manufacturer	375
Jackson Labs.....	Medical Research	370

Labor Force Data

Period	Town of Farmington		Percentage Unemployed		
	Employed	Unemployed	Town of Farmington	Hartford Labor Market	State of Connecticut
July 2025.....	14,331	385	2.6	3.9	4.3
Annual Average					
2024.....	13,942	378	2.6	3.5	3.5
2023.....	13,766	412	2.9	3.7	3.7
2022.....	13,785	450	3.2	4.1	4.1
2021.....	12,273	626	4.7	6.6	6.6
2020.....	13,437	741	5.3	7.0	7.3
2019.....	14,407	403	2.8	3.8	3.7
2018.....	13,859	453	3.2	4.1	4.1
2017.....	13,713	509	3.6	4.8	4.7
2016.....	13,544	532	3.8	5.3	5.3
2015.....	13,509	548	3.9	5.6	5.6

Source: Department of Labor, State of Connecticut

Industry Classification

Sector	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	36	0.2%	7,261	0.4%
Construction.....	665	4.6	112,821	6.1
Manufacturing.....	1,367	9.4	195,355	10.6
Wholesale trade.....	182	1.3	37,294	2.0
Retail trade.....	1,021	7.0	192,535	10.5
Transportation warehousing, and utilities.....	398	2.7	84,571	4.6
Information.....	618	4.3	36,631	2.0
Finance, insurance, real estate, and leasing...	2,081	14.4	162,724	8.9
Professional, scientific, management, administrative, and waste management.....	1,662	11.5	223,982	12.2
Education, health and social services.....	4,488	31.0	490,839	26.7
Arts, entertainment, recreation, accommodation and food services.....	1,127	7.8	145,445	7.9
Other services (except public admin.).....	446	3.1	78,662	4.3
Public Administration.....	400	2.8	67,335	3.7
Total Labor Force, Employed.....	14,491	100.0%	1,835,455	100.0%

Source: American Community Survey 2019-2023.

Commute to Work
16 years of age and over

	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	10,238	71.7%	1,271,480	70.6%
Car pools	590	4.1	138,268	7.7
Using public transportation	65	0.5	61,239	3.4
Walked	197	1.4	44,756	2.5
Using other means	204	1.4	26,695	1.5
Worked at home	2,991	20.9	258,466	14.4
Total	14,285	100.0%	1,800,904	100.0%

Mean travel to work (minutes) 23.7 26.6

Source: American Community Survey 2019-2023.

Building Permits

Fiscal Year	Residential		Comm./Industrial		Total	
	No.	Value	No.	Value	No.	Value
2025	2,042	\$ 62,352,803	301	\$ 33,829,957	2,343	\$ 96,182,760
2024	2,017	68,462,826	352	30,116,484	2,369	98,579,310
2023	2,125	40,699,406	407	132,180,730	2,532	172,880,136
2022	2,095	46,282,971	416	32,663,124	2,511	78,946,095
2021	2,139	29,188,789	335	32,245,145	2,474	61,433,934
2020	1,472	20,193,092	370	26,461,468	1,842	46,654,560
2019	1,567	16,825,661	409	27,657,999	1,976	44,483,660
2018	1,570	20,830,998	397	39,499,566	1,967	60,330,564
2017	1,348	24,912,853	361	20,722,814	1,709	45,635,667
2016	1,635	18,568,050	437	74,665,875	2,072	93,233,925

Source: Town of Farmington, Building Official

Age Distribution of Housing

Year Built	Town of Farmington		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,126	9.6%	313,434	20.4%
1940 to 1969.....	2,979	25.3	516,528	33.6
1970 to 1979.....	1,764	15.0	210,611	13.7
1980 to 1989.....	2,550	21.7	197,533	12.9
1990 to 1999.....	1,580	13.4	116,617	7.6
2000 or 2009.....	1,128	9.6	108,430	7.1
2010 or later.....	628	5.3	72,896	4.7
Total Housing Units.....	11,755	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Housing Units by Type of Structure

Housing Units	Town of Farmington		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	7,695	65.5%	901,187	58.7%
1-unit, attached.....	1,226	10.4	95,202	6.2
2 units.....	294	2.5	118,295	7.7
3 or 4 units.....	1,076	9.2	126,755	8.3
5 to 9 units.....	398	3.4	76,750	5.0
10 to 19 units.....	332	2.8	55,290	3.6
20 or more units.....	716	6.1	150,986	9.8
Mobile home.....	18	0.2	10,967	0.7
Boat, RV, van, etc.....	-	-	617	0.0
Total Inventory.....	11,755	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Housing Unit Vacancy Rates

Housing Units	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Occupied housing units	10,963	93.3%	1,420,170	92.5%
Vacant housing units	792	6.7	115,879	7.5
Total	11,755	100.0%	1,536,049	100.0%

Source: American Community Survey 2019-2023.

Owner-occupied Housing Units

Specified Owner-Occupied Units	Town of Farmington		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	133	1.6%	22,174	2.4%
\$50,000 to \$99,999.....	54	0.7	15,116	1.6
\$100,000 to \$149,999.....	146	1.8	38,832	4.1
\$150,000 to \$199,999.....	385	4.7	77,152	8.2
\$200,000 to \$299,999.....	1,553	18.8	233,824	24.9
\$300,000 to \$499,999.....	3,427	41.5	319,703	34.0
\$500,000 to \$999,999.....	2183	26.4	173,643	18.5
\$1,000,000 or more.....	386	4.7	59,468	6.3
Total.....	8,267	100.0%	939,912	100.0%
Median Value.....	\$408,100		\$343,200	

Source: American Community Survey 2019-2023.

Land Use Summary

<i>Type</i>	<i>Acres</i>	<i>Percent</i>
Residential.....	7,482	40.7%
Commercial/industrial.....	2,473	13.5
Government/institutional.....	552	3.0
Open space.....	6,268	34.1
Town roads.....	883	4.8
State roads.....	728	4.0
<i>Total.....</i>	18,386	100.0%

Vacant Residential Land..... 360.12 Acres

Vacant Non-residential Land..... 444.02 Acres

Source: Planning and Zoning Department, Town of Farmington

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SECTION IV – TAX BASE DATA

Property Tax - Assessment Practices

The Town of Farmington last revalued its real property to be effective on its October 1, 2022 Grand List, which was implemented for fiscal year 2023–24. In accordance with Public Act 22-74, the next revaluation is scheduled for October 1, 2026. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every four years based on generally accepted mass appraisal methods. Prior to the completion of each revaluation, the Assessor shall conduct a field review. The Assessor must fully inspect each parcel of improved real property once in every ten assessment years, provided that the Assessor is not required to fully inspect all of a town's improved real property parcels in the same assessment year or to fully inspect any such parcel more than once during every ten assessment years. Section 12-62 provides that the full inspection requirement shall not apply to any parcel of improved real property for which the Assessor obtains satisfactory verification of data listed on the Assessor's property record by means of a questionnaire sent by the Assessor, at any time during the period in which a full inspection of an improved parcel of real property is required, to the owner of such parcel to (A) obtain information concerning the property's acquisition, and (B) obtain verification of the accuracy of data listed on the Assessor's property record for such parcel.

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List are the responsibilities of the Town's Assessor's office. The Grand List represents the total of assessed value for all taxable real and personal property and motor vehicles located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the latest general revaluation.

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

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles. Assessors must value motor vehicles using the Manufacturer's Suggested Retail Price ("MSRP"). If a vehicle's MSRP cannot be determined, the assessor must determine the vehicle's value using a price schedule developed by the Connecticut Association of Assessing Officials. The MSRP is set for a vehicle only once. In following years, the value is reduced according to a set depreciation schedule. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

All commercial personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

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

Motor Vehicle Property Tax Cap

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-66I of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 26.62 mills.

Tax Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate tax bills are payable in two installments – July 1 and January 1. Real estate taxes of less than \$50, motor vehicle taxes, and personal property taxes are due in one installment in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

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

Grand List As Of	Commercial Residential Real Property (%)	Commercial & Industrial Real Property (%)	Other Land (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List	Exemptions, Veterans Relief and Disabled	Net Taxable Grand List	Percent Growth
2024	63.6	21.8	0.5	7.9	6.2	\$ 4,609,584	\$ 74,767	\$ 4,534,817	0.6%
2023	64.8	22.0	0.5	5.8	6.9	4,620,440	111,843	4,508,597	0.3%
2022 ¹	64.5	22.1	0.5	5.7	7.2	4,591,091	96,763	4,494,328	18.3%
2021	59.3	25.6	0.6	6.2	8.3	3,898,954	101,337	3,797,617	1.7%
2020	60.1	26.1	0.6	6.4	6.7	3,838,094	104,783	3,733,311	0.9%
2019	58.8	25.4	0.6	8.8	6.3	3,800,769	100,802	3,699,967	0.8%
2018	59.3	25.2	0.6	8.6	6.3	3,760,352	90,979	3,669,373	0.4%
2017 ¹	59.6	25.4	0.6	8.0	6.3	3,728,506	73,130	3,655,376	1.7%
2016	62.0	22.9	0.8	7.9	6.4	3,664,628	68,668	3,595,960	0.6%
2015	62.2	23.0	0.8	7.6	6.4	3,638,942	64,121	3,574,821	1.2%

¹ Revaluation.

Source: Town of Farmington, Assessor’s Office.

Major Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
West Farms Mall LLC.....	Retail-Mall	\$ 158,108,240	3.49%
EverSource (formerly CL&P).....	Electric Utility	68,573,070	1.51%
Trumpf Inc.....	Manufacturing	33,540,038	0.74%
15 Farm Springs LP GF8 Farm Springs LLC...	Apartment Property	31,500,000	0.69%
Price Reit Inc.....	Retail-Shopping Center	25,396,490	0.56%
CA Senior Farmington CT Property.....	Senior Living Complex	22,118,460	0.49%
NIC 13 Village Gate.....	Senior Living Complex	20,725,320	0.46%
Summit & Birch NCM LLC.....	Apartment Property	20,388,750	0.45%
SHI-IV SLR Farmington LLC.....	Senior Living Complex	19,120,790	0.42%
United Technologies Realty Inc.....	Office Real Estate	19,037,550	0.42%
Total.....		\$ 418,508,708	9.23%

¹ Based on the Net Taxable Grand List of October 1, 2024 of \$4,534,817,000.

Source: Town of Farmington, Assessor's Office.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000's)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2025
2024	2026 ¹	\$ 4,534,817	26.62	\$ 120,583,676	<i>In Collection</i>		
2023	2025	4,508,597	25.45	114,294,216	99.8%	0.2%	0.25%
2022	2024	4,494,328	24.21	108,257,399	99.9%	0.1%	0.08%
2021	2023	3,797,617	29.32	111,576,727	99.7%	0.3%	0.05%
2020	2022	3,733,311	28.81	107,159,192	99.7%	0.3%	0.03%
2019	2021	3,699,967	27.97	103,032,727	99.8%	0.2%	0.02%
2018	2020	3,669,373	27.97	102,769,160	99.5%	0.5%	0.03%
2017	2019	3,655,376	27.18	98,751,894	99.9%	0.1%	0.01%
2016	2018	3,595,960	26.68	95,364,405	99.7%	0.3%	0.02%
2015	2017	3,574,821	25.78	92,494,257	99.7%	0.3%	0.00%

¹ Unaudited.

Source: Town of Farmington, Tax Collector

Property Taxes Receivable

Fiscal Year Ended June 30	Current Year	Total
2025 ¹	\$ 289,080	\$ 662,920
2024	351,484	812,601
2023	423,350	909,972
2022	275,657	668,744
2021	244,496	622,441
2020	529,497	880,341
2019	347,303	655,839
2018	274,333	520,885
2017	272,359	484,481
2016	215,435	417,096

¹ Unaudited.

SECTION V – DEBT SECTION

Outstanding Bonded Debt Pro Forma As of November 13, 2025

Dated Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding	Final Date of Maturity
06/23/11	General Purpose.....	2.00-4.00	\$ 7,401,400	\$ 210,000	04/01/26
02/15/13	General Purpose.....	2.00-3.00	4,220,000	1,235,000	01/15/28
04/15/15	General Purpose.....	2.00-4.00	2,275,000	750,000	04/15/30
04/15/15	School.....	2.00-4.00	1,800,000	600,000	04/15/30
11/18/15	General Purpose.....	2.00-4.00	1,875,000	750,000	11/15/30
11/18/15	School.....	2.00-4.00	225,000	90,000	11/15/30
10/03/16	General Purpose.....	2.00-4.00	3,600,000	1,410,000	10/01/31
10/03/16	School.....	2.00-4.00	1,900,000	750,000	10/01/31
12/07/17	General Purpose.....	2.00-5.00	2,700,000	1,440,000	12/01/32
05/04/18	Sewer - CWF (620-DC).....	2.00	33,679,274	23,256,182	09/30/38
05/16/19	General Purpose.....	2.00-5.00	1,849,075	1,107,000	05/15/34
05/16/19	School.....	2.00-5.00	2,550,925	1,523,000	05/15/34
07/17/20	Sewer - CWF (620-DC1).....	2.00	7,319,981	5,349,217	01/31/40
07/17/20	Sewer - CWF (620-DC2).....	2.00	5,425,522	3,964,804	01/31/40
09/29/20	General Purpose.....	1.00-3.00	2,700,000	1,800,000	09/15/35
09/29/20	School.....	1.00-3.00	1,900,000	1,250,000	09/15/35
03/10/22	General Purpose.....	2.30-5.00	1,685,000	1,432,250	03/01/42
03/10/22	School.....	2.30-5.00	38,315,000	32,567,750	03/01/42
05/24/23	General Purpose.....	3.00-5.00	2,600,000	2,340,000	08/15/43
05/24/23	School.....	3.00-5.00	27,400,000	24,660,000	08/15/43
08/28/24	General Purpose.....	3.00-5.00	2,550,500	2,422,500	08/15/44
08/28/24	School.....	3.00-5.00	28,449,500	27,027,500	08/15/44
Total Outstanding Bonded Debt.....			\$ 182,421,178	\$ 135,935,203	
<u>This Issue</u>					
10/29/25	General Purpose.....	<i>tbd</i>	\$ 12,514,705	\$ 12,514,705	10/15/45
10/29/25	School.....	<i>tbd</i>	9,985,295	9,985,295	10/15/45
Sub-total.....			22,500,000	22,500,000	
Total Outstanding Bonded Debt.....			\$ 204,921,178	\$ 158,435,203	

Outstanding Short-term Debt Pro Forma As of November 13, 2025

As of November 13, 2025, the Town does not have any outstanding short-term debt.

State of Connecticut Clean Water Fund Program

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

The Town has the following Clean Water Fund Project Loan Obligations outstanding:

Project	Date of Issue	Original Loan Amount	Amount Outstanding as of 10/29/25
CWF PLO (620-DC).....	5/4/2018	\$ 33,679,274	\$ 23,387,580
CWF PLO (620-DC1).....	7/17/2020	7,319,981	5,380,499
CWF PLO (620-DC2).....	7/17/2020	5,425,522	3,987,991
Total.....		\$ 46,424,777	\$ 32,756,070

Capital Leases

The Town has entered into a lease agreement, as lessee, to finance energy conservation improvements to various Town and School buildings. The lease carries an interest rate of 2.97% and matures on April 26, 2029.

Date	Purpose	Interest Rate	Original Issue	Outstanding	Maturity
04/26/12	Energy Conserv.....	2.97%	\$ 3,705,081	\$ 1,207,754	4/26/2029
Total.....			\$ 3,705,081	\$ 1,207,754	

The principal and interest on the lease is being paid from energy conservation savings.

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.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant 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 its share of project costs.

**Overlapping/Underlying Debt
Pro Forma
As of November 13, 2025**

The jurisdictions with boundaries overlapping or underlying Town boundaries is based upon information received by the Town from sources specified below. This does not reflect authorized but unissued indebtedness of those jurisdictions. The Town has not assumed responsibility to verify the information below.

Overlapping Debt

The Town has no overlapping debt.

Underlying Debt

The Farmington Woods Tax District, Lake Garda Improvement Association and Talcott Glen Tax District have the authority to issue debt, which represents underlying debt of the Town. As of November 13, 2025, these districts do not have any outstanding indebtedness.

**Bonded Debt Maturity Schedule
Pro Forma
As of November 13, 2025**

Fiscal Year	Principal Payments	Interest Payments	Total Payments	This Issue The Bonds	Total Principal	Cumulative % of Principal Interest
2026 ¹	\$ 5,009,847	\$ 2,395,476	\$ 7,405,323	\$ -	\$ 5,009,847	3.2%
2027	9,283,962	4,198,520	13,482,482	1,125,000	10,408,962	9.7%
2028	9,311,567	3,852,154	13,163,721	1,125,000	10,436,567	16.3%
2029	8,939,829	3,509,778	12,449,607	1,125,000	10,064,829	22.7%
2030	8,958,764	3,176,885	12,135,649	1,125,000	10,083,764	29.0%
2031	8,723,383	2,861,547	11,584,930	1,125,000	9,848,383	35.3%
2032	8,618,701	2,581,685	11,200,386	1,125,000	9,743,701	41.4%
2033	8,299,732	2,312,746	10,612,478	1,125,000	9,424,732	47.4%
2034	8,156,490	2,071,154	10,227,644	1,125,000	9,281,490	53.2%
2035	7,903,990	1,837,847	9,741,837	1,125,000	9,028,990	58.9%
2036	7,942,247	1,609,994	9,552,241	1,125,000	9,067,247	64.6%
2037	7,676,276	1,389,056	9,065,332	1,125,000	8,801,276	70.2%
2038	7,716,092	1,176,381	8,892,473	1,125,000	8,841,092	75.8%
2039	6,213,050	964,683	7,177,733	1,125,000	7,338,050	80.4%
2040	5,431,276	773,792	6,205,068	1,125,000	6,556,276	84.5%
2041	5,050,000	594,250	5,644,250	1,125,000	6,175,000	88.4%
2042	5,050,000	416,250	5,466,250	1,125,000	6,175,000	92.3%
2043	3,050,000	237,250	3,287,250	1,125,000	4,175,000	95.0%
2044	3,050,000	119,125	3,169,125	1,125,000	4,175,000	97.6%
2045	1,550,000	31,000	1,581,000	1,125,000	2,675,000	99.3%
2046	-	-	-	1,125,000	1,125,000	100.0%
Total.....	\$ 135,935,206	\$ 36,109,573	\$ 172,044,779	\$ 22,500,000	\$ 158,435,206	

¹ Excludes \$5,227,156 principal and \$2,163,350 interest payments made from July 1, 2025 through November 13, 2025.

