

# Preliminary Official Statement Dated February 3, 2026

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

**RATINGS: S&P Global Ratings: "AA+ / SP-1+"  
Fitch Ratings: "AA+ / F1+"**

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



## **City of Danbury, Connecticut \$60,130,000 General Obligation Bonds, Issue of 2026**

**Dated: Date of Delivery**

**Due: Serially on February 15, 2027-2046,  
as detailed inside this front cover:**

The Bonds will bear interest payable August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

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

**Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (E.T.) on Tuesday, February 10, 2026, at Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810 as described in the official Notice of Sale. (See Appendix F herein).**

---

## **\$139,605,000 General Obligation Bond Anticipation Notes**

**Dated: February 23, 2026**

**Due: February 22, 2027**

The Notes will be issued in book-entry-only form and will bear interest at such rate or rates per annum as are specified by the successful bidder or bidders as set forth on the inside front cover, in accordance with the Notice of Sale dated February 3, 2026. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC, New York, New York. See "Book-Entry-Only Transfer System" herein. The Notes are NOT subject to redemption.

**Electronic bids via PARITY for the Notes will be received until 11:00 A.M. (E.T.) on Tuesday, February 10, 2026, at Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810 as described in the official Notice of Sale. (See Appendix G herein).**

The Bonds and the Notes will be general obligations of the City of Danbury, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds and the Notes when due. See "Security and Remedies" herein.

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

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and the Notes in book-entry-only form will be made to DTC on or about February 23, 2026.

**City of Danbury, Connecticut**  
**\$60,130,000**  
**General Obligation Bonds, Issue of 2026**

**Dated: Date of Delivery**

**Due: Serially on February 15, 2027-2046,  
as detailed below:**

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP</b>
2027	\$ 3,005,000	-.--%	-.--%	235866____	2037	\$ 3,005,000	-.--%	-.--%	235866____
2028	3,005,000	-.--%	-.--%	235866____	2038	3,005,000	-.--%	-.--%	235866____
2029	3,005,000	-.--%	-.--%	235866____	2039	3,005,000	-.--%	-.--%	235866____
2030	3,005,000	-.--%	-.--%	235866____	2040	3,005,000	-.--%	-.--%	235866____
2031	3,005,000	-.--%	-.--%	235866____	2041	3,010,000	-.--%	-.--%	235866____
2032	3,005,000	-.--%	-.--%	235866____	2042	3,010,000	-.--%	-.--%	235866____
2033	3,005,000	-.--%	-.--%	235866____	2043	3,010,000	-.--%	-.--%	235866____
2034	3,005,000	-.--%	-.--%	235866____	2044	3,010,000	-.--%	-.--%	235866____
2035	3,005,000	-.--%	-.--%	235866____	2045	3,010,000	-.--%	-.--%	235866____
2036	3,005,000	-.--%	-.--%	235866____	2046	3,010,000	-.--%	-.--%	235866____

**\$139,605,000**  
**General Obligation Bond Anticipation Notes**

**Dated: February 23, 2026**

**Due: February 22, 2027**

**Rate: -.--%**

**CUSIP: <sup>1</sup> 235866\_\_\_\_**

**Yield: -.--%**

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the City and are included solely for the convenience of the holders of the Bonds and the Notes. The City 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 and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes 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 and the Notes.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes 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 and the Notes shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Certain information in this Official Statement has been obtained by the City from other sources. Neither the City nor the Municipal Advisor guaranty the accuracy or completeness of such information, however, and such information is not to be construed as a representation of any of the foregoing.

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

Other than as to matters expressly set forth in Appendices B and C, "Form of Opinion of Bond Counsel – the Bonds" and "Form of Opinion of Bond Counsel – The Notes", respectively, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

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

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

*(The remainder of this page intentionally left blank)*

*(This page intentionally left blank)*

## **Table of Contents**

	<b><u>Page</u></b>		<b><u>Page</u></b>
<b>Bond Issue Summary</b> .....	1	Exempt Property .....	29
<b>Note Issue Summary</b> .....	2	Property Tax Levies and Collections .....	30
<b>I Bond and Note Information</b> .....	3	Property Taxes Receivable .....	30
Introduction .....	3	Ten Largest Taxpayers .....	30
Consideration for Bond and Note Holders .....	3	<b>V Debt Summary</b> .....	31
Cybersecurity .....	3	Principal Amount of Bonded Indebtedness .....	31
Climate Change .....	4	Short Term Debt .....	32
Municipal Advisor .....	4	Other Obligations .....	32
Description of the Bonds .....	4	General Fund Annual Bonded Debt	
Redemption Provisions .....	4	Maturity Schedule .....	33
Description of the Notes .....	5	Self-Supporting Debt Annual Bonded	
Authorization and Purpose .....	5	Maturity Schedule .....	33
Use of Proceeds.....	5	Total General Obligation Annual Bonded Debt	
School Projects .....	6	Maturity Schedule .....	34
Book-Entry-Only Transfer System .....	6	Overlapping/Underlying Debt .....	34
DTC Practices .....	7	Debt Statement .....	35
Replacement Bonds and Notes .....	7	Current Debt Ratios .....	35
Security and Remedies .....	8	Bond Authorization Procedure .....	36
Qualification for Financial Institutions .....	8	Temporary Financing .....	36
Availability of Continuing Disclosure Information ....	9	Clean Water Fund Program .....	36
Ratings .....	9	Limitation of Indebtedness .....	37
Bond Insurance .....	9	Statement of Debt Limitation .....	38
<b>II The Issuer</b> .....	10	Debt Authorized But Unissued .....	39
Description of the Municipality .....	10	Ratios of Long-Term Debt to Valuation,	
Form of Government .....	10	Population and Income .....	39
Principal Municipal Officials .....	11	Ratio of Annual Debt Service To Total General	
Municipal Services .....	11	Fund Expenditures and Other Financing Uses .....	40
Enterprise Funds .....	18	Six-Year Capital Improvement Program .....	40
Employee Relations and Collective Bargaining.....	20	<b>VI Financial Information</b> .....	41
Municipal Employees .....	20	Fiscal Year .....	41
Employee Bargaining Organization .....	20	Basis of Accounting .....	41
Educational Services .....	21	Budget Procedure .....	41
School Facilities .....	21	Investment Policy .....	41
School Enrollment .....	22	Audit .....	41
<b>III Economic and Demographic Information</b> .....	23	Liability Insurance .....	42
Population and Density .....	23	Pension Plans .....	42
Age Distribution of the Population .....	23	Other Post-Employment Benefits .....	46
Income Distribution .....	23	General Fund Revenues, Expenditures and	
Income Levels .....	24	and Changes in Fund Balances .....	48
Educational Attainment .....	24	Analysis of General Fund Equity .....	49
Major Employers .....	24	<b>VII Legal and Other Information</b> .....	50
Employment by Industry .....	25	Litigation .....	50
Employment Data by Place of Residence .....	25	Tax Matters .....	51
Age Distribution of Housing .....	26	Transcript and Documents Furnished at Delivery .....	53
Housing Inventory .....	26	Concluding Statement .....	54
Building Permits .....	26	<b>Appendix A - 2024 General Purpose Financial Statements</b>	
Owner-Occupied Housing Values .....	27	Excerpted from the City's	
<b>IV Tax Base Data</b> .....	28	Annual Comprehensive Financial Report	
Property Tax .....	28	<b>Appendix B - Form of Opinion of Bond Counsel - Bonds</b>	
Assessments .....	28	<b>Appendix C - Form of Opinion of Bond Counsel - Notes</b>	
Levy .....	29	<b>Appendix D - Form of Continuing Disclosure - Bonds</b>	
Comparative Assessed Valuations .....	29	<b>Appendix E - Form of Continuing Disclosure - Notes</b>	
		<b>Appendix F - Notice of Sale - Bonds</b>	
		<b>Appendix G - Notice of Sale - Notes</b>	

*(This page intentionally left blank)*

## **Bond Issue Summary**

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

<b>Date of Sale:</b>	Tuesday, February 10, 2026, 11:30 A.M. (E.T.).
<b>Location of Sale:</b>	Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810.
<b>Issuer:</b>	City of Danbury, Connecticut (the “City”).
<b>Issue:</b>	\$60,130,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery, February 23, 2026.
<b>Interest Due:</b>	August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption.
<b>Principal Due:</b>	February 15 in each of the years 2027 through 2046, as detailed in this Official Statement.
<b>Purpose:</b>	The Bonds are being issued to finance various general purpose, school, water and sewer projects for the City.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity.
<b>Security and Remedies:</b>	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated “AA+” from S&P Global Ratings (“S&P”) and “AA+” from Fitch Ratings (“Fitch”).
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Bond Insurance:</b>	The City does not expect to direct purchase a credit enhancement facility.
<b>Bank Qualification:</b>	The Bonds <u>shall NOT</u> be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the City will provide or cause to be provided: (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix D to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut. Telephone (203) 878-4945.
<b>Legal Opinion:</b>	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about February 23, 2026, against payment in federal funds.
<b>Issuer Official:</b>	Questions concerning the City and the Official Statement should be addressed to Daniel Garrick, Director of Finance, City of Danbury, 155 Deer Hill Avenue, Danbury, Connecticut 06810. Telephone (203) 797-4652.

## **Note Issue Summary**

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

<b>Date of Sale:</b>	Tuesday, February 10, 2026, 11:00 A.M. (E.T.).
<b>Location of Sale:</b>	Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810.
<b>Issuer:</b>	City of Danbury, Connecticut (the "City").
<b>Issue:</b>	\$139,605,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	February 23, 2026.
<b>Interest Due:</b>	At maturity: February 22, 2027.
<b>Principal Due:</b>	At maturity: February 22, 2027.
<b>Purpose:</b>	Proceeds of the Notes are being issued to refund a portion of bond anticipation notes maturing on February 23, 2026 and the balance of the Note proceeds will provide new money for various general purpose, school, water and sewer projects.
<b>Redemption:</b>	The Notes are <u>NOT</u> subject to redemption prior to maturity.
<b>Security and Remedies:</b>	The Notes will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	The Notes have been rated "SP-1+" from S&P Global Ratings and "F1+" from Fitch Ratings.
<b>Basis of Award:</b>	Lowest Net Interest Cost (NIC), as of the dated date.
<b>Bank Qualification:</b>	The Notes <u>shall NOT</u> be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the City will provide or cause to be provided: (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix E to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut. Telephone (203) 878-4945.
<b>Legal Opinion:</b>	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about February 23, 2026, against payment in federal funds.
<b>Issuer Official:</b>	Questions concerning the City and the Official Statement should be addressed to Daniel Garrick, Director of Finance, City of Danbury, 155 Deer Hill Avenue, Danbury, Connecticut 06810. Telephone (203) 797-4652.

## ***I. Bond and Note Information***

### ***Introduction***

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Danbury, Connecticut (the "City"), in connection with the original issuance and sale of \$60,130,000 General Obligation Bonds, Issue of 2026 (the "Bonds") and \$139,605,000 General Obligation Bond Anticipation Notes (the "Notes") of the City.

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

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds and the Notes.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinions) and they make no representation that they have independently verified the same.

### ***Consideration for Bond and Note Holders***

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

### ***Cybersecurity***

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

## **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City faces certain threats due to climate change, including both drought and damaging wind that could become more severe and frequent. The City cannot predict the timing, extent or severity of climate change and its impact on the City's operations and finances.

## **Municipal Advisor**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the City in connection with the issuance of the Bonds and the Notes (the "Municipal Advisor") and has assisted the City in matters related to the planning, structuring and terms of the Bonds and the Notes. 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 the years and in such amounts and shall bear interest at such rate of rates as set forth on the inside front cover of this Official Statement, payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or optional redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day, of January and July, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the City shall agree. See "Book-Entry-Only Transfer System".

## **Redemption Provisions**

Bonds maturing on or before February 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing February 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after February 15, 2034 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b>Period During Which Redeemed</b>	<b>Redemption Price</b>
February 15, 2034 and thereafter.....	100%

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

If less than all 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 City 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 City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or Paying Agent.

### **Description of the Notes**

The Notes will be dated February 23, 2026 and will be due and payable as to both principal and interest at maturity on February 22, 2027. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as set forth on the inside front cover page of the Official Statement. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$100,000 and any integral multiples of \$5,000 in excess thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Only Transfer System". The Notes are NOT subject to redemption prior to maturity.

### **Authorization and Purpose**

The Bonds and the Notes are issued pursuant to Title 7 of the General Statutes of Connecticut Revision of 1958 as amended (the "Connecticut General Statutes"), the City Charter and ordinances adopted by the City Council of the City or approved by the voters of the City at referendum.

### **Use of Proceeds**

Proceeds of the Bonds and the Notes will be used to refund the \$155,250,000 bond anticipation notes maturing on February 23, 2026 and to provide new money borrowing for the projects listed below:

<b>Project</b>	<b>Authorized</b>	<b>This Issue</b>		
		<b>Notes Due: 2/23/26</b>	<b>Notes Due: 2/22/27</b>	<b>The Bonds</b>
Gen. Public Imp. 21-22 .....	\$ 3,000,000	\$ -	\$ 370,000	\$ 200,000
Gen. Public Imp. 22-23 .....	3,000,000	1,200,000	250,000	1,250,000
Gen. Public Imp. 23-24 .....	3,000,000	2,000,000	1,900,000	1,000,000
Gen. Public Imp. 24-25 .....	3,000,000	3,000,000	2,250,000	750,000
Gen. Public Imp. 25-26 .....	3,000,000	-	1,950,000	-
Danbury Road Bond 2020 .....	20,000,000	-	850,000	-
SNAPP2020 .....	38,700,000	3,500,000	13,750,000	2,000,000
2016 Public Imp. Projects (PIP2016) .....	10,000,000	-	-	30,000
Pub. Safety & Infrastructure 2024 (PSI2024)...	49,000,000	10,000,000	19,000,000	1,000,000
DHS 2020.....	53,500,000	5,500,000	5,385,000	-
BOE2022 - Danbury Career Academy.....	207,900,000	78,300,000	61,500,000	5,000,000
SNAPP2020 .....	14,300,000	6,750,000	6,500,000	1,750,000
Vision 2020 Bond-Schools .....	44,000,000	-	650,000	200,000
Waste Water Treatment Plant Upgrade.....	102,600,000	30,000,000	-	40,000,000
Vision 2020 Sewer upgrade .....	7,975,000	-	-	200,000
Water 2023 Upgrades.....	115,000,000	15,000,000	25,250,000	6,750,000
<b>Total.....</b>	<b>\$ 677,975,000</b>	<b>\$ 155,250,000</b>	<b>\$ 139,605,000</b>	<b>\$ 60,130,000</b>

## **School Projects**

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved on or after July 1, 1996. The City will receive approximately 63% of eligible costs in State funding for the majority of school construction projects and approximately 80% of eligible costs in State funding for the Danbury Career Academy.

## **Book-Entry-Only Transfer System**

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City 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 City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

## **DTC Practices**

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds or Notes 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 and Notes**

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

## **Security and Remedies**

The Bonds and the Notes will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues. The City has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Payment of the Bonds and the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

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

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the City. 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 City 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 could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 Title 11 of the Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

## **Qualification for Financial Institutions**

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

*(The remainder of this page intentionally left blank)*

## **Availability of Continuing Disclosure Information**

The City prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management on an annual basis.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and timely notice of the occurrence of certain events with respect to the Bonds pursuant to the Continuing Disclosure Agreements to be executed by the City substantially in the forms attached as Appendices D and E to this Official Statement.

The City has previously undertaken in continuing disclosure agreements (the “Prior Agreements”) entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Except as provided herein, in the past five years, the City has not failed to comply with its previous undertakings under such Prior Agreements. The City’s audited financial statements for the fiscal year ended June 30, 2021 were delayed, consequently, and pursuant to its obligations under the Prior Agreements, the City filed its unaudited annual financial information and operating data on February 28, 2022 and a failure to file notice on March 2, 2022. The audited financial statements for the fiscal year ended June 30, 2021 were later filed on July 3, 2023. The City’s audited financial statements for the fiscal year ended June 30, 2022 were delayed, consequently, the City filed a notice of failure to file on March 3, 2023. The City filed its unaudited annual financial information and operating data for the fiscal year ending June 30, 2022 on June 28, 2023. The audited financial statements for the fiscal year ended June 30, 2022 were later filed on May 31, 2024. The City’s audited financial statements for the fiscal year ended June 30, 2023 were delayed, consequently, the City filed a notice of failure to file on March 1, 2024. The audited financial statements for the fiscal year ended June 30, 2023 were later filed on February 8, 2025. The City’s audited financial statements for the fiscal year ended June 30, 2024 were delayed, consequently, the City filed its unaudited annual financial information and operating data on February 28, 2025. The audited financial statements for the fiscal year ended June 30, 2024 were later filed on November 7, 2025. The audited financial statements for the fiscal year ended June 30, 2025 will be filed as soon as they are completed. The Municipal Advisor will continue to assist the City in complying with its continuing disclosure obligations.

## **Ratings**

The Bonds have been rated “AA+” from S&P Global Ratings (“S&P”) and “AA+” from Fitch Ratings (“Fitch”) (collectively, the “Rating Agencies”). The Notes have been rated “SP-1+” from S&P and “F1+” from Fitch.

The City furnished to the Rating Agencies information and materials that they requested. The ratings, if obtained, will reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds or the Notes. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by any agency, if, in the judgment of such rating agency, circumstances so warrant. The rating agencies should be contacted directly for their ratings on the Bonds or the Notes and the explanation of such rating. However, the City may issue short-term or other debt for which a rating is not required. The City’s Municipal Advisor recommends that all bonded debt be submitted for a credit rating.

## **Bond Insurance**

The City does not expect to purchase a credit enhancement facility.

*(The remainder of this page intentionally left blank)*

## ***II. The Issuer***



### ***Description of the Municipality***

The City is the largest city in northern Fairfield County. Traversed by I-84 and Route 7, and adjacent to I-684, Danbury is easily accessible to New York City, Hartford and Norwalk, all of which are within 60 miles. Danbury is also accessible by a municipal airport.

According to the U.S. Bureau of Census, American Community Survey (2019-2023) (“ACS”), Danbury has a median household income of \$83,422. Danbury is diversely populated with an estimated population of 86,456. The City’s residents represent more than 60 different nationalities and the students entering Danbury public schools speak over 45 different languages. Danbury is a hub for retail shopping. The Danbury Fair Mall remains one of the largest malls in New England and newer shopping centers have attracted tenants such as Home Depot, Best Buy, Lowes and Wal-Mart.

Cultural activities abound in the City through Richter Park, containing one of the top 25 public golf courses in the country; Candlewood Lake—the largest man-made lake in New England; and other smaller sites, such as museums and festivals.

The City has a well-balanced, economically diverse mix of businesses and rich economic development opportunities. The City has adopted the Connecticut City and Town Development Act (“CTDA”), granting it the full authority and powers available under C.G.S. § 7-480 et seq. to support local economic development. Adoption of the CTDA allows the City to undertake development activities that promote public welfare, responsible growth, and long-term economic vitality. The City’s action reflects a commitment to expanding its tools to foster and promote economic development for its residents.

## **Form of Government**

The City operates under a Charter, adopted in 1889, and was last revised in November 2009. The City is governed by a Mayor and a twenty-one-member City Council. The Mayor is the City's Chief Executive Officer and the City Council is the legislative body.

## **Principal Municipal Officials**

<b>Office</b>	<b>Name</b>	<b>Manner of Selection</b>	<b>Term</b>	<b>Years of Service</b>	<b>Employment Last Five Years</b>
Mayor.....	Roberto L. Alves	Elected <sup>1</sup>	12/25-11/27	2 years	Technical Sales Engineer
Treasurer.....	Daniel P. Jowdy	Elected	12/25-11/27	21 years	Funeral Director
Council.....	21 Members	Elected	12/25-11/27	Various	Various
Director of Finance.....	Daniel Garrick	Appointed <sup>2</sup> Civil Service	Indefinite	3 years	Assistant Director of Finance
Tax Collector.....	Shawn Dvaz	Appointed Civil Service	Indefinite	1 year	Assistant Tax Collector
Assessor .....	Donna M. Murphy	Appointed Civil Service	Indefinite	5 years	Assessor
Superintendent of Schools .....	Kara Casimiro	Appointed	Contract	2 years	Assistant Superintendent
Corporation Counsel.....	Daniel Casagrande	Appointed <sup>3,4</sup>	Indefinite	2 years	Attorney

<sup>1</sup> Mayor Alves previously served on the City's Council from 2019-2021.

<sup>2</sup> Mr. Garrick was previously the City's Assistant Finance Director for 20 years and was Acting Director of Finance before he was appointed.

<sup>3</sup> Appointed by the Mayor.

<sup>4</sup> Attorney Casagrande previously served as Outside Assistant Corporation Counsel for 30 years.

## **Municipal Services**

### **Danbury Police Department**

The mission of the Danbury Police Department (the "Department") is to provide an environment that is free from the fear of crime, where people can enjoy a high quality of life, and the entire Danbury community can prosper. The Department is Tier III Accredited by the State of Connecticut Police Officer Standards and Training Council ("POSTC"). This is the highest level of accreditation that can be achieved from POSTC.

The Department continues to work closely with the City's Human Resources Department to fill vacancies at all levels. While the Department has yet to reach full staffing, its levels have increased in 2025. The Department remains committed to reaching its authorized staffing levels and believe it will achieve them in the upcoming fiscal year, thanks to the tremendous support of the Mayor and City Council.

Body worn camera program continues to promote transparency. In 2025 the Department implemented its in-house comparative certification program for new hires that were certified police officers in another state. This allows them to get their Connecticut certification and get on the streets in a timely matter.

The Department had a banner year in 2025 with regard to its community outreach initiatives. Among them, in July it unveiled the Danbury Police "Copsicle", a refurbished classic 1979 ice cream truck. Supported by generous donations from local businesses and residents, the Department's Community Services Division uses the "Copsicle" to randomly distribute free ice cream and other goodies in neighborhoods and at various community sponsored events. Danbury is proud to be the first police department in Connecticut to bring the "Copsicle" to the community. Also, for the first time in more than 20 years, the Department hosted "National Night Out" on the first Tuesday evening in August. The event drew approximately 1,000 people who enjoyed games, demonstrations, interacted with officers, and viewed the Department specialty equipment. Additionally, just two weeks later on August 14, 2025 approximately 2,000 people attended the "Party on the Patio" at Danbury Police Headquarters. This block party event was a collaboration between the Department and several other organizations. Thanks to donations from several local businesses, attendees enjoyed food and nearly 1,500 backpacks with school supplies were distributed to students heading back to school, all free of charge. There was also a DJ, live entertainment and other fun activities, including a dunk tank featuring the Mayor and Police Chief.

The Danbury Police Cadet program continues to thrive and is one of the largest, most diverse, and successful programs in the region. The Department's partnerships continue with the Danbury Fire Department, Danbury Health and Human Services, and Emergency Management Departments on several projects and initiatives. It continues to collaborate with and provide office space at police headquarters for the State Department of Children and Families and the Center for Empowerment and Education.

Looking forward, the Department will continue to focus on recruitment of both entry-level and certified applicants. It has made great progress in its quest to establish an accredited police academy for entry-level recruits and hope to complete the journey in the first half of 2026. Additionally, the Department has already secured a substantial financial commitment from a private foundation that will be used to support several aspects of officer health and wellness initiatives in 2026. The Department is in the beginning stages of re-establishing a partnership with Western CT State University for internships, research, and other projects. It is also working on plans to increase its non-sworn staff to assist in a variety of areas, including crime analysis and other administrative tasks.

Most importantly, Part I crime in the City was again significantly lower through the first three quarters in 2025 compared to 2024 according to the Uniform Crime Report. Just as important, our traffic enforcement nearly doubled through the first three quarters of 2025. Thanks in large part to this effort, there have been more than 300 fewer motor vehicle accidents in 2025, including more than 100 fewer accidents with reported injuries.

### **Danbury Fire Department**

The mission of the Danbury Fire Department (the "Department") is to provide for the protection of life, property and the environment for all citizens in the safest and most efficient manner possible. To meet this objective, the Department utilizes an aggressive Fire Education, Prevention and Inspection Program, rapid professional responses, up-to-date emergency equipment and continuing training for both Career and Volunteer Divisions of the Department.

Initiatives of the Department include the addition of several key roles on the roster including Station Captains to provide additional supervision and management of each satellite station, and a Chief's Aide to each shift to aid shift commanders with fire ground operations and incident management. The new Ladder truck was recently delivered. The Department has two pumper units being totally refurbished, and is anticipating delivery of a new Quint Fire Truck for the new West Side station in early 2026.

In addition, fire marshal cars will be upgraded as several vehicles have reached end of life. These new additions allow existing apparatus to be refurbished, ensuring that the Department always has the necessary equipment available to respond to the evolving needs of the City. The Department also continues to explore options to increase fire and EMS protection in the ever-expanding Westside.

The programs of the Community Risk Reduction division of the Department include all aspects of the efforts to reduce fire risks throughout the City. Based in City Hall, adjacent to the Permit Center, this division is led by the Fire Marshal and staffed by six Deputy Fire Marshals. The Community Risk Reduction programs include pre-construction plan reviews, prescribed inspections of occupancies, complaint response, and public education. The public education activities include programs developed and delivered to students in City schools, and target populations such as senior citizen groups as well as business and social organizations, and include Juvenile FireSetter Intervention programs and File of Life senior citizen programs (sponsored by the Danbury Professional Firefighters Local 801).

The emergency responses are carried out by a Career Division comprising administrative and response staff in five locations, operating with fifteen (15) fire apparatus of various configurations, fifteen (15) sedans and SUVs, one (1) public safety boat, and various equipment trailers. The Career Division is supplemented by Volunteer Fire companies to support the Department in emergency situations including fire response, flood remediation and traffic control. The volunteer companies operate with approximately 40 members fully cleared for firefighting duties, and 60 additional support members comprising two battalions and four individual companies.

Training programs for both career and volunteer members are continuous and have been expanded to meet recent challenges and demands of the fire and emergency services. Hundreds of continuing classroom and practical hours keep firefighters abreast of current risks, equipment use, standards, regulations and safety practices. All career recruits attend an initial fifteen (15) week session at the Connecticut State Fire Academy. This basic training, at one of the premier fire training institutions in the country, prepares recruits for the challenges they will face. Many members continue their education at the National Fire Academy, State Fire Academy and other institutions of higher

learning including Naugatuck Valley Community College and the University of New Haven. The Department also operates a Fire Training School, which includes two classrooms, office and breakroom space, two apparatus bays, and unique features for firefighter training. This facility complements the existing burn building and other training props on site.

This past year was very busy with specialized training, including Heavy Rescue Training, Confined Space Training, and Marine Training. Future programs will include advanced rescue programs and other such classes as the demands on the Department continue to evolve. The Department also focused on the health and wellness of its members, including offering a comprehensive cancer screening made possible with a federal grant, and workshops focused on physical, mental and behavioral health. Specialized programs such as these allow its members to both train for and cope with the physical and mental demands they encounter on a daily basis.

With fire suppression as the Department's core mission, the Department continues to face the challenges of potential terrorism and hazardous material spills. The Department is part of a regional Hazardous Material response team with trained Hazardous Material technicians assigned to each shift. As a member of this regional effort, the Department's response region extends from Ridgefield, Connecticut to the Massachusetts border. In addition, the Danbury Fire Department is a member of the statewide response network staffing other state response apparatus. These regional resources include a Hazardous Material response vehicle, foam trailer, a Mass DECON trailer and Mass Casualty trailer.

All career firefighters are cross-trained to a basic life support first responder level. The Career Division operates five (5) engine companies with one heavy rescue, one special response vehicle and one truck company. Each company is equipped with automatic defibrillators and other advanced life support equipment. With rapid response times due to geographic distribution of fire stations, this complement of equipment and professionally trained personnel helps make Danbury a safe community in which to work and live. The deployment schedule for ambulances coupled with the Department's first responder engine companies has improved response time throughout the City. The Department has placed automatic defibrillators in municipal buildings and City schools in order to hasten the delivery of this life saving intervention. This response model has benefited residents in all areas of the City with timely lifesaving emergency medical care.

### ***Danbury Emergency Medical Services***

For over thirty years, the City has partnered with Nuvance Health, the parent of Danbury Hospital, through a performance-based EMS contract to manage staff and operate the Danbury Emergency Medical Services Division. Throughout the many years of this engagement, collaborative efforts with Fire and EMS officials have focused on specific performance metrics to consistently deliver prompt, courteous and professional emergency medical care to the citizens and visitors of Danbury. Additionally, the continual assessment of specific analytics has best facilitated EMS transport resources to be operated and staffed according to peak hour call volume demand. Ongoing analysis of the current EMS program has led to opportunities to enhance overall response strategies and capabilities.

Advances in resuscitation protocols have yielded a more coordinated and expedient response of strategically positioned fire department first responders and paramedics. The Rizzo EMS Station on the West side of the City has also provided an ideal staging location for EMS staff and equipment. The City continues to develop a reliable emergency medical dispatch program to ensure that early notification and activation of the 9-1-1 system is accomplished. This is the first link in the chain of patient survival. In fact, the EMS program has consistently been recognized for providing gold standard care to patients experiencing cardiac emergencies through the Mission Lifeline program. Quality and performance improvement initiatives through regular review by an existing oversight committee remain the foundation of ensuring effective delivery of emergency medical services in the City. Recently, EMS has successfully renewed the City's HEARTSafe Community re-designation as well as updating the City's Local EMS plan.

### ***Office of Emergency Management***

The City Office of Emergency Management ("OEM") is responsible for the development and implementation of critical mitigation, preparedness, response and recovery activities to manage a unified approach to complex all hazard emergencies. OEM's primary mission focuses on the development and continuous exercise of plans, protocols, and procedures that ensure the safety and security of the City's citizens. These preparedness efforts contribute to the City's ability to maintain a state of readiness to effectively respond when a disaster, crisis or any other type of emergency strikes.

OEM is continuously enhancing its preparedness to effectively handle emergency situations. OEM collaborates closely with various municipal agencies, including the Police Department, Fire Department, and other relevant authorities, to implement comprehensive emergency response plans.

Among the accomplishments of the OEM is the strengthening of its emergency preparedness by increasing stocks of essential supplies, such as Shelter Comfort Kits, cots, shelter linens, emergency water, and first responder equipment. OEM has expanded its Shelter Operation Plan by deploying accessible ready shelter cases that will assist with emergencies and community needs at designated local shelter locations.

OEM also facilitated multiple Community Emergency Response Team (CERT) classes, empowering residents to effectively respond to emergencies and support local response efforts. This initiative has significantly bolstered the community's ability to protect itself in times of crisis.

OEM continues to utilize and update its Local Emergency Operation Plan, ensuring a coordinated and effective response framework for emergencies within the City. OEM's collaboration with the Department of Homeland Security resulted in enhanced safety measures at Danbury City Hall, including recommendations for physical security upgrades and cybersecurity improvements to safeguard critical services and assets.

OEM is currently working with the Danbury Fire Department HAZMAT Team, State of Connecticut Division of Emergency Management and Homeland Security, State Emergency Response Commission (SERC), Department of Emergency Services & Public Protection, Department of Energy and Environmental Protection, and additional local and state agencies on a SERC exercise on Hazardous Materials Emergency Response in late summer 2026.

OEM has successfully renewed the City of Danbury's Storm Ready Certification 2025. OEM's active participation in the 2025 Emergency Planning and Preparedness Initiative Exercise, which focused on natural disaster response, allowed OEM to evaluate and refine its response plans by identifying and addressing any gaps or weaknesses in its emergency capabilities.

OEM has completed the construction of an Alternate Emergency Operations Center at a strategic location, ensuring operational continuity if OEM's primary center becomes compromised or inaccessible. OEM additionally finalized a comprehensive Debris Management Plan, which will enhance its all-hazard incident preparedness strategy by providing better support capabilities.

OEM has expanded the Commodities Distribution Plan to more effectively stage and distribute essential supplies to the public following local disasters, ensuring that critical assistance reaches those in need promptly. Additionally, OEM's initiative to refurbish the Mobile Operations Command Vehicle is underway, which will significantly enhance first responders' capabilities during emergencies by facilitating swift and coordinated response efforts.

In summary, OEM remains committed to enhancing the City's all-hazard preparedness and response capabilities. Through strategic planning, collaboration with key agencies, and ongoing community engagement, OEM has made significant strides in ensuring the safety and resilience of the City. As OEM looks to the future, its focus will continue to be on strengthening its infrastructure, expanding its resources, and improving its ability to respond effectively to any emergency. OEM is dedicated to building a safer and more prepared city, equipped to protect and serve its residents in times of need.

## ***Parks and Recreation***

Excluding school facilities, the City has 1,708 acres designated for park and recreational use distributed as follows: 251 acres of City parks; 256 acres of natural resource areas; and 1,146 acres of special use parks. The Parks & Recreation Department uses 15 schools for playgrounds/ball fields, which account for 55 acres.

The City also contains recreational facilities and parks owned and maintained by State and community organizations. Wooster Mountain State Park (428 acres), administered by Squantz Pond State Park, contains a few lightly used hiking trails and a shooting range operated by the Danbury Shooting Sports Associates. Lattin's Cove (5 acres) operates a State boat launch on Lake Candlewood. Privately owned recreational facilities include diverse organizations such as the Swampfield Land Trust, the Portuguese Cultural Center, the Ridgewood Country Club, private and parochial schools and Western Connecticut State University.

The facilities and parks owned and maintained by the City include:

- *Bear Mountain Park* (140 acres): mostly undeveloped, passive recreation with a conservational outlook, outdoor fitness equipment, Ranger Cottage and parking with many diverse hiking trails.
- *Blind Brook Playground* (.5 acres): playground.
- (2) *Danbury Dog Parks* (7 acres): *Miry Brook Rd. & Peck Rd.* Off leash park for small and large dogs.
- *Danbury Green* (1 acre): benches, walkway and band shell.
- *Elmwood Park* (2 acres): park benches for passive recreation and a fountain.
- *Farrington Property* (192 acres): hiking trails.
- *Hatter's Community Park* (32 acres): Duck Pin bowling alley, Park & Recreation Office, 3 softball fields, banquet hall, open air Pavilion for rentals and playground.
- *Highland Playground* (8 acres): playground, outdoor fitness area and spray-park.
- *John Perry Field* (3 acres): all-purpose field turf surface, located in Rogers Park, used for football, soccer, lacrosse (boys & girls) and field hockey, located in Rogers Park.
- *Joseph Sauer Memorial Park* (2 acres): park for the elderly and a basketball court.
- *Kennedy Park* (1 acre): park benches for passive recreation.
- *Lake Candlewood Park* (11 acres): swimming, picnicking, volleyball court, outdoor fitness area, open to the public, motorized boating and boat ramp. (Danbury Residents Only)
- *Lake Kenosia Park* (25 acres): picnicking, Spray Park, non-motorized boating, four soccer fields and playground.
- *Mill Plain Swamp* (34 acres): no facilities.
- *Mill Ridge*, West Side Middle School Academy, (3 acres): all-purpose field turf playing surface, soccer and rugby.
- *Old Quarry Nature Center* (40 acres): trails, bird watching and natural scenery.
- *Richter Park* (230 acres): 18-hole golf course, pro shop, restaurant, playhouse, basketball court, fishing, hiking trail, two tennis courts and winter recreation. (Richter Park Drive).
- *Rogers Park* (56 acres): Eight tennis courts/lights 2 courts lined for pickle ball, handball/paddleball court, 4 softball fields, 6 baseball fields, 1 all-purpose turf field, and 6 volleyball courts.
- *Rogers Park Playground* (1 acre): Spray Park and an Outdoor Basketball court
- *Rogers Park Pond* (7 acres): interpretative trails, outdoor fitness park and footbridge.
- *Lions Club Playground* (3 acres): playground.
- *Stephen A. Kaplanis Field* (5.5 acres): all-purpose field turf surface used for football, soccer, lacrosse (boys & girls) and field hockey.
- *Still River Greenway* (35 acres): hiking trails, education station, boat launch, bird sanctuary and footbridge.
- *Tom West Park* (.5 acres): playground.
- *Westman Park* (27 acres): Passive Recreation.
- *Wiedel Meadows* (65 acres): Passive Recreational.

Tarrywile Park is a passive recreational area. It consists of 722 acres split into two distinct sections by Brushy Hill Road. It has several buildings on the property. The following are most noteworthy:

- *Mansion* - 3 stories, built in late 1897 which contains 18 rooms that have been renovated for use as a Community Center.
- *Castle* - 3 stories, built in 1897 from natural quarry stone and its use is undetermined as it is currently undergoing a large renovation project.
- *Carriage House* - park residence.
- *Farm House* - park residence.
- *Dairy Barns* - Red Barn is an environmental education center with a renovated silo. The milking parlor was recently renovated.
- *Gate House* - park residence.
- *Greenhouse* - used by Danbury High School “Green Room Program” for at risk students.
- *School building* - used as a pre-school.

## **Danbury Public Library**

The Danbury Public Library (the “Library”) opened in 1970 on the primary downtown intersection of Main and West Street.

Hours: The Library is open a total of 51 hours per week, Monday – Saturday. The Library is closed on Sundays.

**E-books and Streaming Services:** The Library offers downloadable and streaming ebooks, audiobooks, music, movies, and TV shows to all residents of the City with a valid Library card. Downloadable content can be accessed through a personal computer, smart phone, or tablet. The Library currently offers Overdrive for ebooks and audiobooks; Hoopla for music, movies, audiobooks ebooks, comics and television shows; Kanopy for film; CloudLibrary Newstand for magazines, eSebcoBooks for non-fiction ebooks for children, and Tumblebooks for e-books for children. The Library also has its own app which allows patrons to search the Library catalog, reserve material, check-in for curbside pickup, and register for Library events.

**Audio-Video Department:** A 4,200 square foot area holds an extensive collection of DVDs, CDs, books on CD, Playaways (books on MP3), and Blu-ray discs.

**Digital Devices** - The Library offers multiple devices that can be borrowed for free using a Library card. The Library currently loans Wi-Fi Hotspots for easy internet access on the go; a Roku to watch content from streaming services; iPads, Playaway Launchpads with curated, high-quality learning apps, Playaway Views with educational video content for children; Chromebooks; an FM Bluetooth transmitter; a GoPro Hero7, Tonieboxes, and a personal CD player.

**Computer Labs:** There are computer labs on both the Library’s main floor and on the second floor in the Junior Department with a total of 40 workstations that can be used by the public for Internet access, word processing, on-line access to the Library catalog, resume and typing programs and multilingual access to the Internet. Library staff members offer introductory as well as specialized Internet and computer classes to the public on a regular basis in English or Spanish. Free high-speed wireless internet access is available in the Library, as well as on the Library plaza and parking lot.

**Makerlab:** The Library Makerlab is a free experiential learning space for patrons to explore the creation and fabrication process. Tools, technology, and equipment are made accessible through offered programs and self-exploration in an effort to enrich, inform, and empower Library patrons.

**Studio 170:** The Library has 2 recording studios, one for audio recording and another for video recording. Studio 170 offers the opportunity to work with quality equipment and practice getting started with the production process.

**Sensory Space:** The Library’s Sensory Space is equipped with a range of furniture and items that provide visual, tactile, auditory, and proprioceptive stimuli. The purpose of the space is to provide an environment that offers the opportunity to manage stress and anxiety, work through emotions, explore the senses, and improve focus.

**Program Rooms:** The Library has four meeting rooms for public use: the Farioly Program Room, which seats up to 60 and has kitchen facilities; the Lower Level Meeting Room, which seats up to 35, can be reserved by the public for programs and workshops; the Second Floor Conference Room on the Junior Floor that can be reserved for smaller gatherings and seats 12. A fourth conference room is available for use in the Innovation Center space adjacent to the Library. There are 4 Study Pods designed for quiet study, business meetings, and interviews. Three of the pods seat 4, and one of the pods can be used by one person.

**Library Website:** Connecting to the library’s home page ([danburylibrary.org](http://danburylibrary.org)) allows off-site customers to view the library’s catalog, reserve books, subscribe to an on-line newsletter, visit selected web sites of current interest, and retrieve full-text magazine articles 24 hours a day, seven days a week. Residents can also access digital services of ebooks, downloadable music, movies and audiobooks. The library webpage can be viewed in English, Portuguese, and Spanish.

Danbury Innovation Center: The Danbury Innovation Center is connected to the Danbury Library space. Within the Innovation Center is the Danbury Hackerspace, a non-profit collaborative workspace and educational resource for projects related to business and technology, where members and the general public can learn, create and share technology, art, craft and culture. The use includes, but is not limited to, maintaining a physical space for workshops, project collaboration, project storage, shared equipment, libraries, exhibitions, lectures and all lawful activities in the furtherance of the stated purposes or those incidental to them. The City has provided the space to the Hackerspace organization, which is connected to the library, to help launch the Hackerspace and build a community of entrepreneurs, makers, craftspeople, and artists. The Danbury Hackerspace includes 3D printers, prototyping tools, a mockup studio, a common work area, program space, separate co-working space, and the Innovation Cafe. The Innovation Center also holds a library conference room that is used by library staff primarily for instructional ESOL classes. A new kitchen space is also housed in the Innovation Center, and provides a culinary teaching space for all ages.

A Board of Directors, appointed by the Mayor, governs the Library. The Mayor also appoints a Library Director to promote library services, supervise a staff of 40, and manage an operating budget of \$2 million.

### **Solid Waste - Recycling**

The City is a member of the Housatonic Resources Recovery Authority (“HRRA”), and that membership has no sunset date. As a member of the HRRA, the City’s solid waste and recycling contracts are managed by the HRRA as part of a regional authority. The HRRA negotiates the tip fees on behalf of its members. The annual tipping fee for the fiscal year beginning July 1, 2025 is \$103.86 per ton. HRRA is also charging a \$48/ton for a transportation surcharge for Municipal Solid Waste. Municipal Recycling is \$.47/ton.