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

**Current Debt Statement
Pro Forma
As of November 13, 2025**

Long-Term Debt Outstanding:

General Purpose (Including This Issue).....	\$ 27,411,455
Schools (Including This Issue).....	98,453,545
Sewers	32,570,203
Total Long-Term Debt.....	158,435,203
Short-Term Debt	-
Total Direct Debt.....	158,435,203
Less Self-Supporting Sewers	-
Total Overall Net Debt.....	\$ 158,435,203

**Current Debt Ratios
Pro Forma
As of November 13, 2025**

Population (2023)	26,685
Net Taxable Grand List (10/1/24)	\$ 4,534,817,000
Estimated Full Value (70%).....	\$ 6,478,310,000
Equalized Grand List (10/1/23) ²	\$ 8,044,208,824
Money Income per Capita (2023) ¹	\$ 67,565

	Total Direct Debt	Total Net Direct Debt and Overall Net Debt ³
Per Capita.....	\$ 5,937.24	\$ 5,937.24
Ratio to Net Taxable Grand List	3.49%	3.49%
Ratio to Estimated Full Value.....	2.45%	2.45%
Ratio to Equalized Grand List.....	1.97%	1.97%
Debt per Capita to Money Income per Capita (2023).....	8.79%	8.79%

¹ American Community Survey 2019-2023.

² Office of Policy and Management, State of Connecticut.

³ The Town does not have any indirect debt.

Authority to Incur Debt

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Meeting upon the recommendation of the Town Council. Appropriations or bond authorizations of \$400,000 or more are subject to approval at an adjourned Town Meeting referendum. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions 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 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a) subject to the exception set forth in C.G.S. Sec. 10-287f. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the 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 1/15th of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Limitation of Indebtedness

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

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

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

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

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**Statement of Statutory Debt Limitation
Pro Forma
As of November 13, 2025**

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2024 ¹ \$ 114,261,156
Base for Debt Limitation Computation..... \$ 114,261,156

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 ¹ / ₄ times base.....	\$ 257,087,601	-	-	-	-
4 ¹ / ₂ times base.....	-	\$ 514,175,202	-	-	-
3 ³ / ₄ times base.....	-	-	\$ 428,479,335	-	-
3 ¹ / ₄ times base.....	-	-	-	\$ 371,348,757	-
3 times base.....	-	-	-	-	\$ 342,783,468
Total Debt Limitation	\$ 257,087,601	\$ 514,175,202	\$ 428,479,335	\$ 371,348,757	\$ 342,783,468

Indebtedness:					
Bonds Outstanding	14,896,750	88,468,250	32,570,203 ²	-	-
Bonds – This Issue	12,514,705	9,985,295	-	-	-
Debt Authorized But Unissued	8,191,370	16,014,790	-	-	-
Total Net Indebtedness	35,602,825	114,468,335	32,570,203	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.... \$ 221,484,776 \$ 399,706,867 \$ 395,909,132 \$ 371,348,757 \$ 342,783,468

¹ Does not include tax collections of coterminous municipalities although permitted by statute.

² Includes Clean Water Fund Project Loan Obligations. See "State of Connecticut Clean Water Fund Program" herein.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$799,828,092

**Authorized but Unissued Debt
Pro Forma
As of November 13, 2025**

Project	Aggregate Amount Authorized	Previously Bonded	Grants / Paydowns Applied /		This Issue: The Bonds	Authorized but Unissued
			Other Receipts	New Money		
2014 Open Space Acquisition.....	\$ 3,500,000	\$ 2,892,280	\$ 508,425	\$ -	\$ -	\$ 99,295
2018 School Roofs.....	1,995,000	1,455,000	366,033	-	-	173,967
2018 School Security & Infrastructure Imp.	1,935,000	1,451,925	247,500	-	-	235,575
2019 Various Schools & Infrastructure Imp.	1,990,000	1,663,500	6,481	-	-	320,019
Noah Wallace School Partial Roof Replacement.....	450,000	292,500	-	-	-	157,500
New Farmington High School.....	145,300,000	92,468,500	30,103,476	8,585,295	8,585,295	14,142,729
2023 Road & Drainage Repairs & Reconstruction...	4,000,000	1,943,220	-	2,056,780	2,056,780	-
1928 Section of Farmington HS Building Reno.	16,000,000	-	7,000,000	8,000,000	8,000,000	1,000,000
West Woods Upper Elementary School Roof	2,385,000	-	-	1,400,000	1,400,000	985,000
Fire Engine 8 Replacement	1,400,000	-	-	707,925	707,925	692,075
Quint Fire Truck	1,750,000	-	-	1,750,000	1,750,000	-
Highway Garage HVAC Replacement	1,000,000	-	-	-	-	1,000,000
Senior CTR HVAC & Roof Replacement	2,650,000	-	-	-	-	2,650,000
Police Facility HVAC Roof Replacement	2,750,000	-	-	-	-	2,750,000
Total	\$ 187,105,000	\$ 102,166,925	\$ 38,231,915	\$ 22,500,000	\$ 22,500,000	\$ 24,206,160

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

Fiscal Year Ended 6/30	Grand List 10/1	Net			Ratio of Net Long-Term Debt to		Population ²	Net Long- Term Debt per Capita	Ratio of Net Long-Term Debt Per Capita to Per Capita Income (%) ³
		Assessed Value (000s)	Estimated Full Value (000s)	Net Long-Term Debt ¹	Debt to Assessed Value (%)	Estimated Actual Value (%)			
2025 ⁴	2023	\$ 4,508,597	\$ 6,440,853	\$ 107,850,000	2.39	1.67	26,685	4,042	5.98
2024	2022	4,494,328	6,420,469	83,325,000	1.85	1.30	26,685	3,123	4.62
2023	2021	3,797,617	5,425,167	88,325,000	2.33	1.63	26,685	3,310	4.90
2022	2020	3,733,311	5,333,301	63,280,000	1.70	1.19	26,685	2,371	3.51
2021	2019	3,699,967	5,285,667	27,755,000	0.75	0.53	26,685	1,040	1.54

¹ Long-Term debt less school building construction grants receivable.

² U.S. Census Bureau, American Community Survey, 2019-2023.

³ U.S. Census Bureau, American Community Survey, 2019-2023: Income Per Capita \$67,565.

⁴ Subject to audit.

Comparison of Annual Debt Service to General Fund Expenditures and Transfers Out

Fiscal Year Ended June 30	Debt Service	Total Expenditures & Transfers Out	Debt Service as Ratio to Total Expenditures and Transfers Out
2025 ¹	\$ 11,226,868	\$ 128,394,663	8.7%
2024	9,665,401	133,626,113	7.2%
2023	9,077,534	133,172,689	6.8%
2022	8,138,187	127,855,629	6.4%
2021	8,708,714	119,953,551	7.3%
2020	8,550,343	120,097,689	7.1%
2019	8,093,545	116,945,315	6.9%
2018	6,153,269	115,596,156	5.3%
2017	5,791,341	111,908,350	5.2%
2016	6,526,681	104,130,057	6.3%

¹ Unaudited.

Five-year Capital Improvement Program

	Adopted 2025-2026	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Total
<i>Sources of Funds:</i>						
General Fund.....	\$ 3,017,018	\$ 5,074,000	\$ 4,435,000	\$ 4,490,000	\$ 3,955,000	\$ 20,971,018
Bonds.....	3,650,000	30,850,000	3,500,000	3,500,000	6,000,000	47,500,000
Other Funds.....	1,665,000	1,820,000	1,570,000	1,520,000	1,520,000	8,095,000
Total Sources.....	8,332,018	37,744,000	9,505,000	9,510,000	11,475,000	76,566,018
<i>Uses of Funds:</i>						
Board of Education.....	1,349,518	17,229,000	3,410,000	3,435,000	3,410,000	28,833,518
Engineering.....	325,000	4,550,000	425,000	525,000	4,550,000	10,375,000
Highway and Grounds.....	1,520,000	2,725,000	890,000	2,635,000	610,000	8,380,000
Planning.....	115,000	75,000	75,000	-	-	265,000
Fire Department.....	175,000	9,740,000	1,775,000	80,000	75,000	11,845,000
Police Department.....	84,500	265,000	280,000	180,000	100,000	909,500
Town Manager.....	635,000	790,000	525,000	555,000	705,000	3,210,000
Community Services.....	2,713,000	100,000	350,000	200,000	-	3,363,000
Recreation Services.....	65,000	600,000	400,000	550,000	550,000	2,165,000
Westwoods Golf Course....	100,000	420,000	125,000	100,000	225,000	970,000
Treatment Plant.....	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
Total Uses.....	\$ 8,332,018	\$ 37,744,000	\$ 9,505,000	\$ 9,510,000	\$ 11,475,000	\$ 76,566,018

SECTION VI – FINANCIAL SECTION

Fiscal Year

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

Basis of Accounting

See footnote number 1 in “Notes to Financial Statements” of Appendix A.

Budget Procedure

The budget-making process for the Town is outlined in Chapter 9 of the Town Charter.

Not later than 65 days before the Annual Town Meeting	All Department, Office, and Agency heads (including the Board of Education) submit budget estimates to the Town Manager showing expected expenditures and revenues (other than taxes).
Not later than 45 days before the Annual Town Meeting the Town Manager presents to the Town Council:	<ol style="list-style-type: none">estimates of revenue showing the last completed fiscal year, the first seven months of the current fiscal year and revenue estimates (other than taxes) anticipated in the ensuing fiscal year;expenditure estimates showing actual expenditures for the last completed fiscal year and the first seven months of the current year, expenditure requests for the ensuing year, and the Manager's recommended amounts (except the Board of Education).
No later than 14 days before the Annual Town Meeting	The Town Council holds a public hearing on its proposed budget and then prepares its recommended budget.
On either the third or fourth Monday in April	The Council-recommended budget is presented to the Annual Town Meeting.
On the tenth day after the Annual Town Meeting	Referendum on Council-recommended budget with amendments, if any, made at Annual Town Meeting. Budget is effective unless rejected by a majority of those voting at referendum in which at least 15% of the registered voters vote.

Investment Policy

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

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

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 is 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.

Audit

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act 77-611 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations. For the fiscal year ended June 30, 2024, the Town's financial statements were audited by the accounting firm of PKF O'Connor Davies, LLP.

Liability Insurance

See Note number 8 in "Notes to Financial Statements" of Appendix A.

Pension Plans

The Town is the administrator of a single-employer defined-benefit pension plan (the "Plan"). The Plan is administered by the Town to provide pension benefits to substantially all full-time employees, except certified personnel of the Board of Education, who are covered under the State Teachers' Retirement System. Both the employer and employee are obligated to contribute to the funding of the Plan. The Plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Plan does not issue a separate stand-alone financial report.

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. The investment of Plan assets is overseen by an eleven-member retirement board, which is appointed by the Town Council. Benefit payments are determined through contractual agreements with the Town's various bargaining groups.

The Town budgets an annual contribution to the Plan based upon a recommendation made by the Plan's actuary when preparing the annual actuarial valuation. The actuarially determined contribution for the year ended June 30, 2025 was \$5,522,743 and the actual amount contributed was \$5,522,743, or 100%. The actuarially determined contribution for the year ending June 30, 2026 is \$5,969,364 and the actual amount contributed was \$5,969,364, or 100.0%. The July 1, 2024 actuarial valuation for the Plan was prepared using the following actuarial assumptions, among others:

Inflation	2.50%
Salary Increase	7.00% to 2.75%, including inflation
Investment Rate of Return	6.625%, including inflation
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of salary, closed
Remaining Amortization Period as of 07-01-2024	18 Years

As part of the July 1, 2021 actuarial valuation, new Mortality Tables were used to determine the accrued liability. These tables, which were issued in January of 2019, separate out public sector employees. The new tables use longer life expectancies than the earlier tables. This resulted in an increase in the accrued liability and a substantial increase in the Actuarially Determined Contribution.

Based on a study of actual plan experience during the period July 1, 2018, to June 30, 2022, assumptions for salary scale, turnover rates, and retirement rates were updated to better reflect actual experience. These changes in assumptions caused the Unfunded Accrued Liability to increase by about \$1.9 million and the Actuarially Determined Contribution to increase by about \$0.2 million in the July 1, 2023 actuarial valuation.

Schedule of Employer Contributions

	2026 ¹	2025 ¹	2024	2023	2022
Actuarially Determined Contribution	\$ 5,969,364	\$ 5,522,743	\$ 5,149,587	\$ 4,813,473	\$ 4,523,471
Contributions in relation to the					
Actuarially Determined Contribution ..	5,969,364	5,522,743	5,149,587	4,813,473	4,523,471
Contribution (Deficiency) Excess	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 16,152,539	\$ 16,528,523	\$ 17,408,328	\$ 17,736,997	\$ 19,830,837
Contributions as a Percentage					
of Covered Employee Payroll	36.96%	33.41%	29.58%	27.14%	22.81%

¹ Budgetary basis. Subject to audit.

GASB 67 Disclosure

Governmental Accounting Standards Board Statement No. 67 ("GASB 67") requires a determination of the Total Pension Liability ("TPL") for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability ("NPL") is then set equal to the TPL minus the plan's Fiduciary Net Position ("FNP") which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate ("SEIR"). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The Town has received an actuarial report prepared as of June 30, 2025 containing information to assist the Town in meeting the requirements of GASB 67. This report indicated the following results as of June 30, 2025 in accordance with GASB 67:

Total Pension Liability at June 30, 2025.....	\$	160,076,407
Plan Fiduciary Net Position.....		104,702,582
Net Pension (Asset) Liability.....	\$	55,373,825
Plan Fiduciary Net Position as % of		
Total Pension Liability.....		65.41%

The report for the Plan as of June 30, 2025 used its long-term investment rate of 6.625% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used.

	1% Decrease	Current	1% Increase
	(5.625)	Discount (6.625)	(7.625)
Net Pension Liability.....	\$ 73,110,265	\$ 55,373,825	\$ 40,431,970

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. The Town is not required to, and does not, contribute to this plan.

See Appendix A – "Audited Financial Statements, Notes to Financial Statements, Note 4" hereto.

Other Post-Employment Benefits

The Town offers post-employment health and life insurance benefits on a partial-pay basis to employees who retire from Town service. The Town funding and payment of post-employment benefits are accounted for in an Internal Service Fund on a pay-as-you-go basis. The Town is developing a funding strategy to provide for normal cost and the amortization of the accrued liability. The Town anticipates that the strategy that is established will include a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability.

The Town's total OPEB liability of \$38,673,996 was measured as of June 30, 2025 and was determined by an actuarial valuation. The below actuarial assumptions, among others, were used to determine the total OPEB Liability:

Inflation	2.75%	
Salary Scale	Age	Increase
	25	6.50%
	30	5.00%
	35	4.50%
	40	4.25%
	45	4.00%
	50	3.75%
	55+	3.50%
Healthcare Cost Trend	5.70% initially, reduced by decrements to an ultimate rate of 4.2% over 51 years	
Investment Rate of Return	3.65%	
Actuarial Funding Method	Entry Age Normal Cost Method	
Amortization Method	Level Percent	
Remaining Amortization Period as of 06-30-2024	26 Years	

The discount rate was based on the 20 Year Tax-Exempt Municipal Bond Yield at the measurement date. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	Total OPEB Liability
Balance at July 1, 2024.....	\$ 43,127,461
Service Cost.....	2,207,244
Interest.....	1,753,069
Differences Between Expected and Actual Experience.....	(6,944,949)
Changes in Assumptions.....	-
Benefit Payments, Including Refunds of Member Contributions.....	(1,468,829)
Net Change.....	(4,453,465)
Balance at June 30, 2025.....	\$ 38,673,996

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2017-2026 is presented below.

<i>Fiscal Year Ended</i>	<i>Employer Contribution</i>	<i>Annual Required Contribution</i>	<i>Percentage Contributed</i>
6/30/2017	\$ 1,234,419	\$ 3,653,354	33.8%
6/30/2018	1,328,000	3,653,354	36.4%
6/30/2019	1,118,501	3,569,607	31.3%
6/30/2020	1,084,229	3,958,154	27.4%
6/30/2021	1,225,369	4,703,495	26.1%
6/30/2022	1,580,639	5,022,355	31.5%
6/30/2023	1,549,539	5,022,355	30.9%
6/30/2024	1,600,000	5,022,355	31.9%
6/30/2025 ¹	1,468,829	5,022,355	29.2%
6/30/2026 ¹	1,600,000	5,022,355	31.9%

¹ *Budgetary Basis.*

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 5” hereto.

Summary of Accounting Principles

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The General Fund is the general operating fund of the Town government. The Town's General Fund accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. Proprietary Fund type revenues and expenses are recognized on the accrual basis of accounting whereby revenues and expenses are recognized when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A – “2024 Financial Statements Excerpted from the Town's Annual Comprehensive Financial Report, Notes to Financial Statements” hereto.)

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Comparative Balance Sheets – General Fund

Assets	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021	Actual 6/30/2020
Cash and Cash Equivalents.....	\$ 5,056,089	\$ 6,127,232	\$ 4,539,486	\$ 8,516,824	\$ 8,017,276
Investments.....	50,867,909	43,322,689	37,707,165	36,121,216	23,398,762
Property Taxes Receivable, Net.....	799,018	851,896	610,668	558,441	780,041
Due From Other Governments.....	11,561	12,295	59,396	184,082	126,735
User Fees and Assessments.....	10,891,190	11,595,154	12,302,281	13,031,430	-
Accounts Receivable.....	3,289,848	2,917,655	3,264,771	465,867	108,129
Due From Other Funds.....	2,108,950	7,607,027	1,194,230	974,463	1,197,090
Prepaid Assets.....	797,056	821,931	434,835	-	-
Total Assets.....	73,821,621	73,255,879	60,112,832	59,852,323	33,628,033
Liabilities and Fund Balance					
<i>Liabilities</i>					
Accounts Payable.....	1,312,162	1,903,823	2,141,253	2,561,688	1,716,606
Accrued Liabilities.....	236,228	309,377	204,415	820,482	521,731
Performance Bonds.....	577,256	953,489	891,480	922,120	941,912
Due to Other Funds.....	28,316,990	27,982,110	14,897,445	17,234,409	11,236,273
Unearned Revenue.....	48,591	45,054	42,964	306,972	42,225
Other Liabilities.....	347,255	247,916	678,468	532,318	317,149
Total Liabilities.....	30,838,482	31,441,769	18,856,025	22,377,989	14,775,896
Deferred Inflows of Resources					
Unavailable Revenue- User Fees & Assessments...	10,891,190	11,595,154	12,302,281	13,031,430	-
Property Taxes.....	799,018	851,896	610,668	558,441	780,041
Advance Property Tax Collections.....	730,484	2,470,654	3,892,182	3,069,011	959,499
Leases Related.....	2,967,037	2,694,605	2,845,209	-	-
Total Deferred Inflows of Resources.....	15,387,729	17,612,309	19,650,340	16,658,882	1,739,540
Liabilities					
Nonspendable.....	890,076	948,031	434,835	-	-
Committed.....	-	-	-	-	-
Assigned.....	1,406,343	1,687,694	1,203,666	2,460,754	965,274
Unassigned.....	25,298,991	21,566,076	19,967,966	18,354,698	16,147,323
General Fund balance.....	27,595,410	24,201,801	21,606,467	20,815,452	17,112,597
Total Liabilities & Fund Balance.....	\$ 73,821,621	\$ 73,255,879	\$ 60,112,832	\$ 59,852,323	\$ 33,628,033
Operating revenues.....	\$ 136,793,722	\$ 135,648,023	\$ 128,346,644	\$ 122,704,173	\$ 120,877,929
Fund balance as percent of					
operating revenues.....	20.2%	17.8%	16.8%	17.0%	14.2%
Unassigned fund balance as percent of					
operating revenues.....	18.5%	15.9%	15.6%	15.0%	13.4%

General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2021 through 2024 have been derived from audited financial statements. The fiscal year 2024-25 unaudited actual and 2025-26 budget has been provided by the Town. The financial information presented herein is the responsibility of the Town of Farmington's management (Appendix A – "Audited Financial Statements" was taken from the Annual Comprehensive Financial Report of the Town of Farmington for the fiscal year ended June 30, 2024).