HRRA’s services are funded through a program fee that is collected as part of the tip fees which is paid by the private haulers. The haulers charge the residents of the City (their customers) directly for collection services. The City has no financial obligation to the HRRA. The City signed a full solid waste and recycling system agreement (contract) with HRRA that runs through June 2029. The HRRA negotiated the ten-year contract with Oak Ridge Waste & Recycling (operators of the City’s transfer station). Interstate Waste Services has acquired Oak Ridge Waste & Recycling. There are approximately thirty independent haulers registered to collect solid waste in the City. There is no municipal garbage collection.

The citywide recycling program was implemented in 1991. Municipal recycling trucks remain available for use by all City residents. There is also curbside recycling offered citywide by independent haulers. In addition, the City has contracted with Interstate Waste Services to operate a municipal solid waste and recycling center drop off location for residents who do not wish to participate in a contract.

On July 2, 2024, the City entered into a new 12-year contract with Total Landscaping and Tree Service, LLC for the management and operation of a wood waste facility and a leaf composting facility. The wood waste and leaf composting operations are conducted at City owned facilities. Total Landscaping and Tree Service, LLC is responsible for accepting and processing wood waste and leaves deposited at these City owned facilities as generated by the City or its residents.

*(The remainder of this page intentionally left blank)*

## **Enterprise Funds**

### **Sewer Fund**

The City had a 20-year agreement through October 2017 with Veolia Water to manage its wastewater treatment plant and appurtenant facilities. In 2022, an extension was signed with Veolia until June 30, 2023 with an opportunity to renew by mutual consent for up to two (2) one-year renewal periods. The City and Veolia executed the two (2) one year renewal periods as well as one additional one-year renewal period which expires on June 30, 2026. The City is presently evaluating long term options for management of the wastewater treatment plant beyond June 30, 2026. The annual anticipated fees for contract year 2025/2026 are approximately \$9.1 million. The annual fees are determined by increasing the current year's fees by the change in consumer price index from year to year. The City continues to exercise control over its rate setting and inter-municipal agreements. The City retains full legal title and ownership of the facility. Veolia operates and maintains the facility in accordance with the terms and conditions of the City's NPDES permit (#CT0100145). The contract with Veolia contains additional performance standards, such as Veolia implementing a program to provide a year-round nitrification process to ensure the quality of effluent, which are above the requirements of the City's current NPDES permit. A laboratory is maintained on site by Veolia to ensure proper operation of the plant process and to comply with the Connecticut Department of Energy and Environmental Protection requirements.

All residential and other sewage collected flows to the treatment plant through lateral and trunk sewers. In those geographic areas where sewage cannot flow by gravity, pumping stations lift the sewage to a higher point in elevation so it may flow by gravity to the treatment plant. Sewers are inspected for blockage and other physical conditions. Collection system sewer gravity lines in the City are inspected and maintained by the Danbury Public Utilities Department.

Funds for the operation of the Wastewater Division, including payments to Veolia under its contract, are provided by a sewer use charge. The sewer use charge also pays for the debt service on the debt issued to construct the treatment plant and trunk sewers and ongoing necessary upgrades. The assessment of benefits for lateral sewer lines is calculated in accordance with City ordinances using a formula that includes the following four elements: area of lot or parcel; frontage of lot or parcel; number of existing building units or number of units allowed by zoning on lot or parcel; and property valuation for tax purposes of lot or parcel. Private individual's assessment represents a proportionate portion of the assessable cost of sewer extensions.

The historical sewer rate increases for the last five years are as follows:

<b>Fiscal Year Ending</b>	<b>Annual %</b>
	<b>Increase/Decrease</b>
June 30, 2026	10.00%
June 30, 2025	10.00%
June 30, 2024	10.00%
June 30, 2023	2.75%
June 30, 2022	0.00%

Construction of a \$84.5 million Treatment Plant Upgrade Project was completed in 2024. Upgraded work performed included a New Tertiary Treatment System for permit required phosphorus removal, installation of a New Headworks Facility, Digester Complex Improvements and other necessary treatment system process and equipment upgrades. The project also included installation of a New Fats, Oils & Grease ("FOG") and REA Biodiesel Facility. This new facility will not only increase the capacity of the treatment plant to accept FOG generated by area Food Preparation Establishments ("FPE"), as enforced through the City's FPE FOG Compliance Program, but also allows the City to implement a Green Energy Project by converting the collected FOG into Biodiesel.

The City has inter-municipal agreements with the Towns of Bethel, Brookfield, Newtown and Ridgefield which address and provide the mechanism for payment of the capital improvements to the upgraded facility as well as the making of operating and maintenance payments to the City for the treatment of the sewage that is generated by each municipality. The capital and operation and maintenance formulas are, both, a function of each municipality's proportionate share of the flow either reserved in the plant for capital expenses or actually flowing to the plant for operation and maintenance expenses. The plant is currently fully operational.

## Water Fund

The City's raw water supply has 8 reservoirs with a total capacity of 3.0 billion gallons of water. The safe yield of the City's water system is 7.9 million gallons per day. Presently, the Danbury Water Department produces and distributes an average of 6.6 million gallons per day.

A water quality monitoring program has been established to ensure compliance with the standard for quality of drinking water listed in the State of Connecticut Public Health Code and in the Federal Safe Drinking Water Act. All of the drinking water provided from the water treatment plants meets or exceeds the water quality regulatory standards established for the protection of Public Health. Testing for water quality is performed by the Danbury Water Department laboratory and outside laboratory services.

The Danbury Water Department completed major programs directed at improving the purity, adequacy, and safety of the supply. It is the intent of the City to maintain a water supply system consistent with its plan of development. A Vulnerability Assessment for the water system was submitted to the United States Environmental Protection Agency in December 2003 as required by federal regulations. A Risk and Resilience Assessment was performed in 2020 as required by the American Water Infrastructure Act of 2018.

Metered and non-metered rates provide funds for the operation, maintenance, and debt service of the water system. The historical water rate changes for the last five years are as follows:

<i><b>Fiscal Year Ending</b></i>	<i><b>Annual % Change</b></i>
June 30, 2026	10.00%
June 30, 2025	10.00%
June 30, 2024	10.00%
June 30, 2023	2.75%
June 30, 2022	0.00%

The Danbury Water Department is continually looking to upgrade the water treatment plants, pump stations and water distribution systems in order to provide safe, quality drinking water in adequate quantities. In April 2023, Danbury voters approved a \$115 million Water System Bond. These funds are being used to pay for upgrades and improvements to the City's raw water supply systems, well fields, water treatment plants, distribution piping system, pump stations and water storage tanks. Funds will also be used for compliance work associated with EPA's 2021 Revised Lead & Copper Rule as well as EPA's upcoming regulations for polyfluoroalkyl substances ("PFAS").

*(The remainder of this page intentionally left blank)*

## **Employee Relations and Collective Bargaining**

### **Municipal Employees**

<b>Fiscal Year Ended June 30</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
General Government.....	618	648	597	567	556
Board of Education.....	1,746	1,746	1,852	1,852	1,843
<b>Total.....</b>	<b>2,364</b>	<b>2,394</b>	<b>2,449</b>	<b>2,419</b>	<b>2,399</b>

### **Employee Bargaining Organizations**

<b>Board of Education Groups</b>	<b>Number of Employees</b>	<b>Current Contract Expiration Date</b>
Non Bargaining Employees .....	57	N/A
DSAA - School Administrators.....	49	6/30/2028
NEA Teachers.....	1,025	6/30/2029
Local 677 Teamsters Custodians.....	79	6/30/2028
CSEA Paraprofessionals.....	320	6/30/2026
School Nurses Association.....	21	6/30/2025 <sup>3</sup>
Local 677 Teamsters School Lunch.....	77	6/30/2025 <sup>2</sup>
Danbury Association of School Secretaries.....	83	6/30/2029
Safety Advocates.....	35	6/30/2028
<b>Total.....</b>	<b>1,746</b>	

### **City Groups**

Danbury Police Union, Hat City Local, CACP <sup>1</sup> .....	177	6/30/2024 <sup>2</sup>
UPSEIU (formerly DMEA) Municipal Employees.....	98	6/30/2026
Local 677 Teamsters.....	117	6/30/2025 <sup>2</sup>
Local 801 AFL CIO Firefighters .....	130	6/30/2028
Non-Bargaining Employees .....	96	N/A
<b>Total.....</b>	<b>618</b>	

<sup>1</sup> Includes two canine control officers.

<sup>2</sup> In negotiations.

<sup>3</sup> In mediation.

Source: City of Danbury, Finance Department.

Source: Board of Education, Finance Director.

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

## **Educational Services**

The City's Board of Education is comprised of eleven elected members each serving a four-year term, as provided by the City Charter. The Mayor serves as an ex-officio member. The Board of Education is responsible for maintaining public elementary and secondary schools carrying out the interests and mandates of the State Education Department. Thirteen (13) elementary schools, three (3) middle schools, two (2) high schools and one (1) alternative high school provide educational programs and services to the City's resident school aged population.

### **School Facilities**

<b>School</b>	<b>Grades</b>	<b>Date Opened (Add. or Ren.)</b>	<b>Type of Construction</b>	<b>Number of Classrooms</b>	<b>Enrollment 10/1/2025</b>	<b>Rated Capacity</b>
Great Plain.....	PK - 5	1963	Brick	21	272	379
Hayestown.....	PK - 5	1955	Brick	26	405	448
King Street Primary.....	PK - 2	1977	Brick	22	355	488
King Street Intermediate.....	3 - 5	1964	Brick	31	404	322
Magnet.....	K - 4	2006	Brick	18	337	390
Mill Ridge Primary.....	PK - 2	1974	Brick	22	292	396
Morris Street.....	PK - 5	1892	Brick	24	326	379
		1963	(Addition)			
		1980	(Add. & Ren.)			
Park Avenue.....	PK - 5	1951	Brick	22	535	402
		2015	(Addition)			
Pembroke.....	PK - 5	1970	Brick	23	335	425
Ellsworth Avenue.....	PK - 5	1952	Brick	19	497	356
Shelter Rock.....	PK - 5	1963	Brick	22	531	405
		1973	(Addition)			
		2015	(Addition)			
South Street.....	PK - 5	1935	Brick	19	342	339
		1980	(Add. & Ren.)			
Stadley Rough.....	PK - 5	1971	Brick	21	480	494
		2015	(Addition)			
Broadview M.S. ....	6 - 8	1967	Brick	39	976	1,012
Rogers Pk. M.S. ....	6 - 8	1972	Brick	42	909	1,012
Westside M.S. ....	6 - 8	1957	Brick	36	732	600
Danbury H.S. ....	9 - 12	1964	Brick	117	2,736	2,442
Danbury -West H.S. ....	9 - 12	2025	Brick		636	
Alternative Center.....	9 - 12	1977	Brick	11	68	100
DPS Early Childhood Center.....	PK - K	1951	Brick	10	57	200
DPS Early Childhood Center at Granville...	PK	N/A	N/A	-	187	N/A
Western Connection <sup>2</sup> .....	12	Various	Brick	4	11	N/A
Direct Instruction .....	N/A	N/A	N/A	1	22	N/A
Outplaced .....	N/A	N/A	N/A	1	22	N/A
<b>Total.....</b>				<b>551</b>	<b>11,467 <sup>1</sup></b>	<b>10,589</b>

<sup>1</sup> Total represents all students reported by the district, including students placed in schools outside of the district. Therefore, the sum of school-level counts may be less than the total district enrollment.

<sup>2</sup> Western Connection is a program for Danbury area school districts to provide students with disabilities opportunities in a college setting.

Source: Danbury Board of Education.

*(The remainder of this page intentionally left blank)*

## **School Enrollment**

<b>Year</b>	<b><u>Historical</u><sup>1</sup></b>			<b>Total</b>
	<b>Pre-K - 5</b>	<b>6-8</b>	<b>9-12</b>	
2016-2017	5,423	2,539	3,095	11,057
2017-2018	5,447	2,453	3,201	11,101
2018-2019	5,732	2,601	3,199	11,532
2019-2020	5,732	2,601	3,198	11,531
2020-2021	5,789	2,737	3,402	11,928
2021-2022	5,536	2,828	3,479	11,843
2022-2023	5,536	2,828	3,479	11,843
2023-2024	5,687	2,724	3,715	12,126
2024-2025	5,582	2,703	3,825	12,110
2025-2026	5,668	2,708	3,728	12,104
<i>PSIS Numbers</i> <sup>3</sup>	5,377	2,617	3,438	11,432
<b><u>Projected</u><sup>2</sup></b>				
2026-2027	5,670	2,712	3,709	12,091
2027-2028	5,563	2,843	3,698	12,104
2028-2029	5,555	2,914	3,638	12,107

<sup>1</sup> Total represents all students reported by the district, including students placed in schools outside of the district. Therefore, the sum of school-level counts may be less than the total district enrollment.

<sup>2</sup> Projections based on 2% Enrollment Growth based on Enrollment Study.

<sup>3</sup> The Connecticut State Department of Education uses the Public School Information System (**PSIS**) to collect data regarding student enrollment throughout the state of Connecticut. These data are used for federal and state grants; PSIS data also connect to other CSDE data collection systems.

Source: EdSight CT State Data Portal | <http://edsight.ct.gov/SASPortal/main.do>  
(Danbury School District)

The new Danbury Career Academy construction has been completed and sections of grades 10 and 11 are currently attending. The new Danbury Career Academy is housed at the former Cactus building on Apple Ridge Road. The opening of the new Danbury Career Academy alleviates the overcrowding previously experienced at the Danbury High School main campus. Currently the district is home to 11,432 learners of which 3,438 are grades 9-12. Additionally, the building now houses most of the administrative staff.

Federal assistance, provided during the COVID-19 pandemic, ended in June 2024. More than \$38 million dollars has been received during the past school years.

State assistance in the form of the Alliance Grant was increased in FY 2026 and is now topped out at \$39.4 million.

### **III. Economic and Demographic Information**

#### **Population and Density**

<b>Actual</b>	<b>Year</b>	<b>Population<sup>1</sup></b>	<b>% Increase</b>	<b>Density<sup>2</sup></b>
	2023 <sup>3</sup>	86,086	-0.5%	1,957
	2020	86,518	7.0%	1,966
	2010	80,893	8.1%	1,838
	2000	74,848	14.1%	1,701
	1990	65,585	8.5%	1,491
	1980	60,470	18.4%	1,374

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 44.0 square miles.

<sup>3</sup> American Community Survey 2019-2023.

#### **Age Distribution of the Population**

<b>Age</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	3,798	4.4%	181,240	5.0%
5 to 9 years .....	4,671	5.4	195,390	5.4
10 to 14 years .....	5,208	6.0	217,297	6.0
15 to 19 years .....	5,922	6.9	238,145	6.6
20 to 24 years .....	6,079	7.1	233,423	6.5
25 to 34 years .....	11,466	13.3	449,771	12.5
35 to 44 years .....	11,568	13.4	451,461	12.5
45 to 54 years .....	11,386	13.2	462,543	12.9
55 to 59 years .....	5,653	6.6	260,758	7.2
60 to 64 years .....	6,091	7.1	257,548	7.2
65 to 74 years .....	8,454	9.8	376,023	10.4
75 to 84 years .....	4,397	5.1	187,378	5.2
85 years and over .....	1,393	1.6	87,371	2.4
<b>Total.....</b>	<b>86,086</b>	<b>100.0%</b>	<b>3,598,348</b>	<b>100.0%</b>
Median Age (Years) 2023.....		40.5		41.2
Median Age (Years) 2010 <sup>1</sup> .....		35.2		37.4

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2019-2023.

#### **Income Distribution**

<b>Family Income</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	578	2.7%	22,973	2.5%
10,000 - 14,999.....	274	1.3	12,547	1.4
15,000 - 24,999.....	1,111	5.3	29,893	3.3
25,000 - 34,999.....	800	3.8	35,598	3.9
35,000 - 49,999.....	1,686	8.0	61,793	6.7
50,000 - 74,999.....	3,192	15.1	108,046	11.8
75,000 - 99,999.....	2,678	12.7	108,216	11.8
100,000 - 149,999.....	4,138	19.6	185,242	20.2
150,000 - 199,999.....	2,824	13.4	128,574	14.0
200,000 and over.....	3,824	18.1	224,258	24.5
<b>Total.....</b>	<b>21,105</b>	<b>100.0%</b>	<b>917,140</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### **Income Levels**

	<b>City of Danbury</b>	<b>State of Connecticut</b>
Per Capita Income, 2023 .....	\$ 44,800	\$ 54,409
Median Family Income, 2023 .....	\$ 102,808	\$ 120,011
Median Household Income, 2023 .....	\$ 83,422	\$ 93,760

*Source: American Community Survey 2019-2023.*

### **Educational Attainment Population 25 years and over**

	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	5,191	8.6%	101,530	4.0%
9th to 12th grade.....	4,626	7.7	118,019	4.7
High School graduate.....	15,743	26.1	647,094	25.5
Some college, no degree.....	10,225	16.9	410,591	16.2
Associate's degree .....	3,775	6.2	193,216	7.6
Bachelor's degree.....	11,909	19.7	581,935	23.0
Graduate or professional degree.....	8,939	14.8	480,468	19.0
<b>Total.....</b>	<b>60,408</b>	<b>100.0%</b>	<b>2,532,853</b>	<b>100.0%</b>
Total high school graduate or higher (%). ....		83.7%		91.3%
Total Bachelor's degree or higher (%). ....		34.5%		41.9%

*Source: American Community Survey 2019-2023.*

### **Major Employers As of January 2026**

<b>Name</b>	<b>Business</b>	<b>Approximate Number of Employees</b>
Nuvance Health - Danbury .....	Hospital (excluding affiliates)	2,633
Boehringer-Ingelheim Pharmaceuticals <sup>1</sup> .....	Pharmaceuticals	2,600
Danbury Board of Education.....	Education	1,746
Bluecrest (formerly Pitney Bowes).....	Industrial Machines & Equipment	707
Western Connecticut State University.....	Education	650
City of Danbury.....	Government	618
ARKA Group (formerly Danbury Mission Technologies)....	Aerospace	550
Connecticut Institute For Communities, Inc.....	Community Services	350
Leonardo DRS.....	Advanced Defense Technology	310
Linde Inc (formerly Praxair, Inc.). ....	Industrial Gases	300

<sup>1</sup> The facility is on the Danbury/Ridgefield border. The number shown includes all employees at the facility.

*Source: Economic Development & Community Relations and current BOE employee bargaining data.*

## **Employment by Industry**

<b>Sector</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	99	0.2%	7,261	0.4%
Construction.....	4,506	9.7	112,821	6.1
Manufacturing.....	4,576	9.8	195,355	10.6
Wholesale trade.....	1,063	2.3	37,294	2.0
Retail trade.....	5,448	11.7	192,535	10.5
Transportation warehousing, and utilities.....	2,612	5.6	84,571	4.6
Information.....	799	1.7	36,631	2.0
Finance, insurance, real estate, and leasing...	2,626	5.6	162,724	8.9
Professional, scientific, management, administrative, and waste management.....	6,919	14.8	223,982	12.2
Education, health and social services.....	10,291	22.1	490,839	26.7
Arts, entertainment, recreation, accommodation and food services.....	3,533	7.6	145,445	7.9
Other services (except public admin.).....	2,859	6.1	78,662	4.3
Public Administration.....	1,309	2.8	67,335	3.7
<b>Total Labor Force, Employed.....</b>	<b>46,640</b>	<b>100%</b>	<b>1,835,455</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

## **Employment Data By Place of Residence**

<b>Period</b>	<b>Percentage Unemployed</b>				
	<b>City of Danbury</b>		<b>City of Danbury</b>	<b>Danbury Labor Market</b>	<b>State of Connecticut</b>
	<b>Employed</b>	<b>Unemployed</b>			
December 2025 .....	46,881	1,835	3.8	3.9	4.1
<b>Annual Average</b>					
2024.....	45,787	1,486	3.2	3.1	3.5
2023.....	45,144	1,569	3.4	3.4	3.7
2022.....	45,022	1,633	3.5	3.5	4.1
2021.....	41,489	2,485	5.7	5.6	6.6
2020.....	43,193	3,045	6.6	6.5	7.3
2019.....	46,055	1,499	3.2	3.1	3.7
2018.....	45,621	1,609	3.4	3.4	4.1
2017.....	46,042	1,871	3.9	3.9	4.7
2016.....	45,113	2,046	4.3	4.4	5.3
2015.....	44,782	2,160	4.6	4.5	5.6

Source: State of Connecticut, Department of Labor.

### **Age Distribution of Housing**

<b>Year Built</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	5,283	15.2%	313,434	20.4%
1940 to 1969.....	9,787	28.1	516,528	33.6
1970 to 1979.....	4,992	14.3	210,611	13.7
1980 to 1989.....	5,291	15.2	197,533	12.9
1990 to 1999.....	2,408	6.9	116,617	7.6
2000 or 2009.....	4,395	12.6	108,430	7.1
2010 or later.....	2,642	7.6	72,896	4.7
<b>Total Housing Units</b> .....	<b>34,798</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### **Housing Inventory**

<b>Housing Units</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	14,748	42.4%	901,187	58.7%
1-unit, attached.....	4,303	12.4	95,202	6.2
2 units.....	3,171	9.1	118,295	7.7
3 or 4 units.....	3,393	9.8	126,755	8.3
5 to 9 units.....	1,773	5.1	76,750	5.0
10 to 19 units.....	1,740	5.0	55,290	3.6
20 or more units.....	5,180	14.9	150,986	9.8
Mobile home.....	469	1.3	10,967	0.7
Boat, RV, van, etc.....	21	0.1	617	0.0
<b>Total Inventory</b> .....	<b>34,798</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey 2019-2023.

### **Building Permits**

<b>Calendar Year Ending 12/31</b>	<b>Residential</b>		<b>Commercial</b>		<b>Industrial</b>		<b>Total</b>	
	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
2025	1,381	\$ 75,803,264	174	\$ 85,100,106	10	\$ 2,222,456	1,565	\$ 163,125,826
2024	1,256	63,180,976	179	74,038,881	5	8,585,034	1,440	145,804,891
2023	1,179	72,373,000	155	63,674,349	10	6,290,000	1,344	142,337,349
2022	1,005	59,619,706	164	46,926,874	4	20,232,000	1,173	126,778,580
2021	1,168	46,665,738	141	60,079,234	7	9,095,871	1,316	115,840,843
2020	962	45,491,122	136	68,616,724	5	6,324,000	1,103	120,431,846
2019	1,026	43,432,477	193	52,901,766	11	1,500,000	1,230	97,834,243
2018	977	43,988,687	180	51,759,308	2	1,000,000	1,159	96,747,995
2017	1,036	55,776,275	200	29,432,456	2	500,000	1,238	85,708,731
2016	876	40,316,792	231	78,064,219	3	913,500	1,110	119,294,511

Source: Building Department, City of Danbury

### **Owner-Occupied Housing Values**

<b>Specified Owner-Occupied Units</b>	<b>City of Danbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	415	2.3%	22,174	2.4%
\$50,000 to \$99,000.....	235	1.3	15,116	1.6
\$100,000 to \$149,999.....	515	2.9	38,832	4.1
\$150,000 to \$199,000.....	576	3.2	77,152	8.2
\$200,000 to \$299,999.....	3,529	19.7	233,824	24.9
\$300,000 to \$499,999.....	8,737	48.7	319,703	34.0
\$500,000 to \$999,999.....	3,618	20.2	173,643	18.5
\$1,000,000 or more.....	314	1.8	59,468	6.3
<b>Total.....</b>	<b>17,939</b>	<b>100.0%</b>	<b>939,912</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$381,600</b>		<b>\$343,200</b>	

*Source: American Community Survey 2019-2023.*

*(The remainder of this page intentionally left blank)*

## **IV. Tax Base Data**

### **Property Tax Assessments**

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the assessor's office. The Grand List represents the total of assessed value for all taxable real and personal property located within the City as of October 1 in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeal determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation which was effective for the October 1, 2022 Grand List.

Under Section 12-62 of the General Statutes, the City must do a revaluation every five years and the assessor must fully inspect each parcel once every ten years. The next revaluation will be for the October 1, 2027 Grand List.

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. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

On or before the first day of October each year, the Secretary of the Office of Policy and Management ("OPM"), in cooperation with the Connecticut Association of Assessing Officers, recommends a schedule of motor vehicle values (i.e., specific pricing guides prepared by nationally recognized firms) pursuant to §12-71d. The recommended schedule of motor vehicle values must be used by assessors in each municipality in determining the assessed value of the motor vehicles that are encompassed in the schedule. The value of each motor vehicle as listed represents its clean retail price, and its assessment is based on 70% of such clean retail price. Section 12-71b of the Connecticut General Statutes ("CGS"), 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 that are purchased in August and September are not taxed until the next October 1 Grand List. If that new motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

Connecticut General Statutes Section 12-71e, as amended, provides that for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. Any municipality or district may establish a mill rate for motor vehicles that is equal to or lower than 32.46 mills, including zero mills. Such mill rate for motor vehicles may be different from the mill rate for real property and personal property, provided the mill rate for motor vehicles is lower than the mill rate for real property and personal property. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City's motor vehicle tax rates for the current 2024 assessment year (the fiscal year ending June 30, 2026) is 24.99 mills.

All business 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 CGS 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 City has not approved the use of this abatement provision to date.

In accordance with CGS 12-65b, the City Council adopted in November 1996 an ordinance authorizing the deferral of assessment increases attributed to construction or improvements to real property. This applies to offices, manufacturers, warehouses or storage areas.

Also, in accordance with CGS 12-65b, the City Council adopted in February 2004 an ordinance authorizing the deferral of assessment increases attributed to the placement of personal property to be located in a manufacturing facility.

The Assessor's Office has published a website to assist taxpayers. There are assessment forms, detailed descriptions of programs, and State Statutes listed. Taxpayers can also upload most forms for expedited processing. The website can be found at [www.assessor.danbury-ct.gov](http://www.assessor.danbury-ct.gov).

## Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in four installments: July 1, October 1, January 1, and April 1. Payments not received by August 1, November 1, February 1 or May 1, respectively, become delinquent. 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. A modest 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 three times a year, with interest charged at the rate of one and one-half percent per month in accordance with CGS, with a minimum charge of \$2.00. 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. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with CGS.

## Comparative Assessed Valuation

Grand List Real Property as of 10/1	Commercial/				Manufacturers'				Annual Change	
	Residential	Industrial	Personal	Motor	Exemptions		Veterans Relief and Elderly	Net Taxable Grand List		
	Real Property	Real Property	Property	Vehicle	Gross Taxable Grand List					
2024	58.2%	27.5%	6.4%	7.9%	\$ 10,917,364,185	\$ 433,394,357		\$ 10,483,969,828	0.14%	
2023	65.0	24.0	6.0	5.0	10,600,953,374	131,301,902		10,469,651,472	0.20%	
2022 <sup>1</sup>	59.0	27.6	5.1	8.4	10,797,617,147	348,533,276		10,449,083,871	28.45%	
2021	56.1	25.2	9.0	9.8	8,424,960,890	290,465,903		8,134,494,987	1.97%	
2020	57.0	25.4	9.6	8.0	8,232,087,233	254,951,628		7,977,135,605	1.05%	
2019	58.2	24.9	9.3	7.5	8,163,535,465	269,298,903		7,894,236,562	0.68%	
2018	58.3	25.4	9.1	7.3	8,092,694,648	252,075,186		7,840,619,462	1.38%	
2017 <sup>1</sup>	58.7	25.6	8.5	7.2	7,972,717,550	238,974,122		7,733,743,428	8.46%	
2016	58.3	25.6	8.5	7.5	7,364,955,037	234,706,423		7,130,248,614	1.46%	
2015	58.0	29.9	8.5	7.5	7,248,636,675	220,725,660		7,027,911,015	1.16%	

<sup>1</sup> Revaluation.

Source: City of Danbury, City Assessor's Office

## Exempt Property

The following categories of exempt properties are not included in the grand lists.

	<u>Assessed Value</u>
U.S. Government.....	\$ 277,963,980
State of Connecticut.....	439,308,310
Miscellaneous.....	526,525,580
City of Danbury.....	618,328,060
<b>Total Exempt Property.....</b>	<b>\$ 1,862,125,930</b>

Percent Compared to Gross Grand List<sup>1</sup>..... 16.14%

<sup>1</sup> Based on a Gross Grand List October 1, 2024 of \$11,535,692,245.

Source: City of Danbury, Assessor's Office

## Property Tax Levies and Collections

List as of 10/1	Fiscal Year 6/30	Net Taxable Grand List	Mill Rate	Original Annual Levy	Percent of		Percent of Annual Levy as of 6/30/25 <sup>2</sup>
					Collected at end of Fiscal Year	Uncollected at end of Fiscal Year	
2024	2026 <sup>2</sup>	\$ 10,483,969,828	24.99	\$ 261,186,541		N/A	
2023	2025 <sup>2</sup>	10,469,651,472	24.44	256,383,181	98.1%	1.9%	1.9%
2022 <sup>1</sup>	2024	10,449,083,871	23.33	243,730,225	98.1%	1.9%	0.8%
2021	2023	8,134,494,987	28.22	229,555,449	98.6%	1.4%	0.4%
2020	2022	7,977,135,605	27.60	220,188,423	98.8%	1.2%	0.3%
2019	2021	7,894,236,562	27.60	217,908,176	98.7%	1.3%	0.3%
2018	2020	7,840,619,462	27.60	216,566,602	97.3%	2.7%	0.2%
2017 <sup>1</sup>	2019	7,733,743,428	27.60	213,356,078	99.0%	1.0%	0.2%
2016	2018	7,130,248,614	28.95	207,721,220	98.7%	1.3%	0.2%
2015	2017	7,027,911,015	28.68	203,262,683	97.0%	3.0%	0.2%

<sup>1</sup> Revaluation.

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

Source: City of Danbury, Tax Collector's Office

## Property Taxes Receivable

As of June 30	Total <sup>1</sup>	Current Year
2025 <sup>2</sup>	\$ 12,113,992	\$ 5,284,493
2024	11,012,918	4,930,076
2023	8,505,093	3,339,002
2022	7,587,880	2,754,739
2021	7,606,237	2,898,579
2020	6,405,019	5,526,102
2019	4,684,745	2,895,496
2018	4,469,186	2,710,842
2017	5,901,000	2,650,000
2016	4,949,051	2,528,036

<sup>1</sup> Less allowance.

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

Source: Comprehensive Annual Financial Reports, City of Danbury, 2016-2024. Finance Department: 2025.

## Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List <sup>1</sup>
Danbury Mall Associates.....	Shopping Mall	\$ 213,297,480	2.03%
Connecticut Light & Power Co .....	Public Utility	119,290,890	1.14
601 W Abbey Woods LLC.....	Apartments - 470 Units	92,750,000	0.88
Algonquin Gas Transmission LLC.....	Natural Gas Pipeline	79,006,010	0.75
Crown Point Gardens.....	Apartments - 466 Units	77,486,010	0.74
JSIP Kennedy Flats.....	Apartments - 374 Units	76,207,310	0.73
Eversource (Yankee Gas) .....	Public Utility	67,333,080	0.64
Boehringer Ingelheim Pharmaceuticals Inc ...	Healthcare	51,031,890	0.49
MI HFI Danbury LLC .....	Industrial /Non-Residential RE	50,841,350	0.48
Entegris Inc .....	Semiconductor Equipment	47,599,610	0.45
<b>Total.....</b>		\$ 874,843,630	8.34%

<sup>1</sup> Based on a Net Taxable Grand List October 1, 2024 of \$10,483,969,828.

Source: Assessor's Office, City of Danbury

**V. Debt Summary**  
**Principal Amount of Bonded Indebtedness**  
**As of February 23, 2026**  
**(Pro Forma)**

<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Amount of Original Issue</b>	<b>Amount Outstanding</b>	<b>Fiscal Year of Maturity</b>
09/30/10	Sewers - Clean Water Fund Loan <sup>2</sup> .....	2.000	\$ 2,549,994	\$ 541,762	2030
01/31/13	Sewers - Clean Water Fund Loan <sup>2</sup> .....	2.000	3,457,535	1,369,977	2033
07/25/14	Public Improvement.....	2.000 - 4.000	2,000,000	900,000	2035
07/25/14	Schools .....	2.000 - 4.000	9,000,000	4,050,000	2035
07/23/15	Public Improvement.....	3.000 - 5.000	11,400,000	5,130,000	2036
07/23/15	Schools .....	3.000 - 5.000	6,600,000	2,970,000	2036
03/29/16	Public Improvement Refunding.....	2.500 - 4.000	12,394,000	6,811,000	2031
03/29/16	Schools Refunding .....	2.500 - 4.000	1,940,000	1,120,000	2031
03/29/16	Sewer - Lateral Refunding <sup>3</sup> .....	2.500 - 4.000	28,000	14,000	2030
03/29/16	Sewer Refunding <sup>2</sup> .....	2.500 - 4.000	183,000	91,000	2031
03/29/16	Water Refunding <sup>1</sup> .....	2.500 - 4.000	410,000	229,000	2031
07/21/16	Public Improvement.....	2.000 - 4.000	7,850,000	4,317,500	2037
07/21/16	Schools .....	2.000 - 4.000	3,000,000	1,650,000	2037
07/21/16	Sewer <sup>2</sup> .....	2.000 - 4.000	4,750,000	2,612,500	2037
07/21/16	Water .....	2.000 - 4.000	400,000	220,000	2037
07/20/17	Public Improvement.....	2.000 - 5.000	3,050,000	1,826,000	2038
07/20/17	Schools .....	2.000 - 5.000	12,000,000	7,200,000	2038
07/20/17	Sewer <sup>2</sup> .....	2.000 - 5.000	2,750,000	1,654,000	2038
07/20/17	Water .....	2.000 - 5.000	200,000	120,000	2038
09/21/17	Public Improvement Refunding.....	2.125-5.00	12,965,000	5,239,000	2030
09/21/17	Schools Refunding .....	2.125-5.00	1,938,000	683,000	2030
09/21/17	Sewer - Lateral Refunding <sup>3</sup> .....	2.125-5.00	57,000	18,000	2029
09/21/17	Sewer Refunding <sup>2</sup> .....	2.125-5.00	533,000	144,000	2030
09/21/17	Water Refunding <sup>1</sup> .....	2.125-5.00	297,000	101,000	2030
07/19/18	Public Improvement.....	3.000 - 5.000	10,546,415	5,620,000	2034
07/19/18	Schools .....	3.000 - 5.000	3,500,000	1,855,000	2034
07/19/18	Sewer <sup>2</sup> .....	3.000 - 5.000	1,208,165	640,000	2034
07/19/18	Water <sup>1</sup> .....	3.000 - 5.000	245,420	120,000	2034
07/18/19	Public Improvement.....	2.000 - 5.000	3,850,000	1,540,000	2030
07/18/19	Schools .....	2.000 - 5.000	3,100,000	1,240,000	2030
07/18/19	Water <sup>1</sup> .....	2.000 - 5.000	50,000	20,000	2030
11/04/19	Sewer <sup>2</sup> .....	2.125 - 5.000	50,000,000	35,000,000	2040
06/01/20	Public Improvement Refunding.....	4.000 - 5.000	5,177,000	1,250,000	2031
06/01/20	Schools Refunding.....	4.000 - 5.000	1,563,000	339,000	2031
06/01/20	Sewer - Lateral Refunding <sup>3</sup> .....	4.000 - 5.000	19,000	11,000	2030
06/01/20	Sewer Refunding <sup>2</sup> .....	4.000 - 5.000	271,000	24,000	2030
06/01/20	Water Refunding <sup>1</sup> .....	4.000 - 5.000	290,000	121,000	2031
07/16/20	Public Improvement.....	2.000 - 5.000	11,446,698	5,725,000	2031
07/16/20	Schools .....	2.000 - 5.000	303,302	150,000	2031
07/16/20	Sewer <sup>2</sup> .....	2.000 - 5.000	200,000	100,000	2031
07/16/20	Water <sup>1</sup> .....	2.000 - 5.000	50,000	25,000	2031
07/15/21	Public Improvement .....	2.000 - 4.000	7,500,000	4,500,000	2032
07/15/21	Schools .....	2.000 - 4.000	4,000,000	2,400,000	2032
07/15/21	Sewer <sup>2</sup> .....	2.000 - 4.000	350,000	210,000	2032
07/15/21	Water <sup>1</sup> .....	2.000 - 4.000	150,000	90,000	2032
08/19/21	Public Improvement Refunding.....	4.000	17,164,000	5,635,000	2029
08/19/21	Schools Refunding.....	4.000	1,392,000	272,000	2028
08/19/21	Sewer - Lateral Refunding <sup>3</sup> .....	4.000	1,901,000	615,000	2029
08/19/21	Sewer Refunding <sup>2</sup> .....	4.000	470,000	188,000	2029
08/19/21	Water Refunding <sup>1</sup> .....	4.000	1,398,000	380,000	2029
07/14/22	Public Improvement .....	4.000 - 5.000	16,500,000	14,025,000	2043
07/14/22	Schools .....	4.000 - 5.000	3,500,000	2,975,000	2043
02/24/25	Public Improvement .....	4.000 - 5.000	3,400,000	3,230,000	2045
02/24/25	Schools .....	4.000 - 5.000	23,700,000	22,515,000	2045
02/24/25	Sewer <sup>2</sup> .....	4.000 - 5.000	9,375,000	8,905,000	2045
<b>Total Long Term Debt.....</b>			<b>\$ 282,372,529</b>	<b>\$ 168,731,739</b>	
<b>This Issue</b>					
02/23/26	Public Improvement .....	<i>tbd</i>	\$ 6,230,000	\$ 6,230,000	2046
02/23/26	Schools .....	<i>tbd</i>	6,950,000	6,950,000	2046
02/23/26	Sewer <sup>2</sup> .....	<i>tbd</i>	40,200,000	40,200,000	2046
02/23/26	Water <sup>1</sup> .....	<i>tbd</i>	6,750,000	6,750,000	2046
<b>Total This Issue.....</b>			<b>\$ 60,130,000</b>	<b>\$ 60,130,000</b>	
<b>Grand Total.....</b>			<b>\$ 342,502,529</b>	<b>\$ 228,861,739</b>	

<sup>1</sup> Debt service is included in and paid from the operating budget of the Water Enterprise Fund.

<sup>2</sup> Debt service and capital costs incurred in the expansion, renovation, and repair of the central sewer filtering plant, major trunk lines and pumping stations are included in the sewer system operating budget. Rates are established by standards contained in an ordinance enacted by the City Council and in conformity with Chapter 103 of the General Statutes, as amended.

<sup>3</sup> All costs associated with the extension of new sewer services and for the construction of collector lines or laterals are borne by the property owners benefiting from such extension projects. Assessments of benefits for those whose property benefits by such extension projects are established by standards contained in an ordinance enacted by the City Council and in conformity with Chapter 103 of the General Statutes, as amended. Debt service is paid from the Sewer Assessment Fund.

**Short Term Debt**  
**As of February 23, 2026**  
**(Pro Forma)**

<b>Project</b>	<b>Authorized</b>	<b>Notes Due:</b>		<b>This Issue:</b>	
		<b>2/23/26</b>	<b>2/22/27</b>	<b>Notes Due:</b>	<b>2/22/27</b>
Gen. Public Imp. 21-22 .....	\$ 3,000,000	\$ -	\$ 370,000		
Gen. Public Imp. 22-23 .....	3,000,000	1,200,000	250,000		
Gen. Public Imp. 23-24 .....	3,000,000	2,000,000	1,900,000		
Gen. Public Imp. 24-25 .....	3,000,000	3,000,000	2,250,000		
Gen. Public Imp. 25-26 .....	3,000,000	-	1,950,000		
Danbury Road Bond 2020 .....	20,000,000	-	850,000		
SNAPP2020 .....	38,700,000	3,500,000	13,750,000		
Pub. Safety & Infrastructure 2024 (PSI2024)..	49,000,000	10,000,000	19,000,000		
DHS 2020.....	53,500,000	5,500,000	5,385,000		
BOE2022 - Danbury Career Academy.....	207,900,000	78,300,000	61,500,000		
SNAPP2020 .....	14,300,000	6,750,000	6,500,000		
Vision 2020 Bond-Schools .....	44,000,000	-	650,000		
Waste Water Treatment Plant Upgrade.....	102,600,000	30,000,000	-		
Water 2023 Upgrades.....	115,000,000	15,000,000	25,250,000		
<b>Totals</b> .....	<b>\$ 660,000,000</b>	<b>\$ 155,250,000</b>	<b>\$ 139,605,000</b>		

***Other Obligations***

The City leases certain capital equipment. The City leases certain capital equipment. As of June 30, 2025, the outstanding principal amount owed under such capital leases obligations was \$1,328,251 (total payments of \$1,353,689 inclusive of principal and interest payments and interest subsidy for an \$11.5 million lease financed as a Qualified Energy Conservation Bond). In addition, in September 2019 the City entered into a Loan Agreement in the amount of \$1,800,000 with the United States Department of Housing and Urban Development. The loan was paid in full in May 2025.