	Adopted Budget ¹	Estimated Actual ³	Actual ³	Actual ³	Actual ³	Actual ³
Revenues:	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Property Taxes.....	\$ 120,808,632	\$ 115,450,509	\$ 109,496,949	\$ 111,719,041	\$ 107,540,202	\$ 104,059,387
Intergovernmental.....	9,987,641 ²	7,980,586 ²	20,725,479	18,809,856	16,949,800	14,917,251
Income on Investments.....	1,390,000	2,889,404	3,736,840	1,386,502	120,581	108,748
Other (including Charges for Services).....	4,279,159	3,514,469	2,834,454	3,732,624	3,736,061	3,618,787
Total Revenues.....	136,465,432	129,834,968	136,793,722	135,648,023	128,346,644	122,704,173
Expenditures:						
General government.....	8,116,469	7,566,079	7,284,923	7,053,022	7,019,615	6,657,544
Public Safety.....	12,039,960	11,821,717	11,204,077	11,170,801	11,135,701	10,377,629
Public Works.....	5,152,150	4,897,277	4,865,158	4,791,256	4,829,358	4,914,045
Culture and Recreation.....	165,122	1,370	967,730	928,125	912,528	803,507
Human Services.....	920,957	1,004,882	-	-	-	-
Pension & Employee Benefits.....	10,036,502	9,708,509	9,333,237	8,935,299	8,234,784	8,300,829
Education.....	83,590,983	79,884,961	88,986,619	87,016,232	84,063,142	78,125,153
Debt Service.....	13,716,271	11,226,868	9,665,401	9,077,534	8,138,187	8,708,714
Contingencies.....	10,000	-	-	-	-	-
Total Expenditures.....	133,748,414	126,111,663	132,307,145	128,972,269	124,333,315	117,887,421
Revenues over (under) expenditures.....	2,717,018	3,723,305	4,486,577	6,675,754	4,013,329	4,816,752
Other Financing Sources Uses:						
Refunding Bonds Issued.....	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent...	-	-	-	-	-	-
Premium on Bonds.....	-	-	-	-	-	-
Issuance of Capital Leases.....	-	-	-	-	-	-
Operating Transfers In.....	300,000	325,000	226,000	120,000	300,000	952,233
Operating Transfers (Out).....	(3,017,018)	(2,283,000)	(1,318,968)	(4,200,420)	(3,522,314)	(2,066,130)
Total other Financing Sources (uses)...	(2,717,018)	(1,958,000)	(1,092,968)	(4,080,420)	(3,222,314)	(1,113,897)
Revenues and other financing sources over (under) expenditures and other financing (uses).....	\$ -	\$ 1,765,305	\$ 3,393,609	\$ 2,595,334	\$ 791,015	\$ 3,702,855

¹ Subject to audit.

² Budgetary basis of accounting; does not include payments made on behalf of the Town by the State of Connecticut for Teachers' Retirement System.

³ Includes the State of Connecticut's contributions to the Teachers' Pension Plan on behalf of the Town of Farmington of \$12,609,209, \$11,678,971, \$10,212,146 and \$9,877,012 for fiscal years 2023-24, 2022-23, 2021-22 and 2020-21, respectively.

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Intergovernmental Revenues as a Percent of General Fund Revenues

Fiscal Year	Intergovernmental	General Fund	
Ended June 30	Revenues	Revenues	Percent
2025 ¹	\$ 19,659,557	\$ 141,513,939	13.9%
2024	20,725,479	136,793,722	15.2%
2023	18,809,856	135,648,023	13.9%
2022	16,949,800	128,346,644	13.2%
2021	14,917,251	122,704,173	12.2%
2020	15,570,571	120,877,929	12.9%
2019	15,415,418	117,937,071	13.1%
2018	18,413,923	117,503,747	15.7%
2017	18,087,152	112,959,339	16.0%
2016	13,153,469	104,543,428	12.6%

¹ Budgetary basis of accounting. An estimate for payments made on behalf of the Town by the State of Connecticut for Teachers Retirement System have been added in for comparison.

Municipal Budget Expenditures Cap

Connecticut General Statutes Section 4-66I created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over the cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The Town received a municipal revenue sharing grant for the fiscal year ending June 30, 2025 in the amount of \$545,804.

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SECTION VII – ADDITIONAL INFORMATION

Litigation

Following consultation with the Town Attorney, and other attorneys providing legal services to the Town, Town officials advise that the Town of Farmington, 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 Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Documents Furnished at Delivery

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the Town Manager and the Treasurer which will be dated the date of delivery and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached hereto as Appendix B to this official statement.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. The Town of Farmington has prepared an Official Statement for the Bonds which is dated October __, 2025. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder a reasonable number of copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at the office of the Town's Municipal Advisor no later than seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Bonds. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at offices of U.S. Bank Trust Company, National Association, and may be examined upon reasonable request.

Concluding Statement

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 in part for any other purpose.

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

By

Kathleen A. Blonski
Town Manager

By

Joseph Swetcky, Jr.
Director of Finance/Treasurer

Dated as of October __, 2025

Appendix A

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

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

Independent Auditors' Report

Town Council
Town of Farmington, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position 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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 13, 2024



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

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

Financial highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

	Governmental Activities	Business-Type Activities	Total
Change in net position	\$ 9,384,423	\$ 208,911	\$ 9,593,334
Total net position	116,089,857	1,312,472	117,402,329
Unrestricted net position	(30,317,622)	107,273	(30,210,349)

The Town's total net position increased by \$9,593,334. The increase is substantially due to the following:

Governmental funds activity:

- positive operations of the General Fund of \$ 3,393,609
- negative operations of the Capital Projects Fund of (725,321)
- negative operations of the New Farmington High School Fund of (22,239,073)
- negative operations of Other Governmental Funds of (537,249)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation/amortization expense of 57,625,756
- change in sewer assessment of (699,295)
- net long-term debt activity of (20,826,674)
- change in net pension liability of 1,200,890
- change in OPEB liability of 3,412,627
- change in deferred outflows of resources related to pension and OPEB of (8,492,716)
- change in deferred inflows of resources related to pension and OPEB of (3,364,375)
- net revenue of the internal service fund of 923,154

- The Town's governmental funds reported combined ending fund balances of \$61,098,668, a decrease of \$20,108,034 in comparison with the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.

- At the end of the current fiscal year, the unassigned fund balance in the general fund was \$25,298,991 or 20.97% of total general fund budgetary expenditures and transfers out.
- The Town's total debt increased by \$20,575,599 (15.98%) as the result of issuance of permanently financed bond anticipation notes of \$28,000,000 offset by scheduled principal payments of \$7,796,125.
- The Town's total net capital assets increased by \$57,405,695 (23.65%) during the current fiscal year. The increase is attributable to capital asset additions in excess of depreciation/amortization expense. The most significant addition is construction in progress for the new Farmington High School.

Overview of the basic 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The *statement of activities* presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*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, culture and recreation, and education. The business-type activities of the Town include the golf course.

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

Fund financial statements

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

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. 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. This information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to 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 a comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each major fund. The funds reported as major funds are as follows:

- General Fund
- Capital Projects Fund
- New Farmington High School Fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Exhibits C, D and E.

Proprietary funds - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to report the activities of the Westwoods Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its employees and retirees' self-insured medical benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

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 statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

The notes to financial statements 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 financial statements can be found on Exhibit K of this report.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension and OPEB benefits.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$117,402,329 at the close of the current fiscal year.

Summary Statement of Net Position June 30

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 113,388,478	\$ 137,440,884	\$ 225,257	\$ 22,722	\$ 113,613,735	\$ 137,463,606
Capital assets (net)	298,849,931	241,410,493	1,322,164	1,355,907	300,172,095	242,766,400
Total assets	412,238,409	378,851,377	1,547,421	1,378,629	413,785,830	380,230,006
Deferred outflows of resources	17,020,390	25,560,446	-	-	17,020,390	25,560,446
Long-term liabilities	245,509,865	233,596,592	100,073	116,966	245,609,938	233,713,558
Other liabilities	41,417,361	39,466,990	134,876	158,102	41,552,237	39,625,092
Total liabilities	286,927,226	273,063,582	234,949	275,068	287,162,175	273,338,650
Deferred inflows of resources	26,241,716	24,642,807	-	-	26,241,716	24,642,807
Net investment in capital assets	132,860,854	114,846,562	1,205,199	1,222,507	134,066,053	116,069,069
Restricted	13,546,625	12,960,618	-	-	13,546,625	12,960,618
Unrestricted	(30,317,622)	(21,101,746)	107,273	(118,946)	(30,210,349)	(21,220,692)
Total net position	\$ 116,089,857	\$ 106,705,434	\$ 1,312,472	\$ 1,103,561	\$ 117,402,329	\$ 107,808,995

The largest portion of net position of the Town reflects its net investment in capital assets, less any related debt and liabilities used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (continued)

An additional portion of the Town's net position represents resources that are subject to restrictions on how they may be used. Restrictions include grantor restrictions, restrictions by State Statutes (enabling legislation) and restrictions for capital replacement. The remaining balance of unrestricted net position is a deficit of \$(30,210,349).

As detailed below, the Town's total net position increased by \$9,593,334 during the current fiscal year:

Statement of Changes in Net Position For the Years Ended June 30

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 21,045,256	\$ 20,022,122	\$ 824,422	\$ 824,197	\$ 21,869,678	\$ 20,846,319
Operating grants and contributions	20,926,368	21,766,332	-	-	20,926,368	21,766,332
Capital grants and contributions	11,052,782	10,708,511	38,862	35,210	11,091,644	10,743,721
General revenues:						
Property taxes	109,358,356	112,086,288	-	-	109,358,356	112,086,288
Grants and contributions not restricted to specific programs	5,530,726	4,540,309	-	-	5,530,726	4,540,309
Income from investments	4,395,125	2,059,439	245	432	4,395,370	2,059,871
Total revenues	172,308,613	171,183,001	863,529	859,839	173,172,142	172,042,840
Expenses:						
General government	10,330,117	10,069,749	-	-	10,330,117	10,069,749
Public safety	19,417,324	19,842,189	-	-	19,417,324	19,842,189
Public works	19,260,371	20,377,620	-	-	19,260,371	20,377,620
Culture and recreation	3,214,300	2,835,817	-	-	3,214,300	2,835,817
Education	107,076,207	110,094,638	-	-	107,076,207	110,094,638
Interest	3,851,871	2,429,536	-	-	3,851,871	2,429,536
Golf course	-	-	428,618	394,970	428,618	394,970
Total expenses	163,150,190	165,649,549	428,618	394,970	163,578,808	166,044,519
Change in net position before transfers	9,158,423	5,533,452	434,911	464,869	9,593,334	5,998,321
Transfers in (out)	226,000	120,000	(226,000)	(120,000)	-	-
Change in net position	9,384,423	5,653,452	208,911	344,869	9,593,334	5,998,321
Net position - July 1	106,705,434	101,051,982	1,103,561	758,692	107,808,995	101,810,674
Net position - June 30	\$ 116,089,857	\$ 106,705,434	\$ 1,312,472	\$ 1,103,561	\$ 117,402,329	\$ 107,808,995

The increase in net position was primarily due to the following:

Governmental activities

Governmental activities resulted in an increase of the Town's net position of \$9,384,423.

Revenues - Governmental activities revenues totaled \$172,308,613. This represents an increase of \$1,125,612 from the prior year.

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

- Charges for services increased by \$1,023,134 due to increases in school meals sold, child care fees and student activity fees.
- Operating grants and contributions decreased by \$839,964 primarily due to a \$960,616 decrease in ARPA Free Meals for Students and National School Lunch Program grants and a \$513,413 decrease in the ESSER grants. These decreases were partially offset by a \$936,638 increase in the State Teachers' Retirement on behalf payment.
- Property taxes decreased by \$2,727,932 due to a decrease in the mill rate based on the amount needed to fund the adopted budget.
- Unrestricted grants and contributions increased by \$990,417 primarily due to a \$1,239,949 increase in the Tiered Payment in Lieu of Taxes grant from the State.
- Income from investments increased \$2,335,686 due to an increase in the amount of funds invested as well as continued high interest rates during the fiscal year.

Expenses - Governmental activity expenses totaled \$163,150,190 for the fiscal year, a decrease of \$2,499,359.

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

- Public works expenses decreased by \$1,117,249 primarily due to a decrease in pension expense of \$826,728.
- Education expenses decreased by \$3,018,431 primarily due to \$2.2 million of computer and related capital purchases capitalized under the GASB implementation Guide No. 2021-1 effective in fiscal year 2024 as well as a \$715 thousand decrease in net health expenses based on fluctuating self-insured costs.
- Interest expense increased by \$1,422,335 primarily due to interest on the \$30,000,000 general obligation bond issued in 2023 and accrued interest on the \$28,000,000 bond anticipation note issued in 2024.

Business-type activities

Business-type activities resulted in an increase in the Town's net position by \$208,911. General revenues do not support the Town's business-type activities; thus, the primary source of operating revenues is from charges for services.

The Westwoods golf course had no significant changes in operations from 2023 to 2024. The increase in net position was lower than the prior year, primarily due to the \$106,000 increase in transfers out.

Financial analysis of the Town's funds

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

Governmental funds

The focus on 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.

At year end, the Town's governmental funds reported combined ending fund balances of \$61,098,668 a decrease of \$20,108,034 in comparison with the prior year. The components of fund balance were as follows:

Nonspendable	\$ 890,076
Restricted	13,546,625
Committed	39,218,405
Assigned	4,760,244
Unassigned	<u>2,683,318</u>
Total	<u>\$ 61,098,668</u>

General fund - The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance was \$25,298,991. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 20.97% of total general fund budgetary expenditures and transfers out. The Town Council's current policy requires unassigned fund balance to equal between 10% to 15% of the following year's operating revenue.

The Town's total fund balance in the general fund increased by \$3,393,609 during the current fiscal year. This was primarily due to revenues and other financing sources being in excess of the budget by \$3,037,150 and expenditures and transfers out being \$637,810 less than anticipated. In addition, prior year encumbrances liquidated in the current year were \$216,894 more than current year encumbrances charged to budgetary expenditures. A more detailed discussion is included under budgetary highlights.

Capital projects fund - This fund accounts for financial resources to be used for capital projects of the Town. The capital projects fund's expenditures exceeded revenues and other financing sources by \$725,321 for the fiscal year due to transfers in from other funds and issuance of debt for various capital projects and the timing of capital purchases.

New Farmington High School fund - This fund accounts for financial resources to be used for the construction of the new high school. The fund's expenditures exceeded revenues and other financing sources by \$22,239,073 for the fiscal year due to continuing construction and the expenditure of debt issued in the current and prior fiscal years.

Proprietary funds

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

Westwoods fund - Westwoods golf course operations resulted in an increase in net position of \$208,911. Operations were substantially similar to the prior year. Unrestricted net position of the Westwood Fund was \$107,273 at year end.

Internal service fund - The internal service fund is used to account for medical benefits. The internal service fund had an increase in net position of \$923,154. This was a result of an increase in contribution levels and no significant change in claims incurred. The internal service fund had an unrestricted net position of \$6,642,713 at year end.

General fund budgetary highlights

There were no significant budget transfers during the year.

The most significant revenue budget variances were as follows:

- Property taxes were \$575,435 over the amount budgeted due to conservative budgeting
- Intergovernmental grants were \$1,089,992 over the amount budgeted due to revenue sharing, payment in lieu of taxes, and municipal stabilization grants
- Charges for services were in excess of the budget by \$478,812 primarily due to building permits \$492,879 over budget as a result of continuing home improvements
- Income from investments were in excess of the budget by \$2,137,454 due to an increase in the amount invested and continued high interest rates during the fiscal year as well as conservative budgeting

The most significant expenditure budget variances were as follows:

- Public safety was \$239,343 under budget primarily due to police being \$187,282 under budget due to vacancies and overtime covered by grants
- Debt service was \$206,841 under budget due to budgeting to issue 20-year bonds in the spring of 2024 and the issuance of a six month bond anticipation note instead due to high interest rates. The cost to issue the bond anticipation note was lower than the planned cost to issue the bond

Capital asset and debt administration

Capital assets - The Town's investment in capital assets (net of accumulated depreciation/amortization) for its governmental and business-type activities amounted to \$298,849,931 and \$1,322,164 respectively. The total increase in the Town's investment in capital assets for the current fiscal year was \$57,405,695. This is attributable to capital asset additions in excess of depreciation/amortization expense.

Capital Assets - Net
June 30

Category	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 37,614,035	\$ 37,524,635	\$ 1,185,750	\$ 1,185,750	\$ 38,799,785	\$ 38,710,385
Construction in progress	109,564,019	51,306,351	-	-	109,564,019	51,306,351
Intangible right-to-use assets	513,053	296,016	-	-	513,053	296,016
Buildings	98,486,074	103,598,102	-	-	98,486,074	103,598,102
Improvements	7,108,741	7,398,628	32,862	34,036	7,141,603	7,432,664
Machinery and equipment	9,679,478	7,565,391	103,552	136,121	9,783,030	7,701,512
Infrastructure	35,884,531	33,721,370	-	-	35,884,531	33,721,370
Total	\$ 298,849,931	\$ 241,410,493	\$ 1,322,164	\$ 1,355,907	\$ 300,172,095	\$ 242,766,400

Governmental activities

The capital assets (net of depreciation/amortization) increased in the current year by \$57,439,438. The increase is due to capital asset additions of \$67,639,819 exceeding depreciation/amortization expense of \$10,014,063. Major capital asset additions consisted of the following:

Land:

- Le Jardin Way \$ 89,400

Construction in progress:

- 1928 building 618,611
- Farmington High School 60,036,026
- South Road roundabout 1,416,924

Buildings:

- IAR cafeteria 107,415
- EF school security 154,636

Improvements:

- Farmington Center 360,471
- Farmington Canal Heritage Trail 105,820

Machinery and equipment

- School computers 2,354,040
- School wireless network 302,210
- Dump truck 276,872
- Fire communications upgrade 169,110

Infrastructure

- Various roads and sidewalks 4,072,196

Business-type activities

The capital assets (net of depreciation) decreased in the current year by \$33,743. The decrease is due to depreciation expense of \$72,605, partially offset by capital asset additions of \$38,862 for a golf course vehicle.