*(The remainder of this page intentionally left blank)*

**General Fund Annual Bonded Debt Maturity Schedule**  
**As of February 23, 2026**  
**(Pro Forma)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>This Issue - Principal</b>			<b>Cumulative % Principal Retired</b>
				<b>Pub. Imp.</b>	<b>Schools</b>	<b>Total</b>	
2027	\$ 15,300,500	\$ 3,861,348	\$ 19,161,848	\$ 311,500	\$ 347,500	\$ 659,000	12.4
2028	14,183,500	3,280,183	17,463,683	311,500	347,500	659,000	24.0
2029	13,096,500	2,800,907	15,897,407	311,500	347,500	659,000	34.7
2030	12,188,500	2,394,391	14,582,891	311,500	347,500	659,000	44.7
2031	10,269,500	2,041,331	12,310,831	311,500	347,500	659,000	53.2
2032	7,179,500	1,752,452	8,931,952	311,500	347,500	659,000	59.3
2033	6,029,500	1,520,454	7,549,954	311,500	347,500	659,000	64.6
2034	6,029,500	1,304,274	7,333,774	311,500	347,500	659,000	69.8
2035	5,099,500	1,111,631	6,211,131	311,500	347,500	659,000	74.3
2036	4,549,500	938,940	5,488,440	311,500	347,500	659,000	78.3
2037	3,649,500	790,718	4,440,218	311,500	347,500	659,000	81.7
2038	3,107,000	665,350	3,772,350	311,500	347,500	659,000	84.6
2039	2,355,000	559,400	2,914,400	311,500	347,500	659,000	87.0
2040	2,355,000	465,200	2,820,200	311,500	347,500	659,000	89.3
2041	2,355,000	371,000	2,726,000	311,500	347,500	659,000	91.7
2042	2,355,000	276,800	2,631,800	311,500	347,500	659,000	94.0
2043	2,355,000	182,600	2,537,600	311,500	347,500	659,000	96.3
2044	1,355,000	108,400	1,463,400	311,500	347,500	659,000	97.9
2045	1,355,000	54,200	1,409,200	311,500	347,500	659,000	99.5
2046	-	-	-	311,500	347,500	659,000	100.0
<b>Total.....</b>	<b>\$ 115,167,500</b>	<b>\$ 24,479,578</b>	<b>\$ 139,647,078</b>	<b>\$ 6,230,000</b>	<b>\$ 6,950,000</b>	<b>\$ 13,180,000</b>	

*Note: Long-Term capital leases and State of Connecticut Local Bridge Loans are not included. Excludes bonds that have been refunded.*

**Self-Supporting Debt Annual Bonded Maturity Schedule**  
**As of February 23, 2026**  
**(Pro Forma)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>This Issue - Principal</b>			<b>Cumulative % Principal Retired</b>
				<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
2027	\$ 4,760,257	\$ 1,690,254	\$ 6,450,511	\$ 2,010,000	\$ 336,000	\$ 2,346,000	7.1
2028	4,413,933	1,488,043	5,901,976	2,010,000	336,000	2,346,000	13.8
2029	4,187,744	1,315,712	5,503,456	2,010,000	336,000	2,346,000	20.3
2030	3,956,902	1,164,590	5,121,493	2,010,000	336,000	2,346,000	26.6
2031	3,811,670	1,043,093	4,854,763	2,010,000	336,000	2,346,000	32.7
2032	3,725,731	946,180	4,671,910	2,010,000	336,000	2,346,000	38.8
2033	3,592,125	849,639	4,441,765	2,010,000	336,000	2,346,000	44.7
2034	3,470,500	747,101	4,217,601	2,010,000	336,000	2,346,000	50.5
2035	3,375,500	647,088	4,022,588	2,010,000	336,000	2,346,000	56.2
2036	3,375,500	547,373	3,922,873	2,010,000	336,000	2,346,000	61.9
2037	3,375,500	441,408	3,816,908	2,010,000	336,000	2,346,000	67.6
2038	3,118,000	339,213	3,457,213	2,010,000	336,000	2,346,000	73.0
2039	2,970,000	243,100	3,213,100	2,010,000	336,000	2,346,000	78.3
2040	2,970,000	149,300	3,119,300	2,010,000	336,000	2,346,000	83.6
2041	465,000	93,000	558,000	2,010,000	341,000	2,351,000	86.4
2042	465,000	74,400	539,400	2,010,000	341,000	2,351,000	89.2
2043	465,000	55,800	520,800	2,010,000	341,000	2,351,000	92.0
2044	465,000	37,200	502,200	2,010,000	341,000	2,351,000	94.9
2045	465,000	18,600	483,600	2,010,000	341,000	2,351,000	97.7
2046	-	-	-	2,010,000	341,000	2,351,000	100.0
<b>Total.....</b>	<b>\$ 53,428,363</b>	<b>\$ 11,891,092</b>	<b>\$ 65,319,454</b>	<b>\$ 40,200,000</b>	<b>\$ 6,750,000</b>	<b>\$ 46,950,000</b>	

*refunded.. Also, excludes \$4,585,336 in principal payments and \$1,314,612 in interest payments made between July 1, 2025 and February 23, 2026. In addition, the City will make \$155,877 in principal payments and \$579,541 interest payments made between February 23, 2026 and June 30, 2026.*

**Total General Obligation Debt**  
**Annual Bonded Debt Maturity Schedule**  
**As of February 23, 2026**  
**(Pro Forma)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Total Principal</b>	<b>Cumulative % Principal Retired</b>
				<b>This Issue</b>	
2027	\$ 20,060,757	\$ 5,551,603	\$ 25,612,360	\$ 3,005,000	10.1
2028	18,597,433	4,768,226	23,365,660	3,005,000	19.5
2029	17,284,244	4,116,619	21,400,863	3,005,000	28.4
2030	16,145,402	3,558,981	19,704,383	3,005,000	36.8
2031	14,081,170	3,084,423	17,165,593	3,005,000	44.2
2032	10,905,231	2,698,631	13,603,862	3,005,000	50.3
2033	9,621,625	2,370,093	11,991,719	3,005,000	55.8
2034	9,500,000	2,051,375	11,551,375	3,005,000	61.3
2035	8,475,000	1,758,719	10,233,719	3,005,000	66.3
2036	7,925,000	1,486,313	9,411,313	3,005,000	71.1
2037	7,025,000	1,232,125	8,257,125	3,005,000	75.5
2038	6,225,000	1,004,563	7,229,563	3,005,000	79.5
2039	5,325,000	802,500	6,127,500	3,005,000	83.2
2040	5,325,000	614,500	5,939,500	3,005,000	86.8
2041	2,820,000	464,000	3,284,000	3,010,000	89.4
2042	2,820,000	351,200	3,171,200	3,010,000	91.9
2043	2,820,000	238,400	3,058,400	3,010,000	94.5
2044	1,820,000	145,600	1,965,600	3,010,000	96.6
2045	1,820,000	72,800	1,892,800	3,010,000	98.7
2046	-	-	-	3,010,000	100.0
<b>Total.....</b>	<b>\$ 168,595,863</b>	<b>\$ 36,370,670</b>	<b>\$ 204,966,533</b>	<b>\$ 60,130,000</b>	

*Note: Long-Term capital leases and State of Connecticut Local Bridge Loans are not included. Excludes bonds that have been refunded. Also, excludes \$4,585,336 in principal payments and \$1,314,612 in interest payments made between July 1, 2025 and February 23, 2026. In addition, the City will make \$155,877 in principal payments and \$579,541 interest payments made between February 23, 2026 and June 30, 2026.*

**Overlapping/Underlying Debt**

The City has neither overlapping nor underlying debt.

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

*(The remainder of this page intentionally left blank)*

**Debt Statement**  
**As of February 23, 2026**  
**(Pro Forma)**

**Long-Term Debt:**

Public Improvement (Includes This Issue) .....	\$ 71,978,500
Schools (Includes This Issue) .....	56,369,000
Sewers (Includes This Issue) .....	92,338,239
Water (Includes This Issue) .....	8,176,000
<b>Total Long-Term Debt</b> <sup>1</sup> .....	<b>228,861,739</b>

**Short-Term Debt:**

Bond Anticipation Notes (This Issue: Due: February 22, 2027).....	139,605,000
<b>Total Direct Debt</b> .....	<b>368,466,739</b>
Less: Self-Supporting Sewer Debt .....	(92,338,239)
Self-Supporting Water Debt .....	(33,426,000) (125,764,239)
<b>Total Net Direct Debt</b> .....	<b>242,702,500</b>
Plus: Overlapping/Underlying Debt.....	-
<b>Total Overall Net Debt</b> .....	<b>\$ 242,702,500</b>

<sup>1</sup> Excludes \$1,950,457 in capital leases (including \$11.5 million in original principal payments for a Qualified Energy Conservation Bond lease) and a Loan Agreement for \$1,800,000 with the United States Department of Housing and Urban Development, as of June 30, 2025.

**Current Debt Ratios**  
**As of February 23, 2026**  
**(Pro Forma)**

Population (2023) <sup>1</sup> .....	86,086
Net Taxable Grand List (10/1/24).....	\$ 10,483,969,828
Estimated Full Value.....	\$ 14,977,099,754
Equalized Net Taxable Grand List (10/1/23) <sup>2</sup> .....	\$ 18,097,167,140
Income per Capita (2023) <sup>1</sup> .....	\$ 44,800

	<b>Total Direct Debt:</b>	<b>Total Net Direct Debt:</b>	<b>Total Overall Net Debt:</b>
	<b>\$368,466,739</b>	<b>\$242,702,500</b>	<b>\$242,702,500</b>
Per Capita.....	\$4,280.22	\$2,819.30	\$2,819.30
Ratio to Net Taxable Grand List.....	3.51%	2.31%	2.31%
Ratio to Estimated Full Value.....	2.46%	1.62%	1.62%
Ratio to Equalized Net Taxable Grand List.....	2.04%	1.34%	1.34%
Debt per Capita to Income per Capita (2023).....	9.55%	6.29%	6.29%

<sup>1</sup> United States Census Bureau: American Community Survey, 2019-2023.

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

## ***Bond Authorization Procedure***

The issuance of bonds is authorized pursuant to ordinances passed by the City Council by affirmative vote of at least two-thirds (2/3) of all members of the Council. No bonds may be issued for a term longer than the estimated life of the improvement for which they are issued and, in no event, for a term longer than twenty years. Whenever the City Council votes to issue bonds in a principal amount in excess of \$3,000,000, the ordinance authorizing such issue must be submitted for approval or disapproval of the electors at the next municipal election or at a special City meeting called by the Mayor. Refunding bonds are issued pursuant to a resolution adopted by an affirmative vote of a majority of the City Council as provided in Section 7-370c of 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 starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

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

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

## ***Clean Water Fund Program***

The City is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Sections 22a-475 et seq., as amended) (the "CWF Program"), 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 and phosphorus removal projects which are each financed with a 50% grant and a 50% loan and denitrification projects which are funded by a 30% grant and a 70% loan).

Loans to each municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (Interim Funding Obligation). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Project Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal and accrued interest thereon not later than one year from the project completion date specified in the Loan Agreement, and thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty. The City currently has CWF Program debt outstanding of \$1,911,739 as of February 23, 2026.

### ***Limitation of Indebtedness***

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

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

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

*(The remainder of this page left blank intentionally)*

**Statement of Debt Limitation**  
**As of February 23, 2026**  
**(Pro Forma)**

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

For the year ended June 30, 2025 (subject to audit)..... \$ 244,209,144

**Reimbursement For Revenue Loss On:**

Tax Relief for Elderly..... 15,127

**BASE**..... \$ 244,224,271

<b>Debt Limitation:</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
2 1/4 times base.....	\$ 549,504,610	-	-	-	-
4 1/2 times base.....	-	\$ 1,099,009,220	-	-	-
3 3/4 times base.....	-	-	\$ 915,841,016	-	-
3 1/4 times base.....	-	-	-	\$ 793,728,881	-
3 times base.....	-	-	-	-	\$ 732,672,813
<b>Total Debt Limitation</b> .....	<b>\$ 549,504,610</b>	<b>\$ 1,099,009,220</b>	<b>\$ 915,841,016</b>	<b>\$ 793,728,881</b>	<b>\$ 732,672,813</b>

**Indebtedness:**

Outstanding Debt:<sup>1,2</sup>

Bonds Payable <sup>3</sup> .....	\$ 65,748,500	\$ 49,419,000	\$ 51,480,239	\$ -	\$ -
Bonds – This Issue.....	6,230,000	6,950,000	40,200,000	-	-
Notes – This Issue.....	40,320,000	74,035,000	-	-	-
Authorized But Unissued.....	37,164,074	33,656,084	12,050,000	-	-
Total Indebtedness <sup>4</sup> .....	149,462,574	164,060,084	103,730,239	-	-

Less School Construction Grants<sup>5</sup>.....

<b>Total Net Indebtedness For Debt</b> .....	<b>\$ 149,462,574</b>	<b>\$ 164,060,084</b>	<b>\$ 103,730,239</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DEBT LIMITATION IN EXCESS OF</b>					
<b>INDEBTEDNESS</b> .....	<b>\$ 400,042,036</b>	<b>\$ 934,949,136</b>	<b>\$ 812,110,777</b>	<b>\$ 793,728,881</b>	<b>\$ 732,672,813</b>

<sup>1</sup> Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$1,426,000 of outstanding water bonds, \$25,250,000 of Notes for water upgrades in this issue and \$83,000,000 in Authorized but Unissued debt for water upgrades.

<sup>2</sup> Sewer assessment debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$658,000 of outstanding sewer assessment bonds.

<sup>3</sup> Includes Clean Water Fund Permanent Loan Obligations.

<sup>4</sup> Excludes \$1,950,457 in capital leases (including \$11.5 million in original principal payments for a Qualified Energy Conservation Bond lease) and a Loan Agreement for \$1,800,000 with the United States Department of Housing and Urban Development, as of June 30, 2025.

<sup>5</sup> See "School Projects" herein.

Note: With certain exclusions as set forth in Chapter 109 of the General Statutes, bonds and notes causing the aggregate indebtedness of the City to exceed seven times annual receipts from taxation may not be issued for any purpose. This limitation is \$1,542,718,016.

**Debt Authorized but Unissued**  
**As of February 23, 2026**  
**(Pro Forma)**

Project	Authorized	Debt Previously Issued	Grants (actual only)	Notes Due: 2/23/26	This Issue:		Debt Authorized but Unissued <sup>1</sup>				
					Notes Due: 2/22/27	The Bonds	City Paydowns	General Purpose	Schools	Sewers	Water
Gen. Public Imp. 20-21 .....	3,000,000	2,000,000	-	-	-	-	-	1,000,000	-	-	-
Gen. Public Imp. 21-22 .....	3,000,000	2,000,000	-	-	370,000	200,000	-	430,000	-	-	-
Gen. Public Imp. 22-23 .....	3,000,000	500,000	-	1,200,000	250,000	1,250,000	-	1,000,000	-	-	-
Gen. Public Imp. 23-24 .....	3,000,000	-	-	2,000,000	1,900,000	1,000,000	-	100,000	-	-	-
Gen. Public Imp. 24-25 .....	3,000,000	-	-	3,000,000	2,250,000	750,000	-	-	-	-	-
Gen. Public Imp. 25-26 .....	3,000,000	-	-	-	1,950,000	-	-	1,050,000	-	-	-
Danbury Road Bond 2020 .....	20,000,000	18,835,926	-	-	850,000	-	-	314,074	-	-	-
SNAPP2020 .....	38,700,000	18,800,000	-	3,500,000	13,750,000	2,000,000	225,000	3,925,000	-	-	-
2016 Public Imp. Projects (PIP2016) .....	10,000,000	9,625,000	-	-	-	30,000	-	345,000	-	-	-
Pub. Safety & Infrastructure 2024 (PSI2024) .....	49,000,000	-	-	10,000,000	19,000,000	1,000,000	-	29,000,000	-	-	-
DHS 2020 .....	53,500,000 <sup>2</sup>	16,750,000	23,243,012	5,500,000	5,385,000	-	225,000	-	7,896,988	-	-
Danbury Career Academy 2021 (BOE2021) .....	1,000,000	950,000	-	-	-	-	50,000	-	-	-	-
BOE2022 - Danbury Career Academy .....	207,900,000 <sup>3</sup>	22,250,000	91,451,844	78,300,000	61,500,000	5,000,000	3,600,000	-	24,098,156	-	-
SNAPP2020 .....	14,300,000 <sup>4</sup>	5,500,000	-	6,750,000	6,500,000	1,750,000	300,000	-	250,000	-	-
Vision 2020 Bond-Schools .....	44,000,000 <sup>5</sup>	21,500,000	20,239,060	-	650,000	200,000	-	-	1,410,940	-	-
Waste Water Treatment Plant Upgrade .....	102,600,000 <sup>6</sup>	49,000,000	-	30,000,000	-	40,000,000	1,600,000	-	-	12,000,000	-
Vision 2020 Sewer upgrade .....	7,975,000	7,725,000	-	-	-	200,000	-	-	-	50,000	-
Water 2023 Upgrades .....	115,000,000	-	-	15,000,000	25,250,000	6,750,000	-	-	-	-	83,000,000
<b>Grand Total .....</b>	<b>\$ 681,975,000</b>	<b>\$ 175,435,926</b>	<b>\$ 134,933,916</b>	<b>\$ 155,250,000</b>	<b>\$ 139,605,000</b>	<b>\$ 60,130,000</b>	<b>\$ 6,000,000</b>	<b>\$ 37,164,074</b>	<b>\$ 33,656,084</b>	<b>\$ 12,050,000</b>	<b>\$ 83,000,000</b>

<sup>1</sup> Authorized but Unissued debt listed above is net of paydowns.

<sup>2</sup> The City expects to receive approximately \$30.1 million in State of Connecticut School Building Grants for DHS2020.

<sup>3</sup> The Danbury Career Academy 2021 authorization of \$96.6 million has been replaced with BOE2022 Danbury Career Academy - \$207.9 million. The City expects to receive a total State Grant Reimbursement of \$155.5 million for this project.

<sup>4</sup> The original \$23.3 million authorization now reflects transferred allocations to BOE2022 Danbury Career Academy authorization.

<sup>5</sup> The City expects to receive approximately \$21.2 million in State of Connecticut School Building Grants for Vision 2020.

<sup>6</sup> The City expects that an estimated \$19.4 million will be paid by participating municipalities. The remaining amount of the Waste Water Treatment Plant Upgrade is expected to be paid via user fees as opposed to general taxation.

Note: Authorized but unissued debt in this table accounts for any principal reductions or statutory pay-downs made by the City which cannot or will not be financed with bonds.

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt <sup>1</sup>	Ratio of Net Long-Term Debt to Assessed Value (%)		Ratio of Net Long-Term Debt to Estimated Full Value (%)		Net Long-Term Debt per Population <sup>2</sup> Capita		Ratio of Net Long-Term Debt per Capita to Per Income <sup>3</sup>
				Long-Term Debt to Assessed Value (%)	Long-Term Debt to Estimated Full Value (%)	Population <sup>2</sup>	Net Long-Term Debt per Capita			
				Long-Term Debt to Assessed Value (%)	Long-Term Debt to Estimated Full Value (%)	Population <sup>2</sup>	Net Long-Term Debt per Capita			
2025 <sup>4</sup>	\$ 10,469,651,472	\$ 14,956,644,960	\$ 139,940,500	1.34%	0.94%	86,086	\$ 1,626	3.63%		
2024	10,449,083,871	14,927,262,673	117,998,000	1.13%	0.79%	86,086	1,371	3.06%		
2023	8,134,494,987	11,620,707,124	132,142,500	1.62%	1.14%	86,086	1,535	3.43%		
2022	7,977,135,605	11,395,908,007	125,539,000	1.57%	1.10%	86,086	1,458	3.26%		
2021	7,894,236,562	11,277,480,803	129,849,500	1.64%	1.15%	86,086	1,508	3.37%		

<sup>1</sup> Excludes self-supporting water, sewer and capital lease debt

<sup>2</sup> U.S. Census Bureau: American Community Survey, 2019-2023.

<sup>3</sup> U.S. Census Bureau: American Community Survey, 2019-2023 data used for per capita income (\$44,800).

<sup>4</sup> Subject to Audit.

**Ratio of Annual Debt Service to Total General Fund Expenditures  
and Other Financing Uses  
(Includes Transfers Out)**

<b>Fiscal Year Ended</b>	<b>6/30</b>				<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service To Total General Fund Expenditures %</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2025	\$ 14,532,500	\$ 3,891,576	\$ 18,424,076	\$ 336,823,313		5.47%
2024	14,144,500	4,517,973	18,662,473	315,666,608		5.91%
2023	13,396,500	4,853,500	18,250,000	296,571,070		6.15%
2022	13,704,500	4,355,148	18,059,648	290,240,088		6.22%
2021	12,398,750	4,813,451	17,212,201	277,496,176		6.20%
2020	11,998,998	5,181,973	17,180,971	276,919,891		6.20%
2019	11,542,844	5,354,056	16,896,900	264,455,376		6.39%
2018	11,625,876	5,008,319	16,634,195	273,694,677		6.08%
2017	10,880,376	4,877,819	15,758,195	267,936,498		5.88%
2016	10,400,095	5,288,527	15,688,622	254,116,299		6.17%

Source: City of Danbury Audit Reports 2016-2024.

2025 provided by Finance Director (estimated).