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

Long-term debt - At the end of the year, the Town had total long-term debt outstanding of \$149,302,526 backed by the full faith and credit of the Town.

Long-Term Debt June 30						
Category	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 83,325,000	\$ 88,325,000	\$ -	\$ -	\$ 83,325,000	\$ 88,325,000
Bond anticipation notes - permanently financed	28,000,000	-	-	-	28,000,000	-
Clean water notes	35,054,040	37,692,999	-	-	35,054,040	37,692,999
Equipment financing notes	2,279,882	2,279,882	116,965	133,400	2,396,847	2,413,282
Leases payable	380,866	221,386	-	-	380,866	221,386
Subscriptions payable	145,773	74,260	-	-	145,773	74,260
Total	\$ 149,185,561	\$ 128,593,527	\$ 116,965	\$ 133,400	\$ 149,302,526	\$ 128,726,927

The Town's total long-term debt increased by \$20,575,599 during the current fiscal year. The increase is primarily the result of the permanent financing of bond anticipation notes of \$28,000,000 offset by scheduled principal payments of \$7,796,125.

The Town maintains an AAA rating from Moody's, and a AAA rating from Standard & Poor's.

The overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation or \$799,828,092. At year end, the Town had \$111,325,000 of total indebtedness subject to the debt limit, which is well below the statutory debt limit.

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

Economic factors and next year's budgets and rates

The 2024-2025 general fund adopted budget totaled \$128,601,165. The following economic factors currently affect the Town of Farmington and were considered in developing the 2024-2025 fiscal year budget:

- As of June 2024, the unemployment rate for the State was 3.9%, which is slight increase from a rate of 3.7% a year ago. The Town's unemployment rate was 2.1% as compared to 3.0% in the prior year.
- Employee benefit costs continue to rise.

Requests for information

The 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 should be addressed to the Director of Finance, Town of Farmington, 1 Monteith Drive, Farmington, Connecticut 06032-1053.

Basic Financial Statements

Town of Farmington, Connecticut

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Current assets:			
Cash	\$ 17,145,116	\$ 468,567	\$ 17,613,683
Investments	76,532,132	-	76,532,132
Receivables:			
Property taxes	528,146	-	528,146
Assessments and usage	1,131,787	-	1,131,787
Intergovernmental	1,168,183	-	1,168,183
Other	459,715	-	459,715
Leases	115,955	-	115,955
Internal balances	243,310	(243,310)	-
Prepaid	797,056	-	797,056
Other	259,501	-	259,501
Total current assets	98,380,901	225,257	98,606,158
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Investments	577,256	-	577,256
Receivables (net):			
Property taxes	595,522	-	595,522
Assessments and usage	10,207,143	-	10,207,143
Loan	148,061	-	148,061
Leases	3,479,595	-	3,479,595
Total receivables (net)	14,430,321	-	14,430,321
Capital assets (net of accumulated depreciation/amortization):			
Land	37,614,035	1,185,750	38,799,785
Construction in progress	109,564,019	-	109,564,019
Intangible right-to-use assets	513,053	-	513,053
Buildings	98,486,074	-	98,486,074
Improvements	7,108,741	32,862	7,141,603
Machinery and equipment	9,679,478	103,552	9,783,030
Infrastructure	35,884,531	-	35,884,531
Total capital assets (net of accumulated depreciation/amortization)	298,849,931	1,322,164	300,172,095
Total noncurrent assets	313,857,508	1,322,164	315,179,672
Total assets	412,238,409	1,547,421	413,785,830
<u>Deferred Outflows of Resources</u>			
Deferred amount on refunding	84,128	-	84,128
Pension related	7,316,599	-	7,316,599
OPEB related	9,619,663	-	9,619,663
Total deferred outflows of resources	17,020,390	-	17,020,390

(Continued)

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

Town of Farmington, Connecticut

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 14,604,375	\$ 22,011	\$ 14,626,386
Retainage	4,992,457	-	4,992,457
Accrued payroll and related liabilities	278,949	5,360	284,309
Accrued interest payable	1,566,109	-	1,566,109
Unearned revenue	7,192,245	90,613	7,282,858
Long-term debt	9,258,328	16,892	9,275,220
Compensated absences	198,891	-	198,891
OPEB liability	1,533,000	-	1,533,000
Other	353,012	-	353,012
Claims payable	1,403,588	-	1,403,588
Heart and hypertension	36,407	-	36,407
Total current liabilities	41,417,361	134,876	41,552,237
Noncurrent liabilities:			
Performance bonds	577,256	-	577,256
Long-term debt and related liabilities	144,550,817	100,073	144,650,890
Compensated absences	1,790,023	-	1,790,023
Net pension liability	56,771,642	-	56,771,642
OPEB liability	41,594,461	-	41,594,461
Heart and hypertension	225,666	-	225,666
Total noncurrent liabilities	245,509,865	100,073	245,609,938
Total liabilities	286,927,226	234,949	287,162,175
<u>Deferred Inflows of Resources</u>			
Advance property tax and user fee collections	831,003	-	831,003
Lease related	3,375,127	-	3,375,127
Pension related	610,755	-	610,755
OPEB related	21,424,831	-	21,424,831
Total deferred inflows of resources	26,241,716	-	26,241,716
<u>Net Position</u>			
Net investment in capital assets	132,860,854	1,205,199	134,066,053
Restricted for:			
Housing rehabilitation	387,209	-	387,209
General government	4,240,301	-	4,240,301
Public safety	15,934	-	15,934
Culture and recreation	198,055	-	198,055
Education	3,725,648	-	3,725,648
Sewer operations	4,979,478	-	4,979,478
Unrestricted	(30,317,622)	107,273	(30,210,349)
Total net position	\$ 116,089,857	\$ 1,312,472	\$ 117,402,329

(Concluded)

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

Town of Farmington, Connecticut

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			Net Revenues (Expenses) and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 10,330,117	\$ 1,994,940	\$ 404,074	\$ 122,478	\$ (7,808,625)	\$ -	\$ (7,808,625)
Public safety	19,417,324	3,291,186	145,572	-	(15,980,566)	-	(15,980,566)
Public works	19,260,371	6,520,620	1,056,335	1,930,712	(9,752,704)	-	(9,752,704)
Culture and recreation	3,214,300	1,313,740	76,280	-	(1,824,280)	-	(1,824,280)
Education	107,076,207	7,924,770	19,244,107	8,999,592	(70,907,738)	-	(70,907,738)
Interest	3,851,871	-	-	-	(3,851,871)	-	(3,851,871)
Total governmental activities	163,150,190	21,045,256	20,926,368	11,052,782	(110,125,784)	-	(110,125,784)
Business-type activities:							
Golf course	428,618	824,422	-	38,862	-	434,666	434,666
Total	\$ 163,578,808	\$ 21,869,678	\$ 20,926,368	\$ 11,091,644	(110,125,784)	434,666	(109,691,118)
General revenues:							
Property taxes					109,358,356	-	109,358,356
Grants and contributions not restricted to specific programs					5,530,726	-	5,530,726
Income from investments					4,395,125	245	4,395,370
Total general revenues					119,284,207	245	119,284,452
Transfers in (out)					226,000	(226,000)	-
Change in net position					9,384,423	208,911	9,593,334
Net position - July 1, 2023					106,705,434	1,103,561	107,808,995
Net position - June 30, 2024					\$ 116,089,857	\$ 1,312,472	\$ 117,402,329

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

Town of Farmington, Connecticut

Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Capital Projects Fund	New Farmington High School Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 5,056,089	\$ 569,838	\$ -	\$ 5,405,516	\$ 11,031,443
Investments	50,290,653	-	13,685,784	10,429,637	74,406,074
Restricted investments	577,256	-	-	-	577,256
Receivables:					
Property taxes (net)	799,018	-	-	-	799,018
Intergovernmental	11,561	100,000	879,588	177,034	1,168,183
User fees and assessments	10,891,190	-	-	447,162	11,338,352
Loans	-	-	-	151,061	151,061
Other	123,155	-	-	276,637	399,792
Leases	3,166,693	-	-	428,857	3,595,550
Due from other funds	2,108,950	14,841,022	2,055,312	11,420,656	30,425,940
Prepaid	797,056	-	-	-	797,056
Other	-	-	-	50,501	50,501
Total assets	<u>\$ 73,821,621</u>	<u>\$ 15,510,860</u>	<u>\$ 16,620,684</u>	<u>\$ 28,787,061</u>	<u>\$ 134,740,226</u>
<u>Liabilities</u>					
Accounts payable	\$ 1,312,162	\$ 2,549,487	\$ 9,272,526	\$ 1,228,655	\$ 14,362,830
Retainage payable	-	234,646	4,757,811	-	4,992,457
Accrued payroll	236,228	-	-	42,721	278,949
Due to other funds	28,316,990	-	-	1,649,020	29,966,010
Unearned revenue	48,591	2,960,055	-	4,183,599	7,192,245
Performance bonds	577,256	-	-	-	577,256
Overpayments	347,255	-	-	1,569	348,824
Total liabilities	<u>30,838,482</u>	<u>5,744,188</u>	<u>14,030,337</u>	<u>7,105,564</u>	<u>57,718,571</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	799,018	-	-	-	799,018
Advance property tax and user fee collections	730,484	-	-	100,519	831,003
User fees and assessments	10,891,190	-	-	26,649	10,917,839
Lease related	2,967,037	-	-	408,090	3,375,127
Total deferred inflows of resources	<u>15,387,729</u>	<u>-</u>	<u>-</u>	<u>535,258</u>	<u>15,922,987</u>
<u>Fund Balances</u>					
Nonspendable	890,076	-	-	-	890,076
Restricted	-	422,000	-	13,124,625	13,546,625
Committed	-	9,344,672	25,206,020	4,667,713	39,218,405
Assigned	1,406,343	-	-	3,353,901	4,760,244
Unassigned	25,298,991	-	(22,615,673)	-	2,683,318
Total fund balances	<u>27,595,410</u>	<u>9,766,672</u>	<u>2,590,347</u>	<u>21,146,239</u>	<u>61,098,668</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 73,821,621</u>	<u>\$ 15,510,860</u>	<u>\$ 16,620,684</u>	<u>\$ 28,787,061</u>	<u>\$ 134,740,226</u>

(Continued)

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

Town of Farmington, Connecticut

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

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

Total fund balance (Exhibit C, Page 1 of 2)	<u>\$ 61,098,668</u>
---------------------------------------------	----------------------

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

Beginning capital assets (net)	241,410,493
Capital assets additions (net of construction in progress)	67,639,819
Depreciation/amortization expense	(10,014,063)
Disposal of capital assets	<u>(186,318)</u>
Total	<u>298,849,931</u>

Other long-term assets are not available resources and, therefore, are not reported in the funds:

Property tax and sewer use interest and lien accrual	419,328
Allowance for doubtful accounts	(97,100)
Deferred amount on refunding	84,128
Deferred outflows of resources related to pensions	7,316,599
Deferred outflows of resources related to OPEB	<u>9,619,663</u>
Total	<u>17,342,618</u>

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

Property taxes - accrual basis change	799,018
Sewer assessments receivable and usage fees - accrual basis change	<u>10,917,839</u>
Total	<u>11,716,857</u>

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>6,642,713</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable and related liabilities	(153,282,506)
Lease payable	(380,866)
Subscriptions payable	(145,773)
Compensated absences	(1,988,914)
Net pension liability	(56,771,642)
OPEB liability	(43,127,461)
Heart and hypertension	(262,073)
Accrued interest payable	(1,566,109)
Deferred inflows of resources related to pensions	(610,755)
Deferred inflows of resources related to OPEB	<u>(21,424,831)</u>
Total	<u>(279,560,930)</u>

Net position of governmental activities (Exhibit A)	<u><u>\$ 116,089,857</u></u>
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The notes to financial statements are an integral part of this statement.

(Concluded)

Town of Farmington, Connecticut

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

	General Fund	Capital Projects Fund	New Farmington High School Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 109,496,949	\$ -	\$ -	\$ -	\$ 109,496,949
Intergovernmental	20,725,479	1,868,330	8,999,592	5,631,217	37,224,618
Charges for services	3,736,840	13,852	-	17,999,103	21,749,795
Income from investments	2,834,454	-	562,160	469,742	3,866,356
Net change in fair value of investments	-	-	-	232,339	232,339
Contributions	-	20,100	-	139,535	159,635
Other	-	42,282	-	83,341	125,623
Total revenues	136,793,722	1,944,564	9,561,752	24,555,277	172,855,315
Expenditures:					
Current:					
General government	7,284,923	-	-	336,272	7,621,195
Public safety	11,204,077	-	-	1,415,484	12,619,561
Public works	4,865,158	-	-	5,754,315	10,619,473
Culture and recreation	967,730	-	-	1,228,916	2,196,646
Employee benefits	9,333,237	-	-	-	9,333,237
Education	88,986,619	-	-	12,941,847	101,928,466
Debt service	9,665,401	318,968	-	1,202,114	11,186,483
Capital outlay	-	5,746,914	60,035,465	601,578	66,383,957
Total expenditures	132,307,145	6,065,882	60,035,465	23,480,526	221,889,018
Excess (deficiency) of revenues over expenditures	4,486,577	(4,121,318)	(50,473,713)	1,074,751	(49,033,703)
Other financing sources (uses):					
Issuance of debt	-	388,159	28,000,000	-	28,388,159
Premium	-	-	234,640	-	234,640
Sale of assets	-	76,870	-	-	76,870
Transfers in	226,000	2,930,968	-	3,242,066	6,399,034
Transfers out	(1,318,968)	-	-	(4,854,066)	(6,173,034)
Net other financing sources (uses)	(1,092,968)	3,395,997	28,234,640	(1,612,000)	28,925,669
Net change in fund balances	3,393,609	(725,321)	(22,239,073)	(537,249)	(20,108,034)
Fund balances - July 1, 2023	24,201,801	10,491,993	24,829,420	21,683,488	81,206,702
Fund balances - June 30, 2024	\$ 27,595,410	\$ 9,766,672	\$ 2,590,347	\$ 21,146,239	\$ 61,098,668

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

Town of Farmington, Connecticut

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

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (20,108,034)</u>
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Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated useful
lives and reported as depreciation/amortization expense.

Capital outlay	67,639,819
Depreciation/amortization expense	<u>(10,014,063)</u>

Total	<u>57,625,756</u>
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The net effect of various miscellaneous transactions involving capital assets (i.e.,
sales, trade-ins and donations) is to increase/decrease net position. In the statement
of activities, only the loss on the sale of assets is reported. However, in the
governmental funds, the proceeds from the sale increase financial resources. Thus,
the change in net position differs from the change in fund balance by the cost of the
capital assets sold or donated:

Loss on disposal of assets	<u>(186,318)</u>
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Revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	(52,878)
Change in sewer assessment - accrual basis change	(699,295)
Change in property tax interest and lien revenue	(116,459)
Change in allowance for doubtful accounts	<u>25,500</u>

Total	<u>(843,132)</u>
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(Continued)

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

Town of Farmington, Connecticut

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

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

Debt issued or incurred:	
Issuance of bonds and notes	\$ (28,000,000)
Premium	(234,640)
Leases	(245,994)
Subscriptions	(142,165)
Principal repayments:	
General obligation bonds and notes	7,638,959
Leases	86,514
Subscriptions	70,652
Total	<u>(20,826,674)</u>

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

Change in/amortization of:	
Accrued interest payable	(824,922)
Premium	567,915
Compensated absences	285,341
Heart and hypertension	62,251
Net pension liability	1,200,890
OPEB liability	3,412,627
Deferred amount on refunding	(47,340)
Deferred outflows related to pension	(6,816,641)
Deferred outflows related to OPEB	(1,676,075)
Deferred inflows related to pension	(490,910)
Deferred inflows related to OPEB	(2,873,465)
Total	<u>(7,200,329)</u>

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

The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>923,154</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 9,384,423</u>

(Concluded)

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

Town of Farmington, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2024

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Westwoods Fund</u>	<u>Internal Service Fund</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 468,567	\$ 6,113,673
Investments	-	2,126,058
Accounts receivable	-	59,923
Other	-	209,000
Total current assets	<u>468,567</u>	<u>8,508,654</u>
Noncurrent assets:		
Capital assets (net of depreciation):		
Land	1,185,750	-
Improvements	32,862	-
Machinery and equipment	<u>103,552</u>	<u>-</u>
Total capital assets (net)	<u>1,322,164</u>	<u>-</u>
Total assets	<u>1,790,731</u>	<u>8,508,654</u>

(Continued)

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

Town of Farmington, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2024

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	Westwoods Fund	Internal Service Fund
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 22,011	\$ 255,370
Accrued payroll	5,360	-
Due to other funds	243,310	202,795
Unearned revenues	90,613	-
Claims payable	-	1,403,588
Notes payable	16,892	-
Other	-	4,188
Total current liabilities	378,186	1,865,941
Noncurrent liabilities:		
Notes payable	100,073	-
Total liabilities	478,259	1,865,941
<u>Net Position</u>		
Net investment in capital assets	1,205,199	-
Unrestricted	107,273	6,642,713
Total net position	\$ 1,312,472	\$ 6,642,713

(Concluded)

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

Town of Farmington, Connecticut

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

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	Westwoods Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 824,422	\$ 16,978,365
Operating expenses:		
Personnel services	150,611	-
Repairs and maintenance	10,418	-
Contracted services	123,169	-
Materials and supplies	18,223	-
Utilities	24,551	-
Claims incurred	-	13,479,160
HSA and FSA contributions	-	1,641,608
Retiree medical insurance premiums	-	431,203
Administration	-	799,670
Other	29,041	-
Depreciation	72,605	-
Total operating expenses	428,618	16,351,641
Operating income (loss)	395,804	626,724
Nonoperating revenues (expenses):		
Income from investments	245	296,430
Income (loss) before contributions and transfers	396,049	923,154
Capital contributions	38,862	-
Transfers out	(226,000)	-
Change in net position	208,911	923,154
Total net position - July 1, 2023	1,103,561	5,719,559
Total net position - June 30, 2024	\$ 1,312,472	\$ 6,642,713