**Six Year Capital Improvement Program  
Fiscal Year 2026 through Fiscal Year 2031**

<b>Proposed Projects</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>	<b>2029-2030</b>	<b>2030-2031</b>	<b>Deferred</b>	<b>Total</b>
Airport .....	\$ 191,629	\$ 13,625	\$ 35,000	\$ 25,000	\$ 35,000	\$ -	\$ -	\$ 300,254
Ambulance.....	695,000	695,000	695,000	695,000	695,000	695,000	-	4,170,000
Animal Control.....	15,000	-	-	-	-	-	-	15,000
Construction Services.....	3,025,000	3,850,000	245,000	-	-	-	-	7,120,000
Danbury Museum.....	52,500	42,500	-	-	-	-	-	95,000
Emergency Management....	484,000	484,000	484,000	459,000	459,000	459,000	-	2,829,000
Engineering .....	36,199,161	29,456,010	7,246,010	2,996,010	2,456,810	-	-	78,354,001
Equipment Maintenance ...	1,775,000	175,000	100,000	125,000	100,000	100,000	-	2,375,000
Fire .....	2,523,411	3,699,661	2,758,615	1,131,760	978,550	561,428	-	11,653,425
Forestry.....	100,000	100,000	100,000	100,000	100,000	100,000	-	600,000
Health.....	4,207,906	-	-	-	-	-	-	4,207,906
Highway .....	26,975,000	17,450,000	15,825,000	12,600,000	9,550,000	7,025,000	5,669,275	95,094,275
Information Technology....	848,200	618,200	697,800	593,200	1,063,856	1,063,200	-	4,884,456
Mayor's Office .....	-	-	-	-	-	-	1,000,000	1,000,000
Park Maintenance.....	1,965,000	615,000	170,000	170,000	85,000	-	-	3,005,000
Planning.....	155,000	137,942	137,942	137,942	111,174	-	-	680,000
Police.....	1,251,909	756,909	666,909	-	-	-	-	2,675,727
Public Buildings .....	4,753,194	8,958,000	12,435,000	7,890,000	4,465,000	22,825,000	-	61,326,194
Recreation .....	2,363,033	2,363,033	2,362,933	2,362,933	2,361,933	2,311,135	-	14,125,000
Solid Waste/Recycle .....	1,128,000	1,327,000	219,000	-	-	-	-	2,674,000
Richter Park .....	2,035,000	-	-	3,875,664	-	-	-	5,910,664
Tarrywile Park .....	1,100,000	295,000	100,000	-	-	35,000	-	1,530,000
Sewer .....	24,116,000	35,092,000	6,566,000	-	-	-	-	65,774,000
Water .....	12,648,000	17,335,000	4,740,000	250,000	250,000	250,000	52,470,000	87,943,000
<b>Total .....</b>	<b>\$ 128,606,943</b>	<b>\$ 123,463,880</b>	<b>\$ 55,584,209</b>	<b>\$ 33,411,509</b>	<b>\$ 22,711,323</b>	<b>\$ 35,424,763</b>	<b>\$ 59,139,275</b>	<b>\$ 458,341,902</b>

<b>Proposed Funding</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>	<b>2029-2030</b>	<b>2030-2031</b>	<b>Deferred</b>	<b>Total</b>
User Charges <sup>1</sup> .....	\$ 37,459,000	\$ 53,122,000	\$ 12,001,000	\$ 945,000	\$ 945,000	\$ 945,000	\$ 52,470,000	\$ 157,887,000
Pay As You Go.....	8,957,443	9,151,380	9,192,709	9,176,009	9,125,823	9,106,296	6,669,275	61,378,935
Notes/Bonds <sup>2</sup> .....	76,200,000	55,200,000	28,400,000	17,300,000	6,650,000	19,382,967	-	203,132,967
St./Fed. Grants/Other .....	5,990,500	5,990,500	5,990,500	5,990,500	5,990,500	5,990,500	-	35,943,000
<b>Total .....</b>	<b>\$ 128,606,943</b>	<b>\$ 123,463,880</b>	<b>\$ 55,584,209</b>	<b>\$ 33,411,509</b>	<b>\$ 22,711,323</b>	<b>\$ 35,424,763</b>	<b>\$ 59,139,275</b>	<b>\$ 458,341,902</b>

<sup>1</sup> Includes self-supporting sewer and water debt that will be paid by user fees.

<sup>2</sup> Assumes New Bonds of \$163,550,000 which would require voter approval.

Source: CIP Approved by Planning Commission.

## **VI. Financial Information**

### **Fiscal Year**

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

### **Basis of Accounting**

The City's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to General Purpose Financial Statements.

### **Budget Procedure**

The City uses the following budgetary sequence and time schedule:

	<b>By</b>
All departments submit estimates to Mayor.....	February 15th
Mayor presents budget to the City Council.....	April 7th
City Council holds public hearings .....	By May 1st
City Council adopts budget.....	May 15

### **Investment Policy**

The operating and working capital funds (excluding pension funds) of the City are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) money market accounts; (3) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; (4) overnight U.S. Treasury obligations; (5) an investment pool investing in (i) high-grade, short-term, federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two, and (ii) very short-term (usually overnight) repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the Program's custodial bank to be held for the benefit of the Investment Pool's participants.

In addition, the City monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, 7-400 and 7-402 with which it places deposits or makes investments.

The Connecticut General Statutes, Section 7-400 and 7-402 govern eligible investments for Connecticut municipalities. Please refer to the Notes to the Financial Statements, Note 4 regarding the City's cash and cash equivalent investments at June 30, 2024.

(For an extensive description of the City's investment policy and investments related to the City's Pension Funds, see Note 12 to the City's audited financial statements in Appendix A.)

### **Audit**

The City, pursuant to the provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397) is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the City Council, is required to conduct the audit under the standards adopted by the Secretary of the Office of Policy and Management by regulation and approved by the Auditor of Public Accounts. The City Council has appointed RSM US LLP to conduct the audit for fiscal year ended June 30, 2025.

## **Liability Insurance**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years. The City self-insures up to certain levels of risk based on an evaluation of the City's financial capability to assume risk and prevailing market conditions for commercial insurance. The City is completely self-insured for all heart/hypertension liability. The City is self-insured for the first \$500,000 per claim and maintains an aggregate stop loss on Worker's Compensation claims of \$4 million. For medical insurance, the City and Board of Education ("BOE") have worked together to switch from being fully insured to self-insured as of July 1, 2013, with an individual stop loss of \$175,000 and aggregate stop loss of 125%. The City and BOE remain self-insured for their dental programs.

In addition, the City maintains liability insurance coverage as listed below:

Comprehensive General Liability insurance on an occurrence basis with a limit of \$1,000,000 per occurrence and aggregate limit of \$3,000,000 with a deductible of \$250,000 per occurrence.

Law Enforcement Liability with a limit of \$1,000,000 per each wrongful act and an aggregate limit of \$1,000,000 with a deductible of \$250,000 for each wrongful act.

Automobile Liability insurance with a limit of \$1,000,000 per each occurrence with a deductible of \$250,000 per occurrence.

Public Official Liability insurance on a claims made basis, \$1,000,000 limit per each wrongful act and aggregate limit of \$1,000,000 with a deductible of \$250,000 for each wrongful act.

School Board Errors and Omissions Liability on claims made basis, \$3,000,000 per each wrongful act and aggregate limit of \$2,000,000 with a deductible of \$10,000 for each wrongful act.

Student Nurses Medical Professional Liability Insurance on an occurrence basis with a limit of \$3,000,000 for each occurrence and aggregate limit of \$3,000,000.

Excess liability insurance over the Comprehensive General Liability, Law Enforcement Liability, Automobile Liability, Public Officials Liability with a limit of \$20,000,000 per occurrence and an aggregate limit of \$20,000,000.

See Appendix A – "FINANCIAL STATEMENTS, Note #12 - "Risk Management" to "General Purpose Financial Statements" herein.

## **Pension Plans**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71, was implemented on July 1, 2014. These statements revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, GASB Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expenses than is currently required. The effects of the implementation of these statements are that a net pension liability of \$152,707,704 was recorded on the government-wide financial statements and net position was reduced by the same amount. Details can be found in Note 11 of financial statements. The adoption of these GASB standards also provided additional disclosures for the State Teachers' Retirement Plan.

The City maintains seven separate single-employer pension plans covering substantially all of its employees (collectively, the "City's Plans"), except those public school teachers covered under the State of Connecticut Teachers' Retirement System. The General Employees Plan is a defined benefit plan covering all full-time employees not qualified under one of the City's other plans or the State Teachers' Retirement System. Effective July 1, 2013, General Employee Plan members, with the exception of non-union employees hired prior to January 1, 2011, began to contribute 1% of pay. This mandatory contribution increased to 2% of pay on July 1, 2014. Non-union employees hired on or after January 1, 2011 contribute 5% of pay. The remaining six plans: Pre-1967 Policemen, Pre-1967 Firemen, Post-1967 Policemen, Post-1967 Firemen, Post-1983 Policemen and Post 2011 Firemen are contributory defined benefit plans, and cover all paid members of the City's Police and Fire Departments. City and employee contributions are made pursuant to City Charter and Union contracts. Administrative fees are paid through the City's Plans. The City's pension plans do not, however, issue stand-alone financial reports.

The City's Plans' assets are consolidated and treated as one combined trust ("Master Trust") for all of the City's retirement plans. Although the assets of the City's Plans are commingled for investment purposes, each City's Plans' assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

For the July 1, 2023 valuations, the City used an interest rate assumption of 6.75% for all City's Plans. The collective funding for all pension plans is 68.8% based upon each plan's most recent valuation of July 1, 2023. The individual funding status as of most recent valuations are as follows:

	<b>General</b>	<b>Pre - 1967</b>	<b>Pre - 1967</b>	<b>Post - 1967</b>
	<b>Employees</b>	<b>Police</b>	<b>Fire</b>	<b>Police</b>
Total Pension Liability .....	\$ 194,069,534	\$ 2,812,249	\$ 4,025,211	\$ 59,687,458
Plan Fiduciary Net Position .....	127,674,046	2,049,903	2,031,233	34,763,662
<b>Total Net Pension Liability .....</b>	<b>\$ 66,395,488</b>	<b>\$ 762,346</b>	<b>\$ 1,993,978</b>	<b>\$ 24,923,796</b>
Plan Fiduciary Net Position as a % of the Total Pension Liability .....	65.79%	72.89%	50.46%	58.24%
	<b>Post - 1967</b>	<b>Post - 1983</b>	<b>Post - 2011</b>	
	<b>Fire</b>	<b>Police</b>	<b>Fire</b>	
Total Pension Liability .....	\$ 127,043,970	\$ 97,523,642	\$ 4,460,650	
Plan Fiduciary Net Position .....	93,115,773	73,925,359	3,355,034	
<b>Total Net Pension Liability .....</b>	<b>\$ 33,928,197</b>	<b>\$ 23,598,283</b>	<b>\$ 1,105,616</b>	
Plan Fiduciary Net Position as a % of the Total Pension Liability .....	73.29%	75.80%	75.21%	

The City's Plans, by policy, (i) require biennial actuarial valuations (as of July 1), with yearly updates, and (ii) require annual City contributions based on actuarial determinations. During the year of actuarial valuation, the City has historically contributed the Actuarially Determined Employer Contribution ("ADEC") for each of the City's Plans. Any difference between the ADEC and the actual contribution made has been settled by the next actuarial valuation date. The required contributions are calculated to cover normal cost and the amortization of unfunded actuarial accrued liabilities.

The following presents the net pension liability of the City's Plans, calculated using the discount rate of 6.75% as well as what the City's pension plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75% or 1- percentage-point higher 7.75%) than the current rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
General Employees .....	\$ 88,506,511	\$ 68,395,488	\$ 47,705,993
Pre-1967 Police .....	876,703	762,346	656,790
Pre- 1967 Fire .....	2,212,737	1,993,978	1,796,099
Post-1967 Police .....	30,184,803	24,923,796	20,400,286
Post-1967 Fire .....	49,463,415	33,928,197	21,022,957
Post -1983 Police .....	37,480,236	23,598,283	12,268,766
Post-2011 Fire .....	2,022,425	1,105,616	377,758

## ***Schedule of Employer Contributions***

### **General Employees**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 5,008,000	\$ 5,196,000	\$ 5,067,000	\$ 5,115,000	\$ 4,814,000
Contributions in Relation to the Actuarially Determined Contribution.....	<u>5,008,000</u>	5,196,000	5,367,000	5,115,000	4,814,000
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ (300,000)	\$ -	\$ -
Contributions as a Percentage of ADC.....	100.00%	100.00%	105.92%	100.00%	100.00%
Covered Payroll.....	\$ 28,389,263	\$ 26,243,289	\$ 24,330,141	\$ 24,535,719	\$ 26,162,000
Contributions as a Percentage of Covered Payroll.....	17.64%	19.80%	22.06%	20.85%	18.40%

### **Pre-1967 Police**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 274,000	\$ 781,000	\$ 790,000	\$ 822,000	\$ 760,000
Contributions in Relation to the Actuarially Determined Contribution.....	<u>274,000</u>	781,000	790,000	822,000	760,000
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll.....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll.....	N/A	N/A	N/A	N/A	N/A

### **Pre-1967 Fire**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 507,000	\$ 782,000	\$ 730,000	\$ 644,000	\$ 563,000
Contributions in Relation to the Actuarially Determined Contribution.....	<u>507,000</u>	782,000	730,000	644,000	563,000
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll.....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll.....	N/A	N/A	N/A	N/A	N/A

### **Post-1967 Police**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 1,741,000	\$ 1,451,000	\$ 1,403,000	\$ 1,170,000	\$ 1,208,000
Contributions in Relation to the Actuarially Determined Contribution.....	<u>1,741,000</u>	1,451,000	1,403,000	1,170,000	1,208,000
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll.....	\$ -	\$ 215,763	\$ 215,763	\$ 423,901	\$ 411,407
Contributions as a Percentage of Covered Payroll.....	N/A	672.50%	650.25%	276.01%	293.63%

**Schedule of Employer Contributions**  
(continued)

**Post-1967 Fire**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 3,570,000	\$ 3,013,000	\$ 3,026,000	\$ 2,749,000	\$ 2,658,000
Contributions in Relation to the Actuarially Determined Contribution.....	3,570,000	3,013,000	3,026,000	2,749,000	2,658,092
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ (92)
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll.....	\$ 6,327,027	\$ 6,747,570	\$ 6,825,588	\$ 7,197,952	\$ 7,383,543
Contributions as a Percentage of Covered Payroll.....	56.42%	44.65%	44.33%	38.19%	36.00%

**Post-1983 Police**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 3,790,000	\$ 3,576,000	\$ 3,453,000	\$ 3,213,000	\$ 3,143,000
Contributions in Relation to the Actuarially Determined Contribution.....	3,790,000	3,576,000	3,453,000	3,213,000	3,144,534
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ (1,534)
Contributions as a Percentage of ADC.....	100.00%	100.00%	100.00%	100.00%	100.05%
Covered Payroll.....	\$ 13,203,119	\$ 12,944,699	\$ 13,000,659	\$ 12,846,773	\$ 12,171,877
Contributions as a Percentage of Covered Payroll.....	28.71%	27.63%	26.56%	25.01%	25.83%

**Post-2011 Fire**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 358,000	\$ 206,000	\$ 161,000	\$ 105,000	\$ 74,000
Contributions in Relation to the Actuarially Determined Contribution.....	358,000	206,000	203,410	275,811	81,025
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ (42,410)	\$ (170,811)	\$ (7,025)
Contributions as a Percentage of ADC.....	100.00%	100.00%	126.34%	262.68%	109.49%
Covered Payroll.....	\$ 3,808,840	\$ 3,433,177	\$ 2,789,341	\$ 2,511,867	\$ 1,974,418
Contributions as a Percentage of Covered Payroll.....	9.40%	6.00%	7.29%	10.98%	4.10%

See Appendix A -- "FINANCIAL STATEMENTS, Note #11 - "Employee Retirement Plans" to "General Purpose Financial Statements" herein.

*(The remainder of this page left blank intentionally)*

## **Other Post-Employment Benefits (“OPEB”)**

In June 2004, the Governmental Accounting Standards Board (“GASB”) issued Statement #45 entitled “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions”. Per such statement, retiree medical plans are required to disclose information about asset and liability levels and disclose historical contribution information. Actuarial valuations are required to determine liability levels and show historical contribution information.

The implementation schedule required the City to implement the provisions of this GASB Statement and recognize the liability on its financial statements in the fiscal year ending 2010. In the fiscal year ending June 30, 2008, the City adopted an ordinance for the establishment of an OPEB Trust and appointed members to the Board of Directors. The City’s OPEB reserve balance inclusive of contributions and interest earnings since 2014 totals \$17.85 million through fiscal year ending 2024 and budgeted \$1.5 million for fiscal years ending 2025 and 2026. An OPEB funding policy was approved in May 2014 to gradually reduce the funding gap each year until the ADEC is fully funded. However, this funding strategy was modified from a planned \$3.5 million to \$0.5 million contribution in FY21 due to financial constraints relating to the COVID Pandemic. The goal is to fund the liability by at least 50% within 30 years which should include annual increases of \$500,000 over the annual pay-as-you-go funding levels. The most recent GASB 74 and GASB 75 Disclosure from June 30, 2024 estimates the City’s total (BOE and City) Unfunded Accrued Liability to be approximately \$325.1 million with a fiscal year 2024 ADEC of \$19.7 million. The net budget impact of the ADEC is \$10.0 million inclusive of the City’s contribution towards retiree health benefits.

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are as follows:

	<b>General Government Employees</b>	<b>Board of Education Employees</b>
Total OPEB Liability		
Service Cost.....	\$ 7,459,895	\$ 699,063
Changes in Assumptions.....	(12,351,660)	(804,113)
Differences Between Expected and Actual and Actual Experience.....	1,711,762	(869,943)
Interest.....	10,968,494	1,129,605
Contributions - Employer.....	-	-
Contributions - TRB Subsidy.....	-	-
Net Investment Income.....	-	-
Benefit Payments, Including Refunds of Member Contributions.....	(11,475,344)	(704,114)
Net Change in Total OPEB Liability.....	(3,686,853)	(549,502)
Total OPEB Liability - Beginning.....	298,733,031	30,597,929
<b>Total OPEB Liability - Ending.....</b>	<b>\$ 295,046,178</b>	<b>\$ 30,048,427</b>

**City Plan**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 17,500,000	\$ 15,912,000	\$ 14,623,000	\$ 15,099,000	\$ 14,966,000
Contributions in Relation to the Actuarially Determined Contribution.....	12,975,344	11,983,785	11,655,003	9,125,211	10,604,352
Contribution Deficiency (Excess).....	\$ 4,524,656	\$ 3,928,215	\$ 2,967,997	\$ 5,973,789	\$ 4,361,648
Contributions as a Percentage of ADC.....	74.14%	75.31%	79.70%	60.44%	70.86%
Covered Payroll.....	\$ 37,879,684	\$ 36,991,879	\$ 41,246,853	\$ 40,280,130	\$ 38,509,815
Contributions as a Percentage of Covered Payroll.....	34.25%	32.40%	28.26%	22.65%	27.54%

**Board of Education Plan**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially Determined Contribution.....	\$ 2,201,000	\$ 131,000	\$ 1,289,000	\$ 1,445,000	\$ 1,434,000
Contributions in Relation to the Actuarially Determined Contribution.....	591,442	1,101,907	737,720	874,594	704,611
Contribution Deficiency (Excess).....	\$ 1,609,558	\$ (970,907)	\$ 551,280	\$ 570,406	\$ 729,389
Contributions as a Percentage of ADC.....	26.87%	841.15%	57.23%	60.53%	49.14%
Covered Payroll.....	\$ 105,551,845	\$ 103,077,974	\$ 102,398,299	\$ 99,998,339	\$ 89,656,282
Contributions as a Percentage of Covered Payroll.....	0.56%	1.07%	0.72%	0.87%	0.79%

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:** The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<b>Healthcare Cost</b>		
	<b>1% Decrease</b>	<b>Trend Rates</b>	<b>1% Increase</b>
	<b>(6.0% decreasing to 3.4%)</b>	<b>(7.0% decreasing to 4.4%)</b>	<b>(8.0% decreasing to 5.4%)</b>
General Gov. Plan Net OPEB Liability.....	\$ 335,652,091	\$ 277,440,769	\$ 231,976,360
BOE Net OPEB Liability.....	\$ 34,060,319	\$ 29,881,648	\$ 26,366,886

**Sensitivity of Estimates Used in Calculating the Net OPEB Liability:** The following presents the net OPEB liability, calculated using the discount rates of 3.65%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(2.65%)</b>	<b>(3.65%)</b>	<b>(4.65%)</b>
City Plan Net OPEB Liability.....	\$ 333,694,014	\$ 283,502,388	\$ 243,439,766

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(2.65%)</b>	<b>(3.65%)</b>	<b>(4.65%)</b>
BOE Net OPEB Liability.....	\$ 33,636,364	\$ 30,439,437	\$ 27,651,503

**General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)**  
**Unaudited Actual and Adopted Budget (Budgetary Basis)**