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

Town of Farmington, Connecticut

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

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Westwoods Fund</u>	<u>Internal Service Fund</u>
Cash flows from (used in) operating activities:		
Receipts from customers and users	\$ 941,617	\$ -
Receipts from premiums	-	16,865,366
Payments to suppliers	(199,647)	-
Payments to employees	(152,644)	-
Payments for repairs and maintenance and utilities	(34,969)	-
Payments for claims	-	(13,377,065)
Payments for HSA and FSA	-	(1,641,608)
Payments for retiree medical insurance premiums	-	(431,203)
Payments for administration	-	(884,469)
Net cash from (used in) operating activities	<u>554,357</u>	<u>531,021</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>(226,000)</u>	<u>-</u>
Cash flows from (used in) capital and related financing activities:		
Payment on notes	<u>(16,435)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>245</u>	<u>296,430</u>
Increase (decrease) in cash	312,167	827,451
Cash and cash equivalents - July 1, 2023	<u>156,400</u>	<u>7,412,280</u>
Cash and cash equivalents - June 30, 2024	<u>\$ 468,567</u>	<u>\$ 8,239,731</u>
Reconciliation to Exhibit F - Cash:		
Cash and cash equivalents per above	\$ 468,567	\$ 8,239,731
Cash and cash equivalents reported as investments	<u>-</u>	<u>(2,126,058)</u>
Cash - Exhibit F	<u>\$ 468,567</u>	<u>\$ 6,113,673</u>

(Continued)

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

Town of Farmington, Connecticut

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

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	Westwoods Fund	Internal Service Fund
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Operating income (loss)	\$ 395,804	\$ 626,724
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	72,605	-
(Increase) decrease in:		
Accounts receivable	-	(14,360)
Other	-	(13,200)
Increase (decrease) in:		
Due to other funds	109,632	(85,439)
Accrued payroll	(2,033)	-
Accounts payable	(29,214)	(84,799)
Claims payable	-	102,095
Unearned revenue	7,563	-
Net cash from (used in) operating activities	<u>\$ 554,357</u>	<u>\$ 531,021</u>
<u>Non-cash capital and related financing activities:</u>		
Capital contribution of machinery and equipment	<u>\$ 38,862</u>	<u>\$ -</u>
		(Concluded)

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

Town of Farmington, Connecticut

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	Pension Trust Fund	Custodial Fund
<u>Assets</u>		
Investments:		
Mutual funds:		
Money market	\$ 936,388	\$ 28,151
Equity	53,191,656	1,599,100
Bond	38,847,919	1,167,885
Real estate limited partnerships	5,771,304	173,503
Total investments	98,747,267	2,968,639
Accounts receivable	75,299	4,803
Total assets	98,822,566	2,973,442
<u>Liabilities</u>		
Accounts payable	18,422	554
Due to other funds	13,421	404
Total liabilities	31,843	958
<u>Net Position</u>		
Restricted for:		
Pensions	98,790,723	-
Organizations	-	2,972,484
Total net position	\$ 98,790,723	\$ 2,972,484

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

Town of Farmington, Connecticut

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

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
Additions:		
Contributions:		
Employer	\$ 5,149,587	\$ 260,939
Plan members	<u>906,057</u>	<u>59,904</u>
Total contributions	<u>6,055,644</u>	<u>320,843</u>
Investment income (loss):		
Change in fair value of investments	6,203,475	196,809
Interest and dividends	<u>2,690,937</u>	<u>85,372</u>
Total investment income (loss)	8,894,412	282,181
Less investment expenses	<u>53,600</u>	<u>1,700</u>
Net investment income (loss)	<u>8,840,812</u>	<u>280,481</u>
Total additions	<u>14,896,456</u>	<u>601,324</u>
Deductions:		
Benefits	9,778,591	600,421
Administration	<u>122,152</u>	<u>3,876</u>
Total deductions	<u>9,900,743</u>	<u>604,297</u>
Change in net position	4,995,713	(2,973)
Net position - July 1, 2023	<u>93,795,010</u>	<u>2,975,457</u>
Net position - June 30, 2024	<u><u>\$ 98,790,723</u></u>	<u><u>\$ 2,972,484</u></u>

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

Town of Farmington, Connecticut

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

History and organization

The Town of Farmington, Connecticut (“Town”) was settled in 1640 and incorporated in 1645. The Town operates under a Council-Manager form of government established by a charter and adopted by a referendum of voters in 1947 and amended in 2003. The Town offers a full range of services authorized by the charter, including public safety, public works, culture and recreation, education, and general administrative services to its residents.

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

The Farmington Housing Authority (“Authority”) is defined as a related organization of the Town, as the governing body of the Authority is appointed by the Town. The Authority is not included in this report, since the Authority does not meet criteria for inclusion as described above.

I. Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

B. Measurement focus, basis of accounting and financial statement presentation

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

Town of Farmington, Connecticut

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

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

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 tax revenues to be available if they are collected by the end of the current fiscal period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

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

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Projects Fund	Accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the capital projects fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and state loans.
New Farmington High School Fund	Accounts for financial resources to be used for the construction of the new high school.

The Town reports the following major proprietary funds:

Westwoods Fund	A proprietary (enterprise) fund used to account for the operation and maintenance of the Westwoods Golf Course, which is owned by the Town and is primarily supported through charges to customers.
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Town of Farmington, Connecticut

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

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

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.
Capital Project Fund	Accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Internal Service Fund	Accounts for the Town's self-insurance program, which provides health insurance coverage for Town and Board of Education employees.
Pension Trust Fund	Accounts for the activities of the Town's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees.
Custodial Fund	Accounts for the Town's custody of the Public Library's (separate entity) defined benefit pension plan assets.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town's internal service fund are charges to customers for sales and services.

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

Town of Farmington, Connecticut

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

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

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

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

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

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

The Town's Noah Wallace fund has adopted a formal investment policy that sets asset allocation guidelines as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0% - 20%
Bonds	20% - 50%
Equities	40% - 75%

The Town's pension trust fund has adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The Pension trust fund allows for investments in separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds.

Town of Farmington, Connecticut

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

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

The investment guidelines are as follows:

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
Cash and equivalents	0.00%	0.00%	2.00%
Fixed income	15.00%	39.25%	45.00%
Domestic equity	15.00%	37.25%	45.00%
International equity	10.00%	16.50%	30.00%
Real estate investment trusts	0.00%	7.00%	10.00%

c. Method used to value investments

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

Certain pension investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

Fair value of investments

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

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

Town of Farmington, Connecticut

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

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

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

2. Receivables and payables**a. Interfunds**

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

b. Property taxes and other receivables

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

Town of Farmington, Connecticut

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

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

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

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

c. Leases receivable

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

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

Key estimates and judgments related to leases include:

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

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

3. Restricted assets

The restricted assets for the Town are restricted for performance bonds. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of the contract or the Town calls the bond for nonperformance.

4. Prepaid items

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 Farmington, Connecticut

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

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**5. Capital assets**

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>	<u>Threshold</u>
Buildings	25-40	\$ 25,000
Improvements	20-30	25,000
Machinery and equipment	5-15	25,000
Infrastructure	40-50	25,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

6. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

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

Town of Farmington, Connecticut

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

Advance tax and user fee collections represent taxes and sewer and waste user fees associated with a future period. This amount is recognized during the period in which the revenue is associated.

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

7. Compensated absences

Under the terms of various union contracts, Town and Board of Education employees are granted vacation in varying amounts based on length of service. Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term liabilities

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

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

9. Lease and subscription liabilities

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

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

Town of Farmington, Connecticut

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

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

Key estimates and judgments related to leases and subscriptions include:

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

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

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

10. Net position and fund balances

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

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

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

Town of Farmington, Connecticut

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Minimum fund balance policyGeneral Fund

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 10.00% to 15.00% of the ensuing fiscal year's operating revenue. Further, any anticipated unassigned fund balance in excess of the targeted 15.00% maximum may be budgeted to reduce the ensuing year's property tax levy or fund one-time capital projects.

Town of Farmington, Connecticut

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

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)Water Pollution Control Authority Fund

The Water Pollution Control Authority (WPCA) Fund will maintain reserves to meet three primary objectives. First, an operating reserve will be funded to ensure sufficient funding for operations. This reserve will be maintained at a level sufficient to fund 90 days of budgeted operating expenditures. Second, an adequate reserve will be maintained to ensure repairs to and replacement of infrastructure. Finally, a working capital reserve will be funded to provide sufficient cash for sewer capital improvements and to avoid large fluctuations in rate changes.

11. Use of estimates

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

12. Reclassifications

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

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

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
WPCF plant upgrade construction	\$ 67,102,837	\$ 60,424,399	\$ 6,678,438
2018 school roofs	2,054,050	1,967,078	86,972
School infrastructure improvements	1,935,000	1,719,086	215,914
Ladder truck	1,610,000	1,560,795	49,205
IAR cafeteria addition	1,284,000	1,368,223	(84,223)
Noah Wallace roof replacement	450,000	411,153	38,847
Open space acquisition	1,485,000	1,411,141	73,859
Road reconstruction	4,000,000	1,724,541	2,275,459
Westwoods recreation facility	922,000	76,695	845,305
West Woods school roof	2,385,000	-	2,385,000
Police facility HVAC system and roof	2,750,000	-	2,750,000
East Farms Fire Station engine pumper	1,400,000	-	1,400,000
Tunxis Hose Fire Station fire truck	1,750,000	-	1,750,000
1928 building renovation	16,000,000	601,578	15,398,422
New Farmington High School	145,300,000	108,359,324	36,940,676
Totals	<u>\$ 250,427,887</u>	<u>\$ 179,624,013</u>	<u>\$ 70,803,874</u>

The IAR deficit will be funded by a transfer from the education budget.

Town of Farmington, Connecticut

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

III. Detailed notes**A. Cash and investments****1. Deposits - Custodial credit risk**

At year end, the Town's bank balance, including bank money market accounts classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 62,718,797</u>
Uninsured and uncollateralized	\$ 49,275,033
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>11,303,244</u>
Total amount subject to custodial credit risk	<u><u>\$ 60,578,277</u></u>

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

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds:					
Money market	\$ 1,031,167	\$ -	\$ 1,031,167	\$ -	\$ -
Equity	56,360,343	56,360,343	-	-	-
Bond	40,015,804	-	-	-	40,015,804
Bank money market	42,245,966	-	42,245,966	-	-
Pooled fixed income	33,198,807	-	33,198,807	-	-
Equity - domestic	8,519	8,519	-	-	-
Corporate bonds	19,881	-	-	19,881	-
Real estate limited partnerships	5,944,807	5,944,807	-	-	-
Total	178,825,294	<u>\$ 62,313,669</u>	<u>\$ 76,475,940</u>	<u>\$ 19,881</u>	<u>\$ 40,015,804</u>
Less fiduciary funds	<u>(101,715,906)</u>				
Other funds	<u><u>\$ 77,109,388</u></u>				

Town of Farmington, Connecticut

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

A. Cash and investments (continued)

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

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2
<u>Investments by fair value level</u>			
Mutual funds:			
Money market	\$ 1,031,167	\$ 1,031,167	\$ -
Equity	56,360,343	56,360,343	-
Bond	40,015,804	40,015,804	-
Equity - domestic	8,519	8,519	-
Corporate bonds	19,881	-	19,881
Total investments by fair value level	97,435,714	<u>\$ 97,415,833</u>	<u>\$ 19,881</u>
<u>Investments measured at the net asset value (NAV)</u>			
Real estate limited partnerships	5,944,807		
<u>Other investments</u>			
Bank money market	42,245,966		
Pooled fixed income	33,198,807		
Total other investments	75,444,773		
Total investments	<u>\$ 178,825,294</u>		

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active.

The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

c. Investments measured at the net asset value (NAV)

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially.

However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is estimated from the most recently available valuation taking into account subsequent calls and distributions. The following table represents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Town’s alternative investments measured at the NAV:

Investment Description	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate funds	<u>\$ 5,944,807</u>	Quarterly	60 days

Town of Farmington, Connecticut

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

A. Cash and investments (continued)

Real estate funds - This type includes one real estate fund that invests primarily in U.S. commercial real estate. The fund permits redemptions quarterly with a 60-day notice. Distributions from the fund will be received as the underlying investments of the funds are liquidated. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

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

Type of Investment	Ratings			Total
	AAA	BBB	Unrated	
Mutual funds				
Money market	\$ 1,031,167	\$ -	\$ -	\$ 1,031,167
Bond	-	-	40,015,804	40,015,804
Pooled fixed income	33,198,807	-	-	33,198,807
Corporate bonds	-	19,881	-	19,881
Total	<u>\$ 34,229,974</u>	<u>\$ 19,881</u>	<u>\$ 40,015,804</u>	<u>\$ 74,265,659</u>

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

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Equity - domestic	\$ 8,519	\$ 8,519	\$ -
Corporate bonds	19,881	19,881	-
Total	<u>\$ 28,400</u>	<u>\$ 28,400</u>	<u>\$ -</u>

Town of Farmington, Connecticut

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

B. Receivables

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

	CDBG Loans	Property Taxes		
		Taxes	Interest and Lien Fees	Total
Current portion	\$ -	\$ 364,179	\$ 163,967	\$ 528,146
Long-term portion	151,061	492,915	245,883	738,798
Less allowance for uncollectibles	(3,000)	(58,076)	(85,200)	(143,276)
Net long-term portion	148,061	434,839	160,683	595,522
Totals (net)	<u>\$ 148,061</u>	<u>\$ 799,018</u>	<u>\$ 324,650</u>	<u>\$ 1,123,668</u>

	User Fees and Assessments				
	Sewer Assessments	Sewer Usage	Interest and Lien Fees	Waste Usage	Total
Current portion	\$ 700,800	\$ 418,003	\$ 1,696	\$ 11,288	\$ 1,131,787
Long-term portion	10,190,390	17,871	7,782	-	10,216,043
Less allowance for uncollectibles	-	(8,700)	(200)	-	(8,900)
Net long-term portion	10,190,390	9,171	7,582	-	10,207,143
Totals (net)	<u>\$ 10,891,190</u>	<u>\$ 427,174</u>	<u>\$ 9,278</u>	<u>\$ 11,288</u>	<u>\$ 11,338,930</u>

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Land leases	\$ 47,036	\$ 51,964	\$ 11,738	\$ 1,387
Cell towers	3,548,514	3,323,163	179,275	86,780
Total	3,595,550	<u>\$ 3,375,127</u>	<u>\$ 191,013</u>	<u>\$ 88,167</u>
Less: current portion	<u>(115,955)</u>			
Long-term portion	<u>\$ 3,479,595</u>			

Town of Farmington, Connecticut

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

B. Receivables (continued)

Description	Terms
Land leases	The Town entered into four lease agreements for the lease of land for farming. Based on these agreements, the Town is receiving annual payments through December 2027. Each of the leases has an additional five-year term at the Town's option. Two of the leases are expected to be extended through December 2032.
Cell towers	At various times, the Town entered into five five-year lease agreements for the right to use a tract of land. One of the lessees subleases space on the cell tower to two other entities and the Town receives a portion of the lease payments. The lease agreements include automatic renewal terms. The Town expects to extend through all renewal periods for all of the five leases. Based on these agreements, the Town is receiving monthly payments through July 2048.

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

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Capital projects fund	N/A	\$ -	\$ 14,841,022
New Farmington High School fund	N/A	-	2,055,312
Special projects education fund	N/A	-	576,069
Open space rental fund	N/A	23,974	-
Adult education fund	N/A	60,821	-
Farmington Valley Transition Academy fund	N/A	76,136	-
School aged child care fund	N/A	195,132	-
Recreation fund	N/A	126,477	-
Noah Wallace fund	N/A	32,106	-
Donation fund	N/A	1,685	-
Municipal grants fund	N/A	-	1,054,922
Waste collection fund	N/A	34,212	-
Water pollution control authority fund	N/A	1,098,477	-
1928 building renovation fund	N/A	-	6,456,531
Debt service fund	N/A	-	3,333,134
Westwoods fund	N/A	243,310	-
Internal service fund	N/A	202,795	-
Pension trust fund	N/A	13,421	-
Custodial fund	N/A	404	-
Total General Fund		<u>2,108,950</u>	<u>28,316,990</u>

Town of Farmington, Connecticut

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

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Capital Projects Fund			
General fund	N/A	\$ 14,841,022	\$ -
New Farmington High School Fund			
General fund	N/A	2,055,312	-
Other Governmental Funds			
Special Revenue Funds			
Special projects education fund	General fund	576,069	-
Open space rental fund	General fund	-	23,974
Adult education fund	General fund	-	60,821
Farmington Valley Transition Academy fund	General fund	-	76,136
School aged child care fund	General fund	-	195,132
Recreation fund	General fund	-	126,477
Noah Wallace fund	General fund	-	32,106
Donation fund	General fund	-	1,685
Municipal grants fund	General fund	1,054,922	-
Waste collection fund	General fund	-	34,212
Water pollution control authority fund	General fund	-	1,098,477
1928 building renovation fund	General fund	6,456,531	-
Debt service fund	General fund	3,333,134	-
Total Other Governmental Funds		11,420,656	1,649,020
Enterprise Funds			
Westwoods fund	General fund	-	243,310
Internal Service Funds	General fund	-	202,795
Fiduciary Funds			
Pension trust fund	General fund	-	13,421
Custodial fund	General fund	-	404
Total Fiduciary Funds	General Fund	-	13,825
Total		\$ 30,425,940	\$ 30,425,940

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

Town of Farmington, Connecticut

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

C. Interfund accounts (continued)**2. Interfund transfers**

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Westwoods Fund	N/A	\$ 226,000	\$ -
Capital Projects Funds	N/A	-	1,318,968
Total General Fund		226,000	1,318,968
Capital Projects Fund			
General Fund	N/A	1,318,968	-
Open Space Rental Fund	N/A	25,000	-
Municipal Grants Fund	N/A	422,000	-
Recreation Fund	N/A	55,000	-
Water Pollution Control Authority Fund	N/A	1,110,000	-
Total Capital Projects		2,930,968	-
Other Governmental Funds			
Special Revenue Funds			
Open Space Rental Fund	Capital Projects Fund	-	25,000
Recreation Fund	Capital Projects Fund	-	55,000
Municipal Grants Fund	1928 Building Renovation	-	3,242,066
Municipal Grants Fund	Capital Projects Fund	-	422,000
Water Pollution Control Authority Fund	Capital Projects Fund	-	1,110,000
1928 Building Renovation Fund	Municipal Grants Fund	3,242,066	-
Total Other Governmental Funds		3,242,066	4,854,066
Enterprise Funds			
Westwoods Fund	General Fund	-	226,000
Total		<u>\$ 6,399,034</u>	<u>\$ 6,399,034</u>

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects fund, WPCA operating funds to capital project funds, the golf course contribution to the general fund and various programs and activities in other funds.