	<b>Adopted Budget<sup>1</sup> 6/30/2026</b>	<b>Unaudited Actual<sup>2</sup> 6/30/2025</b>	<b>Actual 6/30/2024</b>	<b>Actual 6/30/2023</b>	<b>Actual 6/30/2022</b>	<b>Actual 6/30/2021</b>
<b>Revenues</b>						
Property taxes.....	\$ 262,460,248	\$ 260,111,684	\$ 244,209,144	\$ 227,285,132	\$ 222,441,896	\$ 220,383,570
State and federal governments.....	39,946,957	65,586,666	67,312,191	63,438,396	56,548,262	53,817,944
Licenses and permits.....	5,729,275	5,822,857	4,246,157	5,536,297	6,126,372	5,276,950
Charges for services <sup>3</sup> .....	2,423,670	6,449,944	8,134,308	5,576,011	6,537,098	5,054,344
Fines and penalties.....	2,166,600	387,237	287,040	185,102	164,941	202,729
Investment income.....	6,371,000	7,021,822	7,719,255	6,040,646	17,451	126,493
Contributions.....	-	-	-	-	-	-
<b>Total Revenues.....</b>	<b>\$ 319,097,750</b>	<b>\$ 345,380,210</b>	<b>\$ 331,908,095</b>	<b>\$ 308,061,584</b>	<b>\$ 291,836,020</b>	<b>\$ 284,862,030</b>
<b>Other Financing Sources</b>						
Refunding Bond Proceeds.....	\$ -	\$ -	\$ -	\$ -	\$ 20,872,750	\$ -
Premium on Bonds .....	-	1,663,390	-	2,136,020	1,730,540	1,785,418
Proceeds from Sale of Assets.....	-	-	-	-	-	-
Issuance of Leases.....	-	-	401,674	53,584	1,054,416	-
Subscription Based Information						
Technology Arrangements.....	-	-	679,132	117,954	-	-
Operating Transfers In.....	177,250	282,422	-	503,037	-	-
<b>Total Revenues and Other Financing Sources.....</b>	<b>\$ 319,275,000</b>	<b>\$ 347,326,022</b>	<b>\$ 332,988,901</b>	<b>\$ 310,872,179</b>	<b>\$ 315,493,726</b>	<b>\$ 286,647,448</b>
<b>Expenditures</b>						
General Government.....	\$ 15,286,769	\$ 14,367,777	\$ 13,012,782	\$ 12,176,328	\$ 11,482,651	\$ 10,160,968
Public Safety <sup>3</sup> .....	47,382,675	47,131,521	45,612,073	41,669,326	39,752,003	39,515,507
Public Works.....	13,438,518	10,813,015	10,634,396	10,209,249	10,954,897	9,792,793
Health and Welfare.....	2,910,954	2,421,154	2,329,081	2,112,222	2,100,175	1,773,280
Culture and Recreation.....	4,002,972	3,529,893	3,083,953	2,981,808	2,764,747	2,660,962
Education.....	172,510,178	191,731,199	171,860,983	164,055,205	163,619,337	157,272,633
Pension and Other Employee Benefits.....	50,598,988	48,404,678	47,072,794	44,777,057	40,241,464	39,036,863
Other.....	500,000	-	-	-	-	-
Debt Service.....	19,862,925	18,424,076	20,979,740	18,365,216	18,270,398	17,212,201
Capital Outlay.....	-	-	1,080,806	224,659	1,054,416	70,969
<b>Total Expenditures.....</b>	<b>\$ 326,493,979</b>	<b>\$ 336,823,313</b>	<b>\$ 315,666,608</b>	<b>\$ 296,571,070</b>	<b>\$ 290,240,088</b>	<b>\$ 277,496,176</b>
<b>Other Financing Uses</b>						
Payment to Refunding Agent.....	\$ -	\$ -	\$ -	\$ -	\$ 20,662,000	\$ -
Operating Transfers Out.....	2,406,021	4,032,967	4,851,931	3,865,069	3,695,355	4,087,116
<b>Total Expenditures and Other Financing Uses.....</b>	<b>\$ 328,900,000</b>	<b>\$ 340,856,280</b>	<b>\$ 320,518,539</b>	<b>\$ 300,436,139</b>	<b>\$ 314,597,443</b>	<b>\$ 281,583,292</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources.....</b>						
<b>Financing Sources.....</b>	<b>(9,625,000)</b>	<b>6,469,742</b>	<b>12,470,362</b>	<b>10,436,040</b>	<b>896,283</b>	<b>5,064,156</b>
<b>Beginning Fund Balance.....</b>	<b>N/A</b>	<b>75,143,401</b>	<b>62,673,039</b>	<b>52,236,999</b>	<b>51,340,716</b>	<b>46,276,560</b>
<b>Ending Fund Balance.....</b>	<b>N/A</b>	<b>\$ 81,613,143</b>	<b>\$ 75,143,401</b>	<b>\$ 62,673,039</b>	<b>\$ 52,236,999</b>	<b>\$ 51,340,716</b>

<sup>1</sup> Budget basis. No assurances can be given that subsequent projections and the final result of operations will not change.

<sup>2</sup> Subject to audit. State Revenues and Education include payments from Teachers Retirement System for Actuals - these are not assumed in Budgeted.

<sup>3</sup> Budgeted Charges for Services and Public Safety Expenditures do not include Police & Fire Special Services

To the best of the City's knowledge, the unaudited financial information presented for the fiscal year ended June 30, 2025 is accurate and representative of the City's financial position. The fiscal year ended June 30, 2025 final audit will be posted to EMMA as soon as available. The City anticipates the fiscal year ended June 30, 2025 final audit to be in-line with the unaudited information presented in this Preliminary Official Statement and does not expect that the audit will contain any information that would have a material adverse effect on the City's financial condition.

## **Analysis of General Fund Equity**

	<b>Unaudited</b>					
	<b>Budget <sup>1</sup> 6/30/2026</b>	<b>Actual <sup>1</sup> 6/30/2025</b>	<b>Actual 6/30/2024</b>	<b>Actual 6/30/2023</b>	<b>Actual 6/30/2022</b>	<b>Actual 6/30/2021</b>
Nonspendable.....	N/A	\$ 2,929,190	\$ 3,029,462	\$ 2,823,797	\$ 1,689,566	\$ 1,850,516
Restricted.....	N/A	-	-	-	-	-
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	21,475,322	13,331,057	15,778,779	21,442,057	24,795,812
Unassigned.....	N/A	57,208,631	58,782,882	44,070,463	29,105,376	24,694,388
<b>Total Fund Balance.....</b>	<b>N/A</b>	<b>\$ 81,613,143</b>	<b>\$ 75,143,401</b>	<b>\$ 62,673,039</b>	<b>\$ 52,236,999</b>	<b>\$ 51,340,716</b>

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

Source: Annual Audit Report: 2021-2024. Finance Department Estimates 2025.

**To the best of the City's knowledge, the unaudited financial information presented for the fiscal year ended June 30, 2025 is accurate and representative of the City's financial position. The fiscal year ended June 30, 2025 final audit will be posted to EMMA as soon as available. The City anticipates the fiscal year ended June 30, 2025 final audit to be in-line with the unaudited information presented in this Preliminary Official Statement and does not expect that the audit will contain any information that would have a material adverse effect on the City's financial condition.**

Connecticut General Statutes Section 4-661, as amended (“Section 4-661”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

*(The remainder of this page left blank intentionally)*

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

### **Litigation**

There are personal injury, negligence, personnel, and/or other related lawsuits pending against the City, some pending from previous periods and/or ongoing. The outcome and eventual liability of the City in these cases, if any, is not known to certainty at this time. Based upon consultation with all representatives, outside and inside counsel, the City's management estimates that potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial position of the City except as noted below.

***John Girolametti and Party Depot, et al v. City of Danbury, et al.*** This 2010 action alleges improper inspection and occupancy permitting by City officials, causing financial loss to a commercial property owner. CIRMA counsel represents the City. The City maintains the claims lack merit, as they relate primarily to the contractor and subcontractors. In October 2023, a jury awarded the plaintiff \$16.8 million plus interest. Although the insurer is covering defense costs, it denies indemnity for the jury's finding of reckless disregard. The case was argued before the Appellate Court in April 2025, and the City awaits a decision. Despite the unusually large verdict, the City remains confident in its appellate position.

Additional lawsuits are pending against the City. Due to their early procedural posture, the City cannot yet assign values, and plaintiffs have not stated specific damages. Thus the City is unable to determine whether a decision against the City would have a materially adverse effect on the City.

***David St. Hilaire v. City of Danbury.*** Former Finance Director alleges breach of his employment contract, breach of a negotiated resignation agreement, and unpaid wages under § 31-72. A motion to strike one count of the complaint was recently denied. Mediation is set for February 2026.

***Higor Santo De Jesus v. City of Danbury, et al.*** The plaintiffs on behalf of their minor son, allege the City and school officials failed to enforce anti-bullying policies, allegedly leading to severe and repeated bullying of their son, culminating in a suicide attempt that left him paraplegic. Plaintiffs further allege that the bullying continued after the suicide attempt. An amended complaint was filed December 12, 2024. There may be insurance coverage for this claim.

***Johnny Doe, John Doe, et al. v. City of Danbury, et al.*** This suit was filed November 4, 2025, alleging that the City's school staff observed or received complaints that former paraeducator Pamela Mercedes engaged in inappropriate sexual and physical contact with a minor student. Claims include negligence, negligent infliction of emotional distress, and violation of Connecticut General Statutes provisions. There may be insurance coverage for this claim.

***Danbury Police Union v. City of Danbury.*** Thirty-nine retired officers and the Police Union allege they were denied proper pension benefits due to the City relying on calculations from the Finance Department rather than the Pension Board. Plaintiff's claims include breach of contract, Charter and Pension Ordinance violations, statutory theft, unjust enrichment, and emotional distress theories. The City considers the likelihood of plaintiffs' success low.

***Vincent Daniello v. City of Danbury.*** A retired City police officer has asserted multiple claims stemming from COVID-era illness and injury, including workers' compensation, CHRO issues, and employment-related disputes over pay and benefits. The City has engaged separate counsel to handle the employment and compensation matters. The City considers the likelihood of plaintiff's success low.

***Jose Agosto v. City of Danbury.*** Plaintiff, a police department veteran of nearly 25 years, alleges age discrimination and promissory estoppel after the City enforced a retirement age of 65 and terminated him on June 30, 2021. The City has filed a motion to strike which if granted would be dispositive of the entire case. The motion is scheduled for consideration in March 2026.

## **Tax Matters**

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

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations.

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

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

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

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

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

## **Original Issue Discount**

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

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

Internal Revenue Service Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103 of the Code. Notice 94-84 states that until the Internal Revenue Service provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

## **Original Issue Premium**

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

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

## ***Transcript and Documents Furnished at Delivery***

The original purchaser(s) will be furnished the following documents when the Bonds and the Notes are delivered:

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them.
2. Certificates on behalf of the City, signed by the Mayor, the Treasurer, and the Director of Finance which will be dated the date of delivery which will certify, to the best of said officials' knowledge and belief, at the time bids were accepted on the Bonds and the Notes the description and statements in the Preliminary Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Preliminary Official Statement.
3. Receipts for the purchase price of the Bonds and the Notes.
4. The approving opinions of Robinson & Cole LLP, Bond Counsel as to the Bonds and the Notes in substantially the forms attached as Appendices B and C, respectively.
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E, respectively.

The City of Danbury has prepared an Official Statement for the Bonds and the Notes, which is dated February \_\_, 2026. The City 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 City will make available to the winning purchaser of the Bonds a reasonable number of copies of the Official Statement at the City's expense, and to each winning purchaser of the Notes a reasonable number of copies. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City with respect to the Bonds and the Notes will be kept on file at the offices of U.S. Bank Trust Company, National Association and will be available for examination upon reasonable notice.

## **Concluding Statement**

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

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

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

***CITY OF DANBURY, CONNECTICUT***

---

***Roberto L. Alves, Mayor***

---

***Daniel P. Jowdy, Treasurer***

---

***Daniel Garrick, Director of Finance***

Dated as of February \_\_, 2026

## **Appendix A**

### ***2024 General Purpose Financial Statements (Excerpted from the City's Annual Comprehensive Financial Report)***

The following includes the General Purpose Financial Statements of the City of Danbury, Connecticut for the fiscal year ended June 30, 2024. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.

*(This page intentionally left blank)*

## Independent Auditor's Report

Honorable Mayor and  
Members of the City Council  
City of Danbury, Connecticut

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion based on our audit and the reports of the other auditors, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, 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.

We did not audit the financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, and the Danbury Museum and Historical Society Authority, component units of the City, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority, the Tarrywile Park Authority, and the Danbury Museum and Historical Society Authority, is based solely on the reports of the other auditors.

#### *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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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. The financial statements of the Danbury Parking Authority, the Stanley L. Richter Memorial Park Authority and the Danbury Museum and Historical Society Authority, component units of the City, were not audited in accordance with *Government Auditing Standards*.

### ***Emphasis of Matter***

As discussed in Note 17 to the financial statements, the governmental activities net position and the aggregate remaining fund information fund balance/net position as of July 1, 2023 have been restated to correct an error in accounting for nonexchange transactions. Our opinions are not modified with respect to this matter.

### ***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 City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 City'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 City's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other schedules is 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, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2025 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

*RSM US LLP*

Hartford, Connecticut  
November 6, 2025

**This page intentionally left blank.**

**City of Danbury, Connecticut  
Management's Discussion and Analysis, Unaudited  
June 30, 2024**

As management of the City of Danbury, Connecticut (the City), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal.

### **Financial Highlights**

- The General Fund's Unassigned fund balance increased \$14.7 million to \$58.8 million, while the total fund balance amounted to \$75.1 million, an increase of \$12.4 million. On an actual budgetary basis, revenues were greater than expenditures by approximately \$10.6 million. The Unassigned General Fund balance at year-end represents 18.86 percent of the ensuing year's total General Fund expenditures of \$311.7 million.
- On a government-wide basis for the year-ended June 30, 2024, the City's net position totaled \$168.1 million, an increase of \$46.5 million from last year's restated total of \$121.5 million. Government-wide expenses totaled \$435.5 million and revenues totaled \$482.0 million. Total net position for Governmental Activities and Business-type Activities at fiscal year-end were \$(5.2) million and \$173.3 million, respectively. Net deficit for Governmental Activities decreased by \$48.3 million, and net position decreased for Business-Type Activities by \$1.8 million. Of the City's total net position (deficit) at June 30, 2024, \$(221.0) million or (132 percent) is unrestricted.
- At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances (deficits) of \$(6.1) million, a decrease of \$16.2 million from the prior fiscal year. The decrease in governmental fund balance was mostly due to the change in fund balance for Danbury Career Academy of \$(29.7) million, Nonmajor Governmental Funds of \$(938) thousand, General Fund of \$12.5 million, and State & Federal Projects of \$1.9 million. Fund balance for governmental funds also increased by 9.9 million due to a restatement as stated in Note 17.

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

This discussion and analyses are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents information on all of the City's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position (deficit). Over time, increases or decreases in net position (deficit) may serve as an indicator of whether the financial position of the city is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. However, substantial changes in net position may occur from one year to the next simply as a result of the construction of capital assets and new accounting standards issued by Governmental Accounting Standards Board (GASB).

The statement of activities presents information showing how the government's net position (deficit) changed during the most recent fiscal year. All of the current year's revenues and expenses are considered regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- Governmental activities of the City of Danbury encompass most of the City's basic services and include general government, public safety, public works, health and welfare, culture and recreation, education and other activities. Property taxes, charges for services and state and federal grants finance most of these activities.
- Business-type activities of the City of Danbury include the Water, Sewer, Ambulance and Internal Service funds. The Water, Sewer and Ambulance Funds are reported here as the City charges fees to customers to help cover the cost of the operations. The Internal Service Fund is used to report the activity of providing employee benefits.
- The government-wide financial statements include not only the City of Danbury itself, but also four legally separate component units, the Danbury Parking Authority, the Richter Park Authority, the Tarrywile Park Authority, and the Danbury Museum and Historical Society Authority for which the City of Danbury is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as listed in the table of contents.

### **Fund Financial Statements**

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

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

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

The City maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Other funds considered to be Major Funds are Danbury Career Academy, and State and Federal School Projects. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Other governmental funds are combined into a single, aggregated presentation as Nonmajor Governmental Funds. Such funds include the School Lunch Program Fund, Community Development Block Grant Fund, Metro North Parking Lease Fund, Library Fund, Animal Control Fund, LOCIP Fund, Airport Projects Fund, Student Activity Funds, COVID-ARPA, City Projects Fund, Soldier Monument Fund, Open Space Bond, Roofs Fund, 2016 Public Improvements Bond, Roads 2020 Bond, Bridges Fund, Vision 2020 Bond, DHS 2020, Public Works Grant, SNAPP2020, Farioly Permanent Fund, and the Miscellaneous Special Revenue Fund. The Miscellaneous Special Revenue Fund is the consolidation of approximately 100 small grant programs.

The basic governmental fund financial statements can be found as listed in the table of contents.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement as listed in the table of contents has been provided for the General Fund to demonstrate compliance with the authorized budget.

**Proprietary funds:** The City maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, Ambulance and Internal Service operations.

The basic proprietary fund financial statements can be found as listed in the table of contents.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City constituency. The City has eight pension funds trust funds, one OPEB trust fund, and one private purpose fund. The accounting used for fiduciary fund trust funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as listed in the table of contents.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and various fund-type financial statements. The notes to the financial statements can be found as listed in the table of contents.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension and other post-retirement benefits plans.

The City of Danbury adopts an annual budget for its General Fund. See the budgetary comparison statement for the General Fund as listed in the table of contents.

Required supplementary information can be found as listed in the table of contents.

## Government-Wide Financial Analysis

As noted earlier, the statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. In the case of the City of Danbury, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$168.1 million at June 30, 2024, an increase of \$46.5 million in net position from the previous fiscal year restated net position.

	June 30, 2024 (Dollars in Thousands)			June 30, 2023 (Dollars in Thousands)		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 249,373	\$ 87,270	\$ 336,643	\$ 247,203	\$ 86,796	\$ 333,999
Non-Current	6,281	1	6,282	4,351	-	4,351
Capital Assets	482,787	200,706	683,493	437,046	199,928	636,974
<b>Total assets</b>	<b>738,441</b>	<b>287,977</b>	<b>1,026,418</b>	<b>688,600</b>	<b>286,724</b>	<b>975,324</b>
Deferred outflows of resources	110,120	3,772	113,892	131,349	2,714	134,063
<b>Total deferred outflows of resources</b>	<b>110,120</b>	<b>3,772</b>	<b>113,892</b>	<b>131,349</b>	<b>2,714</b>	<b>134,063</b>
Current Liabilities	173,093	40,168	213,261	184,084	47,232	231,316
Long-Term Liabilities Outstanding	607,939	76,182	684,121	621,875	65,833	687,708
<b>Total liabilities</b>	<b>781,032</b>	<b>116,350</b>	<b>897,382</b>	<b>805,959</b>	<b>113,065</b>	<b>919,024</b>
Deferred Inflows of Resources	72,737	2,132	74,869	67,521	1,325	68,846
<b>Total deferred inflows of resources</b>	<b>72,737</b>	<b>2,132</b>	<b>74,869</b>	<b>67,521</b>	<b>1,325</b>	<b>68,846</b>
Net Position (Deficit)						
Net investment in capital assets	246,490	103,282	349,772	209,597	106,941	316,538
Restricted	39,301	-	39,301	37,082	9,596	46,678
Unrestricted (deficit)	(290,999)	69,985	(221,014)	(300,210)	58,511	(241,699)
<b>Total net position (deficit)</b>	<b>\$ (5,208)</b>	<b>\$ 173,267</b>	<b>\$ 168,059</b>	<b>\$ (53,531)</b>	<b>\$ 175,048</b>	<b>\$ 121,517</b>

In comparison to last year, net position invested in capital assets (net of related debt) increased for Governmental activities by \$36.9 million and Business-type activities decreased by \$3.7 million; restricted net position increased for governmental activities by \$2.2 million; and unrestricted net deficit decreased by \$9.2 million for governmental activities and the unrestricted net position increased by \$11.5 million for business-type activities.

On a government-wide basis, excluding component units, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$168.1 million. This is up from last year's restated net position of \$121.5 million. Total change in net position (deficit) for Governmental Activities at fiscal year-end increased \$48.3 million (up from an ending deficit of (\$53.5) million in the previous year) and total ending net position for Business-type Activities were \$173.3 million (down from \$175.0 million in the previous year).

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Danbury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The City reports its' investment in capital assets net of related debt, however, 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.