Town of Farmington, Connecticut

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

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated/amortized:				
Land	\$ 37,524,635	\$ 89,400	\$ -	\$ 37,614,035
Construction in progress	51,306,351	62,366,079	4,108,411	109,564,019
Total capital assets, not being depreciated/amortized	88,830,986	62,455,479	4,108,411	147,178,054
Capital assets, being depreciated/amortized:				
Intangible right-to-use assets	473,583	388,159	203,751	657,991
Buildings	191,416,729	393,293	-	191,810,022
Improvements	15,935,138	543,035	353,502	16,124,671
Machinery and equipment	22,843,190	3,896,068	322,811	26,416,447
Infrastructure	106,208,603	4,072,196	-	110,280,799
Total capital assets, being depreciated/amortized	336,877,243	9,292,751	880,064	345,289,930
Total capital assets	425,708,229	71,748,230	4,988,475	492,467,984
Less accumulated depreciation/amortization:				
Intangible right-to-use assets	177,567	171,122	203,751	144,938
Buildings	87,818,627	5,505,321	-	93,323,948
Improvements	8,536,510	701,081	221,661	9,015,930
Machinery and equipment	15,277,799	1,727,504	268,334	16,736,969
Infrastructure	72,487,233	1,909,035	-	74,396,268
Total accumulated depreciation/amortization	184,297,736	10,014,063	693,746	193,618,053
Total capital assets, being depreciated/amortized, net	152,579,507	(721,312)	186,318	151,671,877
Governmental activities capital assets, net	\$ 241,410,493	\$ 61,734,167	\$ 4,294,729	\$ 298,849,931

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

	Asset	Accumulated Amortization
Intangible right-to-use equipment	\$ 416,089	\$ 44,268
Intangible right-to-use subscriptions	241,902	100,670
Total intangible right-to-use assets	\$ 657,991	\$ 144,938

Town of Farmington, Connecticut

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

D. Capital assets (continued)

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

General government	\$ 797,533
Education	3,106,556
Public safety	1,005,376
Public works	5,017,803
Parks and recreation	<u>86,795</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 10,014,063</u>

Business-type activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$1,185,750	\$ -	\$ -	\$ 1,185,750
Capital assets, being depreciated:				
Improvements	289,039	-	-	289,039
Machinery and equipment	471,865	38,862	-	510,727
Total capital assets, being depreciated	760,904	38,862	-	799,766
Total capital assets	1,946,654	38,862	-	1,985,516
Less accumulated depreciation for:				
Improvements	255,003	1,174	-	256,177
Machinery and equipment	335,744	71,431	-	407,175
Total accumulated depreciation	590,747	72,605	-	663,352
Total capital assets, being depreciated, net	170,157	(33,743)	-	136,414
Business-type capital assets, net	<u>\$1,355,907</u>	<u>\$ (33,743)</u>	<u>\$ -</u>	<u>\$ 1,322,164</u>

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

Westwoods Golf	<u>\$ 72,605</u>
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E. Construction commitments

The Town has the following construction commitments:

Burlington Road reconstruction	\$ 2,305,488
Farmington High School	<u>25,206,020</u>
Total	<u>\$ 27,511,508</u>

Town of Farmington, Connecticut

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

F. Short-term liabilities - Bond anticipation notes

The Town uses bond anticipation notes (“BANs”) during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term liability activity for the fiscal year was as follows:

Purpose	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Permanently Financed	Balance June 30, 2024
New Farmington High School	1/23/2024	8/28/2024	4.00%	\$ -	\$ 28,000,000	\$ 28,000,000	\$ -

In August 2024, the Town issued \$31,000,000 of general obligation bonds which permanently financed the bond anticipation notes outstanding at fiscal year-end. The bonds mature through 2045 and carry interest rates of 3.00% – 5.00%.

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

G. Changes in long-term liabilities

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

1. Summary of changes

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

Governmental activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Bonds:										
<u>General purpose:</u>										
General obligation/refunding	\$ 7,401,400	06/23/11	04/01/26	2.00-4.00%	\$ 630,000	\$ -	\$ 210,000	\$ 420,000	\$ 210,000	\$ 210,000
Refunding bond	3,654,100	05/24/12	07/01/25	2.00-4.00%	1,176,100	-	399,600	776,500	392,000	384,500
General obligation/refunding	4,220,000	01/31/13	01/15/28	2.00-3.00%	2,105,000	-	440,000	1,665,000	430,000	1,235,000
General obligation bond	2,275,000	04/21/15	04/15/30	2.00-4.00%	1,050,000	-	150,000	900,000	150,000	750,000
General obligation bond	1,875,000	11/18/15	11/15/30	2.00-4.00%	1,000,000	-	125,000	875,000	125,000	750,000
General obligation bond	3,600,000	10/03/16	10/01/31	2.00-4.00%	2,130,000	-	240,000	1,890,000	240,000	1,650,000
General obligation bond	2,700,000	12/07/17	12/01/32	2.00-5.00%	1,800,000	-	180,000	1,620,000	180,000	1,440,000
General obligation bond	1,849,075	05/16/19	05/15/34	2.00-5.00%	1,353,000	-	123,000	1,230,000	123,000	1,107,000
General obligation bond	2,700,000	09/15/20	09/15/35	1.00-3.00%	2,340,000	-	180,000	2,160,000	180,000	1,980,000
General obligation bond	1,685,000	02/23/22	03/01/42	2.30-5.00%	1,600,750	-	84,250	1,516,500	84,250	1,432,250
General obligation bond	2,600,000	05/09/23	08/15/43	3.00-5.00%	2,600,000	-	-	2,600,000	130,000	2,470,000
Total general purpose	34,559,575				17,784,850	-	2,131,850	15,653,000	2,244,250	13,408,750
School bonds:										
Refunding bond	825,900	05/24/12	07/01/25	2.00-4.00%	800,100	-	271,900	528,200	266,700	261,500
General obligation bond	1,800,000	04/21/15	04/15/30	2.00-4.00%	840,000	-	120,000	720,000	120,000	600,000
General obligation bond	225,000	11/18/15	11/15/30	2.00-4.00%	120,000	-	15,000	105,000	15,000	90,000
General obligation bond	1,900,000	10/03/16	10/01/31	2.00-4.00%	1,125,000	-	125,000	1,000,000	125,000	875,000
General obligation bond	2,550,925	05/16/19	05/15/34	2.00-5.00%	1,867,000	-	172,000	1,695,000	172,000	1,523,000
General obligation bond	1,900,000	09/15/20	09/15/35	1.00-3.00%	1,640,000	-	130,000	1,510,000	130,000	1,380,000
General obligation bond	38,315,000	02/23/22	03/01/42	2.30-5.00%	36,399,250	-	1,915,750	34,483,500	1,915,750	32,567,750
General obligation bond	27,400,000	05/09/23	08/15/43	3.00-5.00%	27,400,000	-	-	27,400,000	1,370,000	26,030,000
Total school bonds	74,916,825				70,191,350	-	2,749,650	67,441,700	4,114,450	63,327,250

Town of Farmington, Connecticut

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

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
<u>Bonds:</u>										
Sewer bonds										
Refunding bond	\$ 360,000	05/24/12	07/01/25	2.00-4.00%	\$ 348,800	\$ -	\$ 118,500	\$ 230,300	\$ 116,300	\$ 114,000
Total bonds	109,836,400				88,325,000	-	5,000,000	83,325,000	6,475,000	76,850,000
<u>Notes:</u>										
Clean water:										
CWF 620-DC	33,679,274	05/04/18	09/30/38	2.00%	26,853,876	-	1,521,352	25,332,524	1,552,060	23,780,464
CWF 620-DC-1	7,319,981	07/17/20	01/31/40	2.00%	6,225,111	-	375,384	5,849,727	375,384	5,474,343
CWF 620-DC-2	5,425,522	07/17/20	01/31/40	2.00%	4,614,012	-	278,232	4,335,780	278,232	4,057,548
Equipment financing notes										
(direct borrowings):										
Energy conservation	3,705,081	04/26/12	04/26/29	2.97%	1,924,683	-	272,556	1,652,127	290,687	1,361,440
Street lights	1,000,000	10/13/17	10/13/24	1.86%	225,353	-	149,538	75,815	75,815	-
Body cameras	170,416	07/01/22	10/01/25	3.27%	129,846	-	41,897	87,949	43,267	44,682
Total notes	51,300,274				39,972,881	-	2,638,959	37,333,922	2,615,445	34,718,477
Total bonds and notes	161,136,674				128,297,881	-	7,638,959	120,658,922	9,090,445	111,568,477
Bond anticipation notes - permanently financed										
Leases payable					-	28,000,000	-	28,000,000	-	28,000,000
Subscriptions payable					221,386	245,994	86,514	380,866	93,386	287,480
Total long-term debt					74,260	142,165	70,652	145,773	74,497	71,276
Premium					128,593,527	28,388,159	7,796,125	149,185,561	9,258,328	139,927,233
Total long-term debt and related liabilities					4,956,859	234,640	567,915	4,623,584	-	4,623,584
					133,550,386	28,622,799	8,364,040	153,809,145	9,258,328	144,550,817

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

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Compensated absences (net change)					\$ 2,274,255	\$ -	\$ 285,341	\$ 1,988,914	\$ 198,891	\$ 1,790,023
Net pension liability					57,972,532	13,695,566	14,896,456	56,771,642	-	56,771,642
OPEB liability					46,540,088	4,281,103	7,693,730	43,127,461	1,533,000	41,594,461
Heart and hypertension					324,324	-	62,251	262,073	36,407	225,666
Total long-term liabilities					\$ 240,661,585	\$ 46,599,468	\$ 31,301,818	\$ 255,959,235	\$ 11,026,626	\$ 244,932,609

All long-term liabilities are generally liquidated by the general fund, capital projects fund, water pollution control authority fund or the debt service fund.

Business-type activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-term Portion
Notes (direct borrowings):										
Equipment financing notes:										
Golf Carts	\$ 174,117	04/01/21	10/01/25	2.35%	\$ 133,400	\$ -	\$ 16,435	\$ 116,965	\$ 16,892	\$ 100,073

Town of Farmington, Connecticut

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

G. Changes in long-term liabilities (continued)

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

Year Ended June 30,	Governmental Activities			Business-Type Activities	
	Bonds Principal	Note Principal	Total Interest	Note Principal	Note Interest
2025	\$ 6,475,000	\$ 2,615,445	\$ 3,606,266	\$ 16,892	\$ 3,004
2026	6,450,000	2,591,345	3,294,810	100,073	875
2027	5,465,000	2,598,474	3,001,162	-	-
2028	5,460,000	2,651,843	2,722,307	-	-
2029	5,055,000	2,706,820	2,446,835	-	-
2030	5,040,000	2,368,764	2,184,547	-	-
2031	4,770,000	2,403,383	1,946,747	-	-
2032	4,630,000	2,438,701	1,744,410	-	-
2033	4,275,000	2,474,732	1,553,018	-	-
2034	4,095,000	2,511,490	1,381,213	-	-
2035	3,805,000	2,548,990	1,209,922	-	-
2036	3,805,000	2,587,247	1,044,114	-	-
2037	3,500,000	2,626,276	885,225	-	-
2038	3,500,000	2,666,093	726,836	-	-
2039	3,500,000	1,163,049	569,425	-	-
2040	3,500,000	381,270	440,542	-	-
2041	3,500,000	-	323,000	-	-
2042	3,500,000	-	207,000	-	-
2043	1,500,000	-	90,000	-	-
2044	1,500,000	-	30,000	-	-
Total	<u>\$ 83,325,000</u>	<u>\$ 37,333,922</u>	<u>\$ 29,407,379</u>	<u>\$ 116,965</u>	<u>\$ 3,879</u>

2. Assets pledged as collateral:

The Town's outstanding equipment financing notes of \$1,932,856 are secured with collateral of the equipment purchased.

Town of Farmington, Connecticut

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

G. Changes in long-term liabilities (continued)**3. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 257,087,601	\$ 15,653,000	\$ 241,434,601
Schools	514,175,202	95,441,700	418,733,502
Sewer	428,479,335	230,300	428,249,035
Urban renewal	371,348,757	-	371,348,757
Pension deficit	342,783,468	-	342,783,468

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$799,828,092.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 19,606,575
Schools	<u>48,719,332</u>
	<u><u>\$ 68,325,907</u></u>

5. Heart and hypertension liability

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act. The death benefits liability is adjusted annually to reflect cost of living increases. The present value of benefits was computed at an assumed rate of return of 3.00%.

Town of Farmington, Connecticut

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

G. Changes in long-term liabilities (continued)**6. Leases**

Lease agreements are summarized as follows:

Governmental Activities:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance
Town copiers	2023	5.0	3.27%	\$ 170,096	\$ 138,230
Education copiers	2022/2024	2.5-4.0	0.73% - 3.27%	449,745	242,636
Total				<u>\$ 619,841</u>	<u>\$ 380,866</u>

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

Description	Terms
Town copiers	The lease is not expected to be renewed and the Town will not acquire the equipment at the end of the term.
Education copiers	The lease is not expected to be renewed and the Town will not acquire the equipment at the end of the term.

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

Year Ending June 30	Principal	Interest
2025	\$ 93,386	\$ 12,454
2026	96,439	9,401
2027	99,593	6,247
2028	91,448	2,990
Totals	<u>\$ 380,866</u>	<u>\$ 31,092</u>

Town of Farmington, Connecticut

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

G. Changes in long-term liabilities (continued)**7. Subscription arrangements**

Subscription arrangements are summarized as follows:

Governmental Activities:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance
Antivirus software	2023	3	3.27%	\$ 20,480	\$ 7,048
Police body camera software	2023	4	3.27%	79,257	40,903
Licensing and permitting software	2024	3	4.50%	69,427	48,271
Device monitoring software	2024	3	4.50%	72,738	49,551
Total				<u>\$241,902</u>	<u>\$ 145,773</u>

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

Description	Terms
Antivirus software	The Town has a subscription arrangement for antivirus software. This arrangement does not include extension or termination terms.
Police body camera software	The Town has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Licensing and permitting software	The Town has a subscription arrangement for licensing and permitting software. This arrangement does not include extension or termination terms.
Device monitoring software	The Town has a subscription arrangement for device monitoring software for the schools. This arrangement does not include extension or termination terms.

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

Year Ending June 30	Principal	Interest
2025	\$ 74,497	\$ 5,970
2026	<u>71,276</u>	<u>2,952</u>
Totals	<u>\$ 145,773</u>	<u>\$ 8,922</u>

Town of Farmington, Connecticut

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

H. Fund balances and net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects Fund	New Farmington High School Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Leases	\$ 93,020	\$ -	\$ -	\$ -	\$ 93,020
Prepaid	797,056	-	-	-	797,056
Total nonspendable	890,076	-	-	-	890,076
<u>Restricted:</u>					
General government	-	-	-	1,177,813	1,177,813
Housing rehabilitation	-	-	-	387,209	387,209
Public safety	-	-	-	15,934	15,934
Culture and recreation	-	-	-	198,055	198,055
Sewer operations*	-	-	-	4,979,478	4,979,478
Cafeteria operations*	-	-	-	1,465,925	1,465,925
Education	-	-	-	2,259,723	2,259,723
Town improvement projects	-	422,000	-	2,640,488	3,062,488
Total restricted	-	422,000	-	13,124,625	13,546,625
<u>Committed:</u>					
General government	-	-	-	327,404	327,404
Waste collection	-	-	-	1,109,918	1,109,918
Culture and recreation	-	-	-	701,609	701,609
Education	-	-	-	2,528,782	2,528,782
Construction commitments	-	2,305,488	25,206,020	-	27,511,508
Capital projects					
Plant upgrade construction	-	2,777,968	-	-	2,777,968
Pump station improvements	-	2,419,126	-	-	2,419,126
District architectural	-	1,082,378	-	-	1,082,378
Other capital projects	-	759,712	-	-	759,712
Total committed	-	9,344,672	25,206,020	4,667,713	39,218,405
<u>Assigned:</u>					
Debt service	-	-	-	3,333,134	3,333,134
Leases	-	-	-	20,767	20,767
Education	206,343	-	-	-	206,343
Subsequent year's budget	1,200,000	-	-	-	1,200,000
Total assigned	1,406,343	-	-	3,353,901	4,760,244
<u>Unassigned</u>	25,298,991	-	(22,615,673)	-	2,683,318
Total	\$ 27,595,410	\$ 9,766,672	\$ 2,590,347	\$ 21,146,239	\$ 61,098,668

*The amount of restricted net position, which was restricted by enabling legislation totaled:

\$ 6,445,403

Town of Farmington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****IV. Other information****A. Risk management**

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for employee medical and prescriptions claims and heart and hypertension claims. The Town contracts with outside organizations to pay claims and provide administrative services. A stop loss insurance contract executed with an insurance carrier covers claims in excess of 120% of expected claim payments in the aggregate for the Town and the Board of Education. In addition, the policies on an individual basis cover claims in excess of \$150,000 (Town) and \$200,000 (Board of Education). Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

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

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

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

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for medical and prescription claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims.

Town of Farmington, Connecticut

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

A. Risk management (continued)

Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2022-2023	\$ 1,288,319	\$ 13,695,663	\$ 13,682,489	\$ 1,301,493
2023-2024	1,301,493	13,479,160	13,377,065	1,403,588

B. Commitments and litigation

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

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

V. Pensions and other post-employment benefit plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town is the administrator of a single-employer defined-benefit pension plan, the Public Employee Retirement System ("Plan"), established and administered by the Town to provide pension benefits to substantially all full-time employees, except certified personnel of the education department who are covered under the State Teachers' Retirement System. Benefits and contributions are established by plan documents. The Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Plan does not issue a separate stand-alone financial report. The plan is closed to new entrants except for police and fire employees.

Management of the plan rests with a Retirement Board ("Board"), which consists of eleven members appointed by the Town Council. At least one member of the Board must also be a member of the Town Council and at least five members of the Retirement Board must be Town employees. The Board has all the powers necessary for the proper administration of the Plan. These powers include prescribing procedures to be followed in filing applications for benefits; having periodic actuarial valuations of the Plan undertaken by an actuary; and directing and monitoring investment of Plan assets.

Town of Farmington, Connecticut

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

A. Town pension plans (continued)**b. Plan membership**

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

Valuation date: July 1, 2023	Town
Active members	195
Terminated employees entitled to benefits	166
Retirees, disabled employees, and beneficiaries receiving benefits	321
Total	<u>682</u>

2. Benefit provisions

Normal retirement	Police: With at least ten years of Credited Service, the earlier of age 48 or 26 years of Credited Service, but not beyond age 65.
	Firefighters: If hired prior to July 15, 2012, the earlier of age 58 with 10 years of Credited Service, or age 65. If hired after July 15, 2012, the earlier of age 58 with 15 years of Credited Service, or age 65.
	Municipal, Education: The earlier of attainment of age 62, or the date on which the sum of age plus Credited Service is equal to 80.
Benefit calculation	Police: 2.5% of final average compensation per year of service to a maximum of 65% (70% for supervisors). Police who retire after January 12, 2012 are subject to a maximum benefit equal to 105% of the Police employee's base salary at time of retirement. Police who are hired after June 12, 2012 are subject to a maximum benefit equal to 85% of their base salary at time of retirement.
	Firefighters: 2.50% of Final Average Earnings multiplied by years of Credited Service, not greater than 26 years. The maximum benefit payable for a Fire employee who is hired prior to July 15, 2012 is 65% of Final Average Earnings. The maximum benefit payable for a Fire employee who is hired after July 15, 2012 is 68% of Base Pay.
	Municipal, Education: 2.00% of Final Average Earnings times years of Credited Service. The maximum benefit payable is 65% of Final Average Earnings.
Final average compensation	Police: Highest average earnings during any 4 consecutive years.
	Firefighters, Municipal, Education: Average earnings during the 36 months immediately preceding retirement.

Town of Farmington, Connecticut

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

A. Town pension plans (continued)

Early retirement age	55
Early retirement service requirement	10 years for police and firefighters, 5 years for municipal and education employees
Early retirement amount	Benefit is based on Credited Service and Final Average Earnings to actual retirement date reduced actuarially for the number of months that the Early Retirement Date precedes the Normal Retirement Date. If the participant has earned more than 35 years of Credited Service, one additional year is added for each 5 years of Credited Service in excess of 30 when determining this early retirement adjustment.
Service connected disability amount	Police: Greater of 50% of base salary or 2% of base salary multiplied by years of Credited Service, less workers' compensation.
	Firefighters: Greater of 50% of base salary or 2.50% of base salary multiplied by years of Credited Service, less workers' compensation.
	Municipal, Education: Greater of the non-service related disability benefit or 25% of compensation, less workers' compensation.
Non-service connected disability service amount	Benefit as of date of disability.
Non-service connected disability service requirement	10 years
Vesting - age	None
Vesting - service	10 years for police, 5 years all others
Vesting - amount	100%
Pre-retirement death benefit amount	Non-service related spouse benefit: 50% of benefit as of date of death
Pre-retirement death benefit amount	Service related spouse benefit: Greater of 50% of Benefit as of date of death or 25% of compensation
Pre-retirement death benefit amount	Children benefit: 50% of benefit as of date of death
Post-retirement death benefit amount	N/A
Cost of living increases	None
Plan closure	Closed to all new entrants except for police and fire employees

Town of Farmington, Connecticut

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

A. Town pension plans (continued)**3. Contributions**

Municipal and education employees	6.00%, for a maximum of 32.5 years
Police officers	7.00%, for a maximum of 30 years
Fire department employees	7.75% if hired prior to July 15, 2012, 8.00% if hired after July 15, 2012, for a maximum of 30 years
Town	Amount determined by the actuary, considering the member contributions; 29.58% of pensionable wages

4. Investments**a. Investment policy and rate of return**

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

Best estimates of arithmetic real rates of return for each major asset class are included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized above.

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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. core fixed income	39.25%	2.36%
U.S. equity market	37.25%	3.82%
Non-U.S. equity	16.50%	5.75%
U.S. REIT's	7.00%	4.72%
Total/weighted average	<u>100.00%</u>	
Long-term inflation expectation		<u>2.50%</u>
Long-term expected rate of return		<u>6.625%</u>

Annual money-weighted rate of return

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

9.39%

Town of Farmington, Connecticut

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

A. Town pension plans (continued)

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

b. Concentrations

Real estate funds represented 5.84% of the pension plan's net position.

5. Net pension liability

The components of the net pension liability were as follows:

Total pension liability	\$ 155,562,365
Plan fiduciary net position	<u>98,790,723</u>
Net pension liability	<u><u>\$ 56,771,642</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>63.51%</u></u>

6. Actuarial methods and significant assumptions

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.625%
Inflation	2.50%
Salary increases	Rates that vary by age or service, and group
Cost of living adjustments	None
Mortality rates	PubS-2010 (Police and Fire) and PubG-2010 (Others) Mortality Tables with generational projection per the MP-2021 Ultimate scale.

7. Changes from prior year**a. Changes in assumptions**

- The inflation rate was changed from 2.75% to 2.50%.

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Farmington, Connecticut

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

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

The discount rate used to measure the total pension liability was 6.625%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

9. Changes in the net pension liability

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

Valuation Date: July 1, 2023	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2023	\$ 151,767,542	\$ 93,795,010	\$ 57,972,532
Service cost	2,540,310	-	2,540,310
Interest	9,904,174	-	9,904,174
Differences between expected and actual experience	(907,043)	-	(907,043)
Changes in assumptions	2,035,973	-	2,035,973
Contributions - employer	-	5,149,587	(5,149,587)
Contributions - member	-	906,057	(906,057)
Net investment income	-	8,840,812	(8,840,812)
Benefit payments, including refunds of member contributions	(9,778,591)	(9,778,591)	-
Administration	-	(122,152)	122,152
Net change	3,794,823	4,995,713	(1,200,890)
Balance at June 30, 2024	<u>\$ 155,562,365</u>	<u>\$ 98,790,723</u>	<u>\$ 56,771,642</u>

Town of Farmington, Connecticut

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

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

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

<u>Town plan</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	6.625%	<u>\$ 74,245,684</u>	<u>\$ 56,771,642</u>	<u>\$ 42,063,697</u>

11. Pension expense and deferred outflows and inflows of resources

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

<u>Town Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 1,905,144	\$ 610,755	\$ 1,294,389
Changes in assumptions	2,689,337	-	2,689,337
Net difference between projected and actual earnings on pension plan investments	<u>2,722,118</u>	<u>-</u>	<u>2,722,118</u>
Total	<u>\$ 7,316,599</u>	<u>\$ 610,755</u>	<u>\$ 6,705,844</u>
<u>Pension Expense</u>			
The plan recognized pension expense of:			<u>\$ 11,256,247</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 2.8 years.

Town of Farmington, Connecticut

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

A. Town pension plans (continued)

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

Year Ending June 30,	
2025	\$ 2,680,862
2026	4,414,982
2027	<u>(390,000)</u>
Total	<u><u>\$ 6,705,844</u></u>

B. Defined contribution retirement savings plan

Town employees are eligible to participate in a defined contribution retirement savings plan administered by the Town. The benefits and contribution requirements are established by approval of the Town Council. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

The Plan requires the Town to contribute an amount equal to 6.00% of the employee's annual pensionable wages. The Town contributions for each employee (and interest allocated to the employee's account) are 100% vested after 5 years of service. Employees are required to contribute 6.00%.

Upon termination of employment, for any reason other than death or retirement, an employee shall be entitled to a deferred vested benefit based upon the number of years of credit service completed. Payment of benefits is deferred until the later of the employee's normal retirement date, the seventh anniversary of the Plan year in which participation commenced or the date of termination. The unvested accrued benefit of the employee is forfeited and allocated to each participant.

During the year, the employer contributions were \$367,994 and employee contributions totaled \$389,078.

C. Connecticut state teachers' retirement system**1. Plan description**

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

Town of Farmington, Connecticut

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

C. Connecticut state teachers' retirement system (continued)**2. Benefit provisions**

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Town of Farmington, Connecticut

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

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

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

Employees

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

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

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

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>135,895,600</u>
Total	<u>\$ 135,895,600</u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 12,609,209</u>

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

5. Actuarial assumptions

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

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

Town of Farmington, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases are as follows:

Teachers who retired prior to September 1, 1992	Pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum
Teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%
Teachers who were members of the Teachers' Retirement System after July 1, 2007	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Long-term expected rate of return

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

Town of Farmington, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

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

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

6. Discount rate

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

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

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of Farmington, Connecticut

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

D. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town administers a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions ("OPEB") for certain full-time employees. Management of the plan is vested in the Board of Finance. The Town funding and payment of postemployment benefits are accounted for in the Internal Service Fund on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

b. Plan membership

The membership in the Plan as of the date indicated is comprised of the following:

<u>Valuation date: July 1, 2023</u>	<u>Town</u>
Active members	759
Retirees and beneficiaries receiving benefits	<u>204</u>
Total	<u><u>963</u></u>

2. Benefit provisions

The Plan provides for medical and dental benefits for all eligible Town and Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

3. Contributions

The Town is currently funding benefits on a pay-as-you-go basis. Active police employees are required to contribute 0.25% of pensionable wages towards the Town's portion of retiree medical insurance. No other active employees are required to contribute. Retired program members and beneficiaries currently receiving benefits are required to contribute active employee premiums as follows:

Medical benefits:	
Police	25% of the retirees' premium, 50% for the spouse
All other Town	50% of the retirees' premium, 100% for the spouse
Education - Certified	100% of the premium, less the \$1,320 annual CT Teachers Retirement Board subsidy for certified employees.
Education - Non-Certified	50% of the retirees' premium, 100% for the spouse.

Town of Farmington, Connecticut

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

D. Other post-employment benefit plan (continued)**4. OPEB liability**

The Town's OPEB liability of \$43,127,461 was measured as of June 30, 2024, and was determined using the assumptions below.

5. Actuarial methods and significant assumptions:

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Discount rate	3.93%
Salary increases	Graded by age and service
Healthcare cost trend rates:	
Inflation	2.50%
Initial medical trend rate	6.70% (pre-65) and 4.60% (post-65)
Ultimate medical trend rate	3.90%
Mortality rates	Pub-2010 Mortality table with generational projection per the MP-2021 Ultimate scale

6. Changes from prior year**a. Changes in assumptions**

- The discount rate increased from 3.65% to 3.93%.
- The inflation rate decreased from 2.75% to 2.50%.
- The healthcare cost trend rates changed from 5.70% - 4.20% to 6.70% - 3.90%.

b. Changes in benefit terms

There were no changes in benefit terms.

7. Discount rate

The discount rate used to measure the total OPEB liability was 3.93%. The discount rate was based on the Bond Buyer General Obligation 20 Bond Municipal Index.

Town of Farmington, Connecticut

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

D. Other post-employment benefit plan (continued)**8. Changes in the OPEB liability**

The Town's OPEB liability was measured at June 30, 2024 and was determined by an actuarial valuation dated as noted below:

<u>Valuation Date: July 1, 2023</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2023	<u>\$ 46,540,088</u>
Service cost	2,356,199
Interest	1,758,801
Differences between expected and actual experience	(6,260,986)
Changes in assumptions	166,103
Benefit payments, including refunds of member contributions	<u>(1,432,744)</u>
Net change	<u>(3,412,627)</u>
Balance at June 30, 2024	<u><u>\$ 43,127,461</u></u>

9. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the 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:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Liability	<u>3.93%</u>	<u>\$ 49,656,265</u>	<u>\$ 43,127,461</u>	<u>\$ 37,831,237</u>

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

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

	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
OPEB Liability	<u>6.70-3.90%</u>	<u>\$ 36,750,245</u>	<u>\$ 43,127,461</u>	<u>\$ 51,310,584</u>

Town of Farmington, Connecticut

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

D. Other post-employment benefit plan (continued)**11. OPEB expense and deferred outflows of resources related to OPEB**

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

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 2,507,855	\$ 7,317,498	\$ (4,809,643)
Changes in assumptions	<u>7,111,808</u>	<u>14,107,333</u>	<u>(6,995,525)</u>
Total	<u>\$ 9,619,663</u>	<u>\$ 21,424,831</u>	<u>\$ (11,805,168)</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of:			<u>\$ 2,569,657</u>

Changes in assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 8.6 years.

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

<u>Year Ended June 30,</u>	
2025	\$ (1,545,343)
2026	(1,545,343)
2027	(1,573,411)
2028	(1,638,502)
2029	(1,638,502)
Thereafter	<u>(3,864,067)</u>
Total	<u>\$ (11,805,168)</u>

Town of Farmington, Connecticut

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

E. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service

Retiree healthcare coverage

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

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

Town of Farmington, Connecticut

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

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The subsidy amounts are set by State statutes as follows:

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

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

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

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

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Employees/retirees

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

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

Town of Farmington, Connecticut

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

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

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

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>12,731,552</u>
Total	<u>\$ 12,731,552</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 171,587</u>

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

5. Actuarial assumptions

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

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

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

Town of Farmington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****E. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Changes in assumptions and inputs**

- There were no changes in assumptions.

Long-term expected rate of return

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

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

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate

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

8. Plan fiduciary net position

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

Town of Farmington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****VII. Recently issued GASB pronouncements**

GASB Statement No. 101, "Compensated Absences", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "Certain Risk Disclosures", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, "Financial Reporting Model Improvements", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Required Supplementary Information

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

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

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 107,402,196	\$ -	\$ 107,402,196	\$ 107,969,421	\$ 567,225
Arrears taxes	225,000	-	225,000	304,716	79,716
Supplemental - auto	962,600	-	962,600	750,718	(211,882)
Interest and liens	250,000	-	250,000	344,287	94,287
Telephone access line	81,718	-	81,718	127,807	46,089
Total property taxes	108,921,514	-	108,921,514	109,496,949	575,435
Intergovernmental:					
Education grants	1,177,260	-	1,177,260	1,206,910	29,650
Tax relief - disabled homeowner	1,300	-	1,300	1,181	(119)
Revenue sharing - projects	504,238	-	504,238	674,903	170,665
PILOT - state owned property	3,799,082	-	3,799,082	4,178,991	379,909
Social service grants	10,000	-	10,000	5,140	(4,860)
Police grants	175,293	-	175,293	137,325	(37,968)
Town aid roads	381,757	-	381,757	381,432	(325)
Fire safer grant	-	-	-	8,247	8,247
Tax relief - veterans	3,300	-	3,300	2,289	(1,011)
Municipal stabilization	802,461	-	802,461	1,348,265	545,804
Total intergovernmental grants	6,854,691	-	6,854,691	7,944,683	1,089,992
Charges for services:					
Real estate conveyance tax	615,000	-	615,000	642,241	27,241
Busing fees	8,000	-	8,000	4,833	(3,167)
Rentals	20,000	-	20,000	20,675	675
Tower space rental	162,315	-	162,315	239,377	77,062
Housing	42,000	-	42,000	51,396	9,396
Police services	285,750	-	285,750	278,757	(6,993)
Town clerk fees	325,000	-	325,000	218,142	(106,858)
Sewer inspection fee	5,000	-	5,000	-	(5,000)
Zoning hearings	40,000	-	40,000	21,906	(18,094)
Alarm fines and connections	10,000	-	10,000	11,825	1,825
Dog licenses	6,500	-	6,500	6,296	(204)
Building permits	945,000	-	945,000	1,437,879	492,879
Miscellaneous	10,000	-	10,000	7,900	(2,100)
Court fines	13,500	-	13,500	39,596	26,096
Dog fines and charges	1,000	-	1,000	1,196	196
Other assessments	703,963	-	703,963	703,964	1
Other revenues	65,000	-	65,000	50,857	(14,143)
Total charges for services	3,258,028	-	3,258,028	3,736,840	478,812
Income from investments	697,000	-	697,000	2,834,454	2,137,454
Total revenues	119,731,233	-	119,731,233	124,012,926	4,281,693

(Continued)

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Other financing sources:					
Appropriation of fund balance	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -	\$ (1,200,000)
Cancellation of prior year encumbrances	-	-	-	64,457	64,457
Transfers in:					
Westwoods fund	335,000	-	335,000	226,000	(109,000)
Total other financing sources	1,535,000	-	1,535,000	290,457	(1,244,543)
Total revenues and other financing sources	\$ 121,266,233	\$ -	\$ 121,266,233	\$ 124,303,383	\$ 3,037,150

(Concluded)

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town manager	\$ 589,476	\$ 27,000	\$ 616,476	\$ 616,291	\$ 185
Finance	1,527,703	7,100	1,534,803	1,534,669	134
Probate	20,000	-	20,000	20,000	-
Registrar of voters	127,430	30,000	157,430	157,033	397
Town council	75,000	3,000	78,000	77,988	12
Personnel services	148,000	(75,000)	73,000	67,939	5,061
Legal	121,330	(25,000)	96,330	90,913	5,417
Town clerk	322,024	(25,000)	297,024	289,451	7,573
Economic development	165,951	-	165,951	163,120	2,831
Outside agencies	3,221,763	-	3,221,763	3,218,033	3,730
Planning and zoning	458,194	-	458,194	451,594	6,600
Public buildings	253,472	-	253,472	245,164	8,308
Insurance	374,760	(20,662)	354,098	352,728	1,370
Total general government	7,405,103	(78,562)	7,326,541	7,284,923	41,618
Public safety:					
Fire marshal	1,337,790	(70,000)	1,267,790	1,260,198	7,592
Fire department	1,751,051	72,000	1,823,051	1,822,258	793
Police	6,915,986	-	6,915,986	6,728,704	187,282
Communications center	1,148,298	-	1,148,298	1,105,534	42,764
EMS services	26,645	-	26,645	26,645	-
Building inspector	190,650	71,000	261,650	260,738	912
Total public safety	11,370,420	73,000	11,443,420	11,204,077	239,343
Public works:					
Public works administration	133,716	6,600	140,316	140,254	62
Highway and grounds	4,368,129	(27,038)	4,341,091	4,327,273	13,818
Engineering	413,281	-	413,281	397,631	15,650
Total public works	4,915,126	(20,438)	4,894,688	4,865,158	29,530
Culture and recreation:					
Community and recreational services	910,629	26,000	936,629	936,415	214
Housing	36,124	-	36,124	31,315	4,809
Total culture and recreation	946,753	26,000	972,753	967,730	5,023
Employee benefits:					
Benefits	9,391,866	-	9,391,866	9,333,237	58,629
Other	10,000	-	10,000	-	10,000
Total employee benefits	9,401,866	-	9,401,866	9,333,237	68,629
Total Town budget	34,039,268	-	34,039,268	33,655,125	384,143

(Continued)

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Debt service	\$ 9,872,242	\$ -	\$ 9,872,242	\$ 9,665,401	\$ 206,841
Education:					
Board of education	75,710,755	-	75,710,755	75,708,057	2,698
Pension - defined contribution	325,000	-	325,000	280,872	44,128
Total education	76,035,755	-	76,035,755	75,988,929	46,826
Total expenditures	119,947,265	-	119,947,265	119,309,455	637,810
Other financing uses:					
Transfers out	1,318,968	-	1,318,968	1,318,968	-
Total expenditures and other financing uses	\$ 121,266,233	\$ -	\$ 121,266,233	\$ 120,628,423	\$ 637,810

(Concluded)

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut

Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Budgets and Budgetary Accounting

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

Formal legally adopted annual budgets are employed as a management control device in the General Fund. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- The Town does not recognize as revenue or expenditures payments made for the State Teachers' pension and OPE by the State of Connecticut on the Town's behalf.
- The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Reconciliation to Exhibit D	Revenues	Expenditures
Budgetary Basis	\$ 124,012,926	\$ 119,309,455
Current year encumbrances charged to budgetary expenditures	-	(206,343)
Prior year encumbrances liquidated in the current year	-	423,237
State Teachers' pension on behalf amount	12,609,209	12,609,209
State Teachers' OPEB on behalf amount	<u>171,587</u>	<u>171,587</u>
GAAP Basis - Exhibit D	<u>\$ 136,793,722</u>	<u>\$ 132,307,145</u>

The Town uses the following procedures in establishing the budgetary data included in the financial statements. No later than 45 days before the annual town meeting, the Town Manager submits a proposed budget for the General Fund to the Town Council. On the third Monday in April, the budget is presented to the annual town meeting; 10 days thereafter, the budget is voted on at a Town-wide referendum.

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

Town management may transfer amounts between line items within a department but, as required by Charter Section C3-6, only the Town Council is authorized to transfer the legally budgeted amounts between departmental accounts.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval.

There were no additional appropriations for the year.

Town of Farmington, Connecticut
Required Supplementary Information

Town Pension Plan
Last Ten Years

	2024	2023	2022	2021	2020	(1) 2019	2018	2017	2016	2015
	Schedule of Changes in Net Pension Liability and Related Ratios									
Total pension liability:										
Service cost	\$ 2,540,310	\$ 2,535,775	\$ 2,473,746	\$ 2,655,536	\$ 2,671,800	\$ 2,643,357	\$ 2,741,005	\$ 2,767,051	\$ 2,685,011	\$ 2,617,259
Interest	9,904,174	9,586,360	9,153,939	9,083,147	8,407,963	8,087,777	8,025,376	7,746,331	7,488,073	7,136,946
Differences between expected and actual experience	(907,043)	3,303,661	1,913,507	(396,412)	1,734,306	1,046,725	2,176,960	(404,246)	1,032,773	1,716,934
Changes in assumptions	2,035,973	1,591,987	2,054,667	1,791,369	5,885,701	-	-	-	-	-
Benefit payments, including refunds of member contributions	(9,778,591)	(9,317,091)	(8,692,817)	(8,333,912)	(7,483,666)	(6,935,111)	(6,758,662)	(6,251,836)	(6,074,150)	(5,583,029)
Net change in total pension liability	3,794,823	7,700,692	6,903,042	4,799,728	11,216,104	4,842,748	6,184,679	3,857,300	5,131,707	5,888,110
Total pension liability - July 1	151,767,542	144,066,850	137,163,808	132,364,080	121,147,976	116,305,228	115,229,398	111,372,098	106,240,391	100,352,281
Total pension liability - June 30 (a)	\$ 155,562,365	\$ 151,767,542	\$ 144,066,850	\$ 137,163,808	\$ 132,364,080	\$ 121,147,976	\$ 121,414,077	\$ 115,229,398	\$ 111,372,098	\$ 106,240,391
Plan fiduciary net position:										
Contributions - employer	\$ 5,149,587	\$ 4,813,473	\$ 4,528,109	\$ 4,190,387	\$ 3,416,852	\$ 3,314,450	\$ 3,281,473	\$ 3,118,029	\$ 3,110,676	\$ 2,751,795
Contributions - member	906,057	1,111,037	1,565,811	1,225,481	1,306,100	1,337,937	1,463,603	1,525,212	1,325,776	1,363,022
Net investment income (loss)	8,840,812	5,560,290	(12,673,080)	22,645,476	2,077,084	4,408,643	6,125,595	9,183,296	(197,722)	1,630,361
Benefit payments, including refunds of member contributions	(9,778,591)	(9,317,091)	(8,692,817)	(8,333,912)	(7,483,666)	(6,935,111)	(6,758,662)	(6,251,836)	(6,074,150)	(5,583,029)
Administration	(122,152)	(96,846)	(102,853)	(47,209)	(65,471)	(84,601)	(61,796)	(59,440)	(59,260)	(58,021)
Net change in plan fiduciary net position	4,995,713	2,070,863	(15,374,830)	19,680,223	(749,101)	2,041,318	4,050,213	7,515,261	(1,894,680)	104,128
Plan fiduciary net position - July 1	93,795,010	91,724,147	107,098,977	87,418,754	88,167,855	86,126,537	85,792,245	78,276,984	80,171,664	80,067,536
Plan fiduciary net position - June 30 (b)	\$ 98,790,723	\$ 93,795,010	\$ 91,724,147	\$ 107,098,977	\$ 87,418,754	\$ 88,167,855	\$ 89,842,458	\$ 85,792,245	\$ 78,276,984	\$ 80,171,664
Net pension liability - June 30 (a)-(b)	\$ 56,771,642	\$ 57,972,532	\$ 52,342,703	\$ 30,064,831	\$ 44,945,326	\$ 32,980,121	\$ 31,571,619	\$ 29,437,153	\$ 33,095,114	\$ 26,068,727
Plan fiduciary net position as a percentage of the total pension liability	63.51%	61.80%	63.67%	78.08%	66.04%	72.78%	74.00%	74.45%	70.28%	75.46%
Covered payroll	\$ 17,408,328	\$ 17,736,997	\$ 19,830,837	\$ 21,236,884	\$ 21,293,308	\$ 20,668,122	\$ 21,941,418	\$ 21,564,107	\$ 20,903,455	\$ 20,141,456
Net pension liability as a percentage of covered payroll	326.12%	326.85%	263.95%	141.57%	211.08%	159.57%	143.89%	136.51%	158.32%	129.43%
Annual money weighted rate of return, net of investment expense	9.39%	6.05%	(11.79%)	25.82%	2.36%	5.08%	7.11%	11.64%	(0.25%)	2.03%

Schedule of Investment Returns

Notes:

(1) In 2019 the pension liability and plan fiduciary net position were restated to remove library employees from the pension liability calculation

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut										
Required Supplementary Information										
Town Pension Plan										
Schedule of Contributions										
Last Ten Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 5,149,587	\$ 4,813,473	\$ 4,523,471	\$ 4,190,387	\$ 3,416,852	\$ 3,314,450	\$ 3,281,473	\$ 3,118,029	\$ 3,040,676	\$ 2,751,795
Contributions in relation to the actuarially determined contribution	5,149,587	4,813,473	4,528,109	4,190,387	3,416,852	3,314,450	3,281,473	3,118,029	3,110,676	2,751,795
Contribution excess (deficiency)	\$ -	\$ -	\$ 4,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -
Covered payroll	\$ 17,408,328	\$ 17,736,997	\$ 19,830,837	\$ 21,236,884	\$ 21,293,308	\$ 20,668,122	\$ 21,941,418	\$ 21,564,107	\$ 20,903,445	\$ 20,141,456
Contributions as a percentage of covered payroll	29.56%	27.14%	22.83%	19.73%	16.05%	16.04%	14.96%	14.46%	14.88%	13.66%

Town of Farmington, Connecticut

Notes to Required Supplementary Information

Town Pension Plan
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed
Asset valuation method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%	Graded from 6.5% to 3.5%
Investment rate of return (net)	6.625%	6.75%	6.875%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.25%
Mortality rate	PubS-2010 (Police & Fire) and PubG- 2010 (Others) Mortality Tables with generational projection per the MP-2021 Ultimate scale	PubS-2010 (Police & Fire) and PubG- 2010 (Others) Mortality Tables with generational projection per the MP-2019 Ultimate scale	PubS-2010 (Police & Fire) and PubG- 2010 (Others) Mortality Tables with generational projection per the MP-2019 Ultimate scale	PubS-2010 (Police & Fire) and PubG- 2010 (Others) Mortality Tables with generational projection per the MP-2014 Ultimate scale	PubS-2010 (Police & Fire) and PubG- 2010 (Others) Mortality Tables with generational projection per the MP Ultimate scale	RP-2000 Mortality for Employees, Health Annuitants, and Disabled Annuitants, with generational projection per Scale AA	RP-2000 Mortality for Employees, Health Annuitants, and Disabled Annuitants, with generational projection per Scale AA	RP-2000 Mortality for Employees, Health Annuitants, and Disabled Annuitants, with generational projection per Scale AA	RP-2000 Mortality for Employees, Health Annuitants, and Disabled Annuitants, with generational projection per Scale AA	RP-2000 Mortality for Employees, Health Annuitants, and Disabled Annuitants, with generational projection per Scale AA

Town of Farmington, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement System
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the collective net pension liability										
Town's proportionate share of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	135,895,600	148,129,859	121,959,510	153,987,632	137,744,312	106,208,867	106,476,441	112,333,460	85,294,583	78,837,748
Town's covered payroll	\$ 135,895,600	\$ 148,129,859	\$ 121,959,510	\$ 153,987,632	\$ 137,744,312	\$ 106,208,867	\$ 106,476,441	\$ 112,333,460	\$ 85,294,583	\$ 78,837,748
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Plan fiduciary net position as a percentage of the collective total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
<u>Schedule of Contributions</u>										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

Town of Farmington, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	27.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of Farmington, Connecticut
Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Last Seven Years (1)

Schedule of Changes in OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
OPEB liability:							
Service cost	\$ 2,356,199	\$ 2,162,961	\$ 3,734,051	\$ 3,474,699	\$ 2,400,911	\$ 2,046,329	\$ 2,128,094
Interest	1,758,801	1,595,423	1,288,304	1,228,796	1,557,243	1,523,278	1,386,576
Changes of benefit terms	-	-	-	-	-	-	(1,689,749)
Differences between expected and actual experience	(6,260,986)	-	3,683,414	-	(3,436,884)	-	-
Changes in assumptions	166,103	657,774	(20,147,419)	489,711	10,656,543	2,314,425	-
Benefit payments, including refunds of member contributions	(1,432,744)	(1,549,539)	(1,580,639)	(1,225,369)	(1,084,229)	(1,118,501)	(1,108,626)
Net change in total OPEB liability	(3,412,627)	2,866,619	(13,022,289)	3,967,837	10,093,584	4,765,531	716,295
OPEB liability - July 1	46,540,088	43,673,469	56,695,758	52,727,921	42,634,337	37,868,806	37,152,511
OPEB liability - June 30 *	<u>\$ 43,127,461</u>	<u>\$ 46,540,088</u>	<u>\$ 43,673,469</u>	<u>\$ 56,695,758</u>	<u>\$ 52,727,921</u>	<u>\$ 42,634,337</u>	<u>\$ 37,868,806</u>
Covered-employee payroll	<u>\$ 59,287,146</u>	<u>\$ 57,827,248</u>	<u>\$ 57,827,248</u>	<u>\$ 59,442,708</u>	<u>\$ 59,442,708</u>	<u>\$ 55,406,597</u>	<u>\$ 55,406,597</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>72.74%</u>	<u>80.48%</u>	<u>75.52%</u>	<u>95.38%</u>	<u>88.70%</u>	<u>76.95%</u>	<u>68.35%</u>

* There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 75 to pay benefits.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Farmington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Seven Years (3)

	2024	2023	2022	2021	2020	2019	2018
Schedule of Proportionate Share of the Collective Net OPEB Liability							
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	12,731,552	12,972,778	13,287,265	22,967,261	21,482,002	21,231,853	27,405,833
Total	\$ 12,731,552	\$ 12,972,778	\$ 13,287,265	\$ 22,967,261	\$ 21,482,002	\$ 21,231,853	\$ 27,405,833
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective 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 collective total OPEB liability	11.92%	9.54%	6.11%	2.50%	2.08%	1.49%	1.79%
Schedule of Contributions							
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportionate share of the collective net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Farmington, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Appendix B

Form of Opinion of Bond Counsel

APPENDIX B – FORM OF OPINION OF BOND COUNSEL

November __, 2025

Town of Farmington
1 Monteith Drive
Farmington, CT 06032

We have acted as Bond Counsel to the Town of Farmington, Connecticut (the “Town”) in connection with the issuance by the Town of its \$_____ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated November __, 2025. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

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

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

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

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

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

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

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C

Form of Continuing Disclosure Agreement

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of November __, 2025 by the Town of Farmington, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ _____ General Obligation Bonds, Issue of 2025, dated as of November __, 2025 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated October __, 2025 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:

(i) Financial statements of the Issuer's general fund, and any capital projects, proprietary, internal service and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

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

- (A) amounts of the 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 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, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

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

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

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

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

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Treasurer, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is Town Hall, 1 Monteith Drive, Farmington, Connecticut 06032.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF FARMINGTON, CONNECTICUT

By: _____
KATHLEEN A. BLONSKI
Town Manager

By: _____
JOSEPH SWETCKY, JR.
Director of Finance/Treasurer

Appendix D

Notice of Sale

APPENDIX D – NOTICE OF SALE

NOTICE OF SALE

TOWN OF FARMINGTON, CONNECTICUT \$22,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via Grant Street Group's MuniAuction ("MuniAuction®") website at www.grantstreet.com will be received by the TOWN OF FARMINGTON, CONNECTICUT (the "Issuer") **between 11:15 A.M. and 11:30 A.M. (E.T.)** on THURSDAY,

OCTOBER 30, 2025

(the "Sale Date") for the purchase, when issued, of all (but not less than all) of the Issuer's \$22,500,000 General Obligation Bonds, Issue of 2025, dated November 13, 2025 (the "Bonds"), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on November 1 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	1,125,000	2036	1,125,000
2027	1,125,000	2037	1,125,000
2028	1,125,000	2038	1,125,000
2029	1,125,000	2039	1,125,000
2030	1,125,000	2040	1,125,000
2031	1,125,000	2041	1,125,000
2032	1,125,000	2042	1,125,000
2033	1,125,000	2043	1,125,000
2034	1,125,000	2044	1,125,000
2035	1,125,000	2045	1,125,000

The Bonds will bear interest commencing May 1, 2026 and semiannually thereafter on November 1 and May 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Electronic bids must be submitted via MuniAuction® (see "Electronic Bidding Procedures"). To bid, bidders must have: (1) completed the registration form on either the MuniAuction® website or any municipal debt auction website powered by MuniAuction®, and (2) requested and received admission to the Issuer's auction (as described under "Electronic Bidding Procedures – *Registration and Admission to Bid*" below). The use of MuniAuction® shall be at the bidders' risk and expense, and the Issuer shall have no liability with respect to its use by the bidders. **No other method of submitting bids will be accepted.**

Optional Redemption

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

<u>Redemption Date</u>	<u>Redemption Price</u>
November 1, 2033 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records

maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the fifteenth day of April and October or the preceding business day if such fifteenth day is not a business day, in each year.

Proposals

Each bid must be for the entire \$22,500,000 of the Bonds in accordance with the requirements prescribed herein and by the Rules of MuniAuction®. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent ($1/20$ of 1%) or one-eighth of one percent ($1/8$ of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *MuniAuction*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to

the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Bidding Procedures

Registration and Admission to Bid

To bid, bidders must first visit the MuniAuction® website at “www.grantstreet.com” where, if they have never registered with either MuniAuction® or any municipal debt auction website powered by MuniAuction®, they can register and then request admission to bid in the auction for the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction® may call MuniAuction® at (412) 391-5555 for their ID Number or password. The Issuer will determine whether any request for admission is granted.

Bidding Procedures

All bids must be submitted electronically on the MuniAuction® website at www.grantstreet.com. No telephone, telefax, telegraph or personal delivery bids will be accepted. Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") on the Bonds when compared to the immediately preceding bid of such bidder. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. The last bid submitted by a bidder before the end of the auction will be compared to all other final bids submitted by others to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid but each bidder will be able to see its ranking (i.e., "Leader", "Cover", "3rd", etc.).

If any bid becomes a leading bid within two (2) minutes prior to the scheduled end of the bidding, then the time period for submission of bids will automatically extend by two (2) minutes from the time such new leading bid was received (the "Two-Minute Rule"). The Two-Minute Rule will remain in effect as long as bids received by MuniAuction® meet the requirements of the Two-Minute Rule described herein.

Bidders should verify the accuracy of their final bids and compare them to the winning bid reported on the MuniAuction® Observation Page immediately after the auction.

Rules of MuniAuction

The "Rules of MuniAuction®" can be viewed on the MuniAuction® website at www.grantstreet.com and are incorporated by reference in this official Notice of Sale. Bidders must comply with the Rules of MuniAuction® in addition to the requirements of this official Notice of Sale. In the event the Rules of MuniAuction® conflict with this official Notice of Sale, this official Notice of Sale shall prevail.

A bidder submitting a winning bid is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Issuer, as set forth in this Notice of Sale. A winning bid is not officially awarded to the Bidder until formally accepted by the Issuer.

Neither the Issuer, its Bond Counsel nor MuniAuction® is responsible for technical difficulties that result in the loss of a bidder's internet connection with MuniAuction®, slowness in transmission of bids, or other technical problems. If for any reason a bidder is disconnected from MuniAuction®'s auction page during the auction after having submitted a winning bid, such Bid is valid and binding upon the bidder, unless the Issuer exercises its right to reject bids, as set forth in this Notice of Sale. Bids that generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction. Neither the Issuer, its Bond Counsel nor MuniAuction® is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the Preliminary Official Statement for the Bonds as they appear on MuniAuction®.

Only bidders who request and receive admission to an auction may submit Bids. The Issuer, its Bond Counsel and MuniAuction® reserve the right to deny access to MuniAuction® to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion. Neither the Issuer, its Bond Counsel nor MuniAuction® is responsible for protecting the confidentiality of a bidder's MuniAuction® password.

If two (2) bids are submitted in the auction by the same or two or more different bidders and result in the same TIC, the first confirmed bid received by MuniAuction® prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC. Bidders must compare their final bids to those shown on the observation pages immediately after the bidding time period ends, and if they disagree with the final results shown on the observation pages they must report them to MuniAuction® within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction®, the Bonds are definitively awarded to the winning bidder only upon official award by the Issuer. If, for any reason, the Issuer fails to: (i) award the Bonds to the winning bidder reported by MuniAuction®, or (ii) deliver the Bonds to the winning bidder at settlement, neither the Issuer's Bond Counsel nor MuniAuction® will be liable for damages.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about November 13, 2025 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

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

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Rule") because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so

long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated October 21, 2025 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com> and www.grantstreet.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF FARMINGTON, CONNECTICUT

KATHLEEN A. BLONSKI
Town Manager

JOSEPH SWETCKY, JR.
Director of Finance/Treasurer

October 21, 2025

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF FARMINGTON, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2025
Dated November 13, 2025

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF FARMINGTON, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about November 13, 2025, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of October 30, 2025 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of October __, 2025.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, November 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026	1,125,000		
2027	1,125,000		
2028	1,125,000		
2029	1,125,000		
2030	1,125,000		
2031	1,125,000		
2032	1,125,000		
2033	1,125,000		
2034	1,125,000		
2035	1,125,000		
2036	1,125,000		
2037	1,125,000		
2038	1,125,000		
2039	1,125,000		
2040	1,125,000		
2041	1,125,000		
2042	1,125,000		
2043	1,125,000		
2044	1,125,000		
2045	1,125,000		

Schedule B to Issue Price Certificate

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