	Year Ended June 30, 2024 (Dollars in Thousands)			Year Ended June 30, 2023 (Dollars in Thousands)		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 18,278	\$ 30,292	\$ 48,570	\$ 14,322	\$ 29,125	\$ 43,447
Operating grants and contributions	131,505	11	131,516	127,231	13	127,244
Capital grants and contributions	35,335	64	35,399	50,062	80	50,142
General revenues:						
Property taxes	246,096	-	246,096	227,703	-	227,703
Grants and contributions not restricted to specific programs	10,274	-	10,274	9,235	-	9,235
Unrestricted investment earnings	7,975	3,823	11,798	6,101	2,190	8,291
Other	-	109	109	320	-	320
Gain on capital assets/transfers	(2,390)	669	(1,721)	(267)	352	85
<b>Total revenues</b>	<b>447,073</b>	<b>34,968</b>	<b>482,041</b>	<b>434,707</b>	<b>31,760</b>	<b>466,467</b>
<b>Expenses</b>						
General government	16,681	-	16,681	28,790	-	28,790
Public safety	97,440	4,514	101,954	95,237	4,699	99,936
Public works	16,875	32,235	49,110	25,735	24,157	49,892
Health and welfare	5,102	-	5,102	4,999	-	4,999
Culture and recreation	6,815	-	6,815	7,067	-	7,067
Education	246,273	-	246,273	238,173	-	238,173
Interest on long-term debt	9,565	-	9,565	(201)	-	(201)
<b>Total expenses</b>	<b>398,751</b>	<b>36,749</b>	<b>435,500</b>	<b>399,800</b>	<b>28,856</b>	<b>428,656</b>
<b>Change in net position (deficit)</b>	<b>48,322</b>	<b>(1,781)</b>	<b>46,541</b>	<b>34,907</b>	<b>2,904</b>	<b>37,811</b>
Net Position (Deficit) - Beginning, as restated (Note 17)	(53,531)	175,048	121,517	(88,438)	172,144	83,706
<b>Net Position (Deficit) - Ending</b>	<b>\$ (5,209)</b>	<b>\$ 173,267</b>	<b>\$ 168,058</b>	<b>\$ (53,531)</b>	<b>\$ 175,048</b>	<b>\$ 121,517</b>

## Government Activities

For Governmental activities, approximately 55.0 percent of the revenues are from property taxes followed by 41.4 percent from program revenues, then 3.6 percent from unrestricted grants, other, gains on sale of assets, transfers and investment earnings.

Total revenues in Governmental Activities increased by \$12.4 million as compared to last year. Property tax revenues increased by \$18.4 million, while Program Revenues decreased \$6.5 million and Other General Revenues increased \$0.5 million.

For Governmental Activities, the City's expenses relate as follows: Education – 61.8%; General Government – 4.2%; Public Works – 4.3%; Public Safety – 24.4%; Cultural and Recreation – 1.7%; Health and Welfare – 1.3%; and Interest on Long-Term Debt – 2.4%.

## Business-Type Activities

Business-type activities decreased the City's net position by \$1.8 million or (1.02%). Factors impacting the growth include:

- Water Fund: The Water Fund had a negative change in net position of \$(3.5) million for a total ending net position of \$72.4 million due primarily to an operating loss of \$4.7 million, offset by nonoperating revenue of \$1.2 million.

- Sewer Fund: The Sewer Fund had a positive change in net position of \$1.6 million for a total ending net position of \$99.4 million due primarily to an operating surplus of \$1.4 million and a non-operating revenue of \$0.2 million (net interest income).
- Ambulance Fund: The Ambulance Fund had a positive change in net position of \$0.1 million for a total ending net position of \$1.4 million.

### Financial Analysis of the Fund Financial Statements

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

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

As of the end of the current fiscal year, the City of Danbury's governmental funds reported combined ending fund deficit balances of (\$6.1) million. The General Fund and Other Governmental Funds reported fund balances of \$75.1 million and \$(81.2) million, respectively. The decrease in Capital Projects Funds balance is primarily due to the timing of the completion of projects and state aid reimbursements. The General Fund is the chief operating fund of the City of Danbury. At the end of the current fiscal year, unassigned fund balance of the General Fund increased to \$58.8 million while total fund balance increased to \$75.1 million. Approximately 78.2 percent of the General Fund's total fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The General Fund's assigned funds balance of \$13.3 million has been assigned for the following purposes: Future Capital Projects (\$1.2 million); Education Services (\$1.5 million); Future Pension Contributions and Employee Benefits (\$2.5 million) Future Litigation and Tax Appeals (\$2.9 million); Encumbrances (.7 million); and Appropriated Fund Balance (\$4.5 million). Non-spendable Fund balance of \$3.0 million is for loan receivable, prepaids, and accrued interest. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the ensuing year's budget. Unassigned fund balance represents 18.6 percent of total General Fund expenditures, while total fund balance represents 23.8 percent of that same amount.

The City's General Fund revenues for FY 2023-2024 included the following:

- Revenue for the General Fund increased over 2023 revenues by \$23.8 million due to:
  - Tax Revenue increased by \$16.9 million
  - Federal and State revenue increased by \$3.9 million
  - Interest earnings were \$1.7 million more than the prior year due more favorable market conditions
  - Activity for licenses and permits, fines and penalties, and charges for services increased \$1.3 million
- There weren't any bond premiums, which are typically unbudgeted, compared to \$2.1 million in the prior fiscal year.

**Total General Fund:** Fund balance increased to \$75.1 million from \$62.7 million, an increase of \$12.5 million. The General Account (typically called the General Fund) contributed \$12.5 million and the Continuing Education Account, operated by the Board of Education, had an operating loss of less than \$0.1 million.

The State and Federal Projects Special Revenue Fund had an increase in fund balance (deficit) of \$1.9 million to \$0.5 million mainly due to the timing of grants awards and associated program expenditures.

The Danbury Career Academy Fund had a decrease in its of fund balance (deficit) of (\$30.0) million to (\$99.2) million due to the timing of permanent financing.

The Non-major Governmental Funds had a decrease of fund balance of \$0.9 million, driven by City Projects of \$4.3 million, CDBG \$1.1 million, Airport (\$0.7) million, Miscellaneous Special Revenue Fund \$3.7 million, and COVID/ARPA \$0.3 million.

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

Net Position of the Water Fund at the end of the year amounted to \$72.4 million. During the year, the fund had an operating loss of \$4.7 million, an increase of approximately \$4.6 million from the prior year. Total Capital contributions of \$0.03 million with a \$1.2 million non-operating revenues resulted in the fund decreasing its total net position by \$3.5 million. Unrestricted net position totaled \$15.9 million at year-end.

Net Position of the Sewer Fund at the end of the year amounted to \$99.4 million. The fund generated operating income of \$1.4 million which was increased by non-operating revenues of \$0.2 million. The fund's overall net position increased by \$1.6 million. Unrestricted net position totaled \$53.6 million at year-end.

Net Position of the Ambulance Fund at the end of the year amounted to \$1.4 million. The fund generated operating loss of (\$0.5 million) and nonoperating increase of \$0.6 million for an overall net position increase of \$0.1 million. Unrestricted net position totaled \$0.4 million at year-end.

### **General Fund Budgetary Highlights**

The difference between the original budgeted expenditures and other financing uses and the final amended budget was \$795,507. The City Council authorized and approved Reappropriations of \$320,507 for prior year encumbrances and \$475,000 Use of Fund Reserves for litigation expenses.

During the year, actual General Fund revenues were approximately \$2.3 million higher than the amended budget of \$292.6 million.

Actual General Fund expenditures totaled \$279.4 million, \$12.3 million less than the amended budgeted amount of \$291.7 million. Major variances to the budget include:

- Board of Education surplus of operations amounted to approximately \$8.8 million. The favorable variance to budget was largely due to the result of less than anticipated Health and Dental utilization which amounted to \$7M or 80%. Other drivers were Net Staffing surplus of \$1.6M or 18.5%, Special Education Transportation \$1.2M or 13.8%, Utilities \$1.0M or 12.5%, Supplies/Other \$149K or 1.7%. These figures were netted against a retirement benefit accrual which led to an unfavorable variance in Other Benefits (non-health and dental) of -\$2.3M or -26.3%.
- Although the City hires for vacant funded positions as quickly as possible, the attrition and timing of filling has yielded significant budgeted savings of \$1.7 million in salary and employee related costs for FY 2023-2024;
- Additional savings came from Purchased Services of \$542k, Material/Supplies/Equipment \$460k, Maintenance/Repairs \$350k, Debt Service \$168k, Operating Transfers to Special Revenue Funds \$141k

## Capital Asset and Debt Administration

**Capital assets:** As of June 30, 2024, the City's investment in capital assets for its governmental and business-type activities amounted to \$683.5 million, net of accumulated depreciation. This investment in capital assets includes land, building and land improvements, machinery and equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$46.5 million, driven by an increase of \$40.9 million for Danbury Career Academy Construction in Progress.

	June 30, 2024			June 30, 2023		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 57,900,708	\$ 1,031,946	\$ 58,932,654	\$ 57,604,488	\$ 1,031,946	\$ 58,636,434
Easements	1,134,477	-	1,134,477	1,134,477	-	1,134,477
Land Improvements	10,664,549	-	10,664,549	11,621,278	-	11,621,278
Buildings and Improvements	204,364,409	115,990,801	320,355,210	206,907,879	73,438,346	280,346,225
Machinery and Equipment	17,822,694	16,053,031	33,875,725	12,377,430	15,668,137	28,045,567
Infrastructure	81,429,988	67,229,548	148,659,536	80,089,672	68,288,166	148,377,838
Other	2,645,675	188,764	2,834,439	2,368,037	195,312	2,563,349
Construction in Progress	106,824,770	212,051	107,036,821	64,942,341	41,305,946	106,248,287
<b>Total</b>	<b>\$ 482,787,270</b>	<b>\$ 200,706,141</b>	<b>\$ 683,493,411</b>	<b>\$ 437,045,602</b>	<b>\$ 199,927,853</b>	<b>\$ 636,973,455</b>

Additional information on the City of Danbury's capital assets can be found in Note 6 of this report.

**Debt:** At the end of the current fiscal year the City had total bonded debt outstanding of \$309.7 million. 100 percent of this debt is backed by the full faith and credit of the city government.

	June 30, 2024			June 30, 2023		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 117,998,000	\$ 50,727,000	\$ 168,725,000	\$ 132,142,500	\$ 54,617,500	\$ 186,760,000
Bond Anticipation Notes	103,000,000	35,000,000	138,000,000	88,000,000	32,000,000	120,000,000
Notes Payable	484,000	2,417,915	2,901,915	-	2,729,386	2,729,386
<b>Total</b>	<b>\$ 221,482,000</b>	<b>\$ 88,144,915</b>	<b>\$ 309,626,915</b>	<b>\$ 220,142,500</b>	<b>\$ 89,346,886</b>	<b>\$ 309,489,386</b>

The City's total debt increased by \$0.14 million during the current fiscal year, due to an increase of \$18.2 million in Bond Anticipation Notes and Notes Payable; and a decrease of \$18 million in long-term debt.

The City maintains the following ratings from Wall Street's credit agencies for general obligation debt: AA+ from Standard and Poor's Corporation and AA+ from Fitch Ratings. Moody's Investors Service pulled Danbury's rating in September, 2024 due to financial reporting delays. Fitch Ratings reflects a downgrade in June 2024.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$1,591,133,125. As of June 30, 2024, the City recorded long-term debt of \$221.5 million related to Governmental Activities and \$88.1 million related to Business-Type Activities which is well below its statutory debt limit.

Additional information on the City's long-term debt can be found in Note 8 of this report.

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

As of July 2025, the unemployment rate for the Danbury Labor Market Area was 3.8% as compared to the State of Connecticut's unemployment rate of 4.2% for the same period. Danbury continues to have had one of the lowest unemployment rates of the top cities in Connecticut.

For the FY 2024-2025 Adopted Budget, the City continued its mission to ensure a superior quality of life for its citizens by providing the most cost-effective municipal services while preserving the cultural, historical, and natural resources of the City. With a mill rate of 24.44, the City's FY 2024-2025 Adopted Budget boldly addressed the needs of our entire City, and prepared Danbury for generations to come with a focus on the education of our children and the vital services our City provides for our residents. The City of Danbury has been recognized as a municipality focused on efficient and effective government for decades, and we will continue this tradition with this budget. The challenges of the post COVID-19 world continue to affect us, and by working together, we have created a City infrastructure that is ready and able to be resilient and nimble as issues arise.

Our strategy of focusing on the City's core mission and reprioritizing projects while strengthening our partnerships with our existing businesses and aggressively seeking out and formulating new business relationships has proven very successful. The City continues to lead the state in most vital economic statistics including unemployment rate, jobs created and retained, and retail sales tax revenue.

For the FY 2025-2026 Adopted Budget sets responsible fiscal standards and stabilizes our financial outlook by investing in our students and educators, bolstering our public safety and emergency services and prioritizing roads and infrastructure. With a mill rate of 24.99, which equates to a 2.28% tax increase, the City's FY 2025-2026 Adopted Budget supports the most significant investment in public schools in recent history, as we look towards operating our new high school. Additional staffing is added to the Danbury Police Department, as well as a fully staffed Fire Department, ensuring our public safety departments have the resources they need to keep our community safe. This comprehensive budget delivers all government services our residents need for an efficient and responsible fiscal year. The City continues to look for ways to build and boost our local economy, to further grow our grand list, and to reduce the burdens on taxpayers. We are dedicated to improving the quality of life for our entire community and building on our city's successes. By prioritizing efficiencies in costs, staffing, technology, and productivity, we're continuing to build a strong and stable community for years to come.

### **Requests for Information**

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 155 Deer Hill Avenue, Danbury, CT 06810.

**This page intentionally left blank.**

## **Basic Financial Statements**



**This page intentionally left blank.**

## City of Danbury, Connecticut

### Statement of Net Position (Deficit) June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 129,387,499	\$ 79,242,596	\$ 208,630,095
Investments	13,554,881	-	13,554,881
Receivables (net of allowances for collection losses):			
Property taxes	7,125,706	-	7,125,706
Special assessments	-	238,466	238,466
Accounts receivable	1,573,283	-	1,573,283
Federal and state governments	93,506,728	-	93,506,728
User charges	-	3,657,541	3,657,541
Other receivable	-	1,352,519	1,352,519
Loan receivable	1,080,710	-	1,080,710
Unbilled services	-	4,407,894	4,407,894
Lease receivable	-	-	-
Inventories	117,635	302,256	419,891
Internal balances	2,009,929	(2,009,929)	-
Other assets	2,709,315	1,073	2,710,388
Restricted cash	1,016,175	78,296	1,094,471
Development in progress	3,571,168	-	3,571,168
Capital assets, not being depreciated	165,859,955	1,243,997	167,103,952
Capital assets, net of accumulated depreciation	316,927,315	199,462,144	516,389,459
<b>Total assets</b>	<b>738,440,299</b>	<b>287,976,853</b>	<b>1,026,417,152</b>
Deferred outflows of resources:			
Pension items	19,317,676	1,111,097	20,428,773
Other post-employment benefit (OPEB) items	90,206,423	2,498,033	92,704,456
Deferred charges	595,891	162,913	758,804
<b>Total deferred outflows of resources</b>	<b>110,119,990</b>	<b>3,772,043</b>	<b>113,892,033</b>
<b>Liabilities</b>			
Accounts payable	22,453,979	8,460,736	30,914,715
Accrued liabilities	12,682,267	1,293,081	13,975,348
Claims payable	9,374,736	-	9,374,736
Due to State of CT	909,539	-	909,539
Unearned revenues	26,074,510	43,925	26,118,435
Bond anticipation notes and notes payable	82,150,000	26,000,000	108,150,000
Noncurrent liabilities:			
Due within one year	19,447,788	4,370,298	23,818,086
Due in more than one year	607,939,701	76,181,946	684,121,647
<b>Total liabilities</b>	<b>781,032,520</b>	<b>116,349,986</b>	<b>897,382,506</b>
Deferred inflows of resources:			
Pension items	12,261,512	376,290	12,637,802
OPEB items	60,187,823	1,755,382	61,943,205
Advanced tax collections	287,357	-	287,357
Lease related	-	-	-
<b>Total deferred inflows of resources</b>	<b>72,736,692</b>	<b>2,131,672</b>	<b>74,868,364</b>
Net position (deficit):			
Net Investment in capital assets	246,489,933	103,281,910	349,771,843
Restricted for:			
General government	4,434,459	-	4,434,459
Culture and recreation	220,030	-	220,030
Education	8,853,652	-	8,853,652
Health and welfare	903,370	-	903,370
Public safety	865,458	-	865,458
Capital projects	22,441,473	-	22,441,473
Nonexpendable	1,581,849	-	1,581,849
Unrestricted (deficit)	(290,999,147)	69,985,328	(221,013,819)
<b>Total net position (deficit)</b>	<b>\$ (5,208,923)</b>	<b>\$ 173,267,238</b>	<b>\$ 168,058,315</b>

See notes to financial statements.

Component Units					
Danbury Parking Authority	Stanley L. Richter Memorial Park Authority December 31, 2023	Tarrywile Park Authority	Danbury Museum and Historical Society Authority		
\$ 464,708	\$ 329,649	\$ 47,119	\$ 3,788		
-	-	-	-		
-	-	-	-		
-	-	-	-		
67,654	-	18,873	12,500		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	262,847	-	-		
-	10,438	-	-		
-	-	-	-		
4,568	32,790	-	668		
-	-	5,233	-		
-	-	-	-		
-	842,385	-	128,790		
343,369	2,311,506	45,410	378,993		
<b>880,299</b>	<b>3,789,615</b>	<b>116,635</b>	<b>524,739</b>		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
34,871	171,261	35,070	23,776		
34,445	1,000	45,442	-		
-	-	-	-		
-	223,618	-	-		
-	-	-	-		
-	389,295	-	3,197		
-	1,379,179	-	3,762		
<b>69,316</b>	<b>2,164,353</b>	<b>80,512</b>	<b>30,735</b>		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	255,659	-	-		
-	255,659	-	-		
<b>343,369</b>	<b>3,153,891</b>	<b>45,410</b>	<b>507,783</b>		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
467,614	(1,784,288)	(9,287)	(13,779)		
<b>\$ 810,983</b>	<b>\$ 1,369,603</b>	<b>\$ 36,123</b>	<b>\$ 494,004</b>		

## City of Danbury, Connecticut

### Statement of Activities For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ (16,680,823)	\$ 4,949,172	\$ 1,083,046	\$ -
Public safety	(97,439,518)	4,250,347	6,101,388	51,082
Public works	(16,875,008)	3,090,983	1,754,854	7,335,954
Health and welfare	(5,101,813)	713,311	4,417,708	-
Culture and recreation	(6,815,407)	286,825	809,675	-
Education	(246,273,414)	4,987,624	117,338,382	27,947,545
Interest on long-term debt	(9,564,845)	-	-	-
<b>Total governmental activities</b>	<b>(398,750,828)</b>	<b>18,278,262</b>	<b>131,505,053</b>	<b>35,334,581</b>
Business-type activities:				
Water	(15,447,793)	10,640,187	-	33,000
Sewer	(16,787,600)	15,660,157	10,783	31,300
Ambulance	(4,514,014)	3,991,253	-	-
<b>Total business-type activities</b>	<b>(36,749,407)</b>	<b>30,291,597</b>	<b>10,783</b>	<b>64,300</b>
<b>Total primary government</b>	<b>(435,500,235)</b>	<b>48,569,859</b>	<b>131,515,836</b>	<b>35,398,881</b>
<b>Component units:</b>				
Danbury Parking Authority	(1,053,144)	1,139,354	6,146	114,000
Stanley L. Richter Memorial Park Authority	(2,932,635)	2,832,909	-	25,000
Tarrywile Park Authority	(453,608)	140,422	332,419	-
Danbury Museum and Historical Society Authority	(384,472)	30,389	260,722	-
<b>Total component units</b>	<b>\$ (4,823,859)</b>	<b>\$ 4,143,074</b>	<b>\$ 599,287</b>	<b>\$ 139,000</b>
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Gain on sale of assets				
Other				
Transfer of capital assets				
Total general revenues and transfers				
Change in net position (deficit)				
Net position (deficit) - beginning, as restated				
Net position (deficit) - ending				

See notes to financial statements.

### Net (Expense) Revenue and Changes in Net Position (Deficit)

Primary Government			Component Units				
Governmental Activities	Business-type Activities	Total	Danbury	Stanley L.	Richter	Tarrywile	Danbury
			Parking Authority	Memorial Park Authority	December 31, 2023	Park Authority	Museum and Historical Society Authority
\$ (10,648,605)	\$ -	\$ (10,648,605)	\$ -	\$ -	\$ -	\$ -	\$ -
(87,036,701)	-	(87,036,701)	-	-	-	-	-
(4,693,217)	-	(4,693,217)	-	-	-	-	-
29,206	-	29,206	-	-	-	-	-
(5,718,907)	-	(5,718,907)	-	-	-	-	-
(95,999,863)	-	(95,999,863)	-	-	-	-	-
(9,564,845)	-	(9,564,845)	-	-	-	-	-
(213,632,932)	-	(213,632,932)	-	-	-	-	-
- (4,774,606)		(4,774,606)	-	-	-	-	-
- (1,085,360)		(1,085,360)	-	-	-	-	-
- (522,761)		(522,761)	-	-	-	-	-
- (6,382,727)		(6,382,727)	-	-	-	-	-
(213,632,932)	(6,382,727)	(220,015,659)	-	-	-	-	-
-	-	-	206,356	-	-	-	-
-	-	-	-	(74,726)	-	-	-
-	-	-	-	-	19,233	-	-
-	-	-	-	-	-	-	(93,361)
-	-	-	206,356	(74,726)	19,233	-	(93,361)
246,095,988	-	246,095,988	-	-	-	-	-
10,273,672	-	10,273,672	-	-	-	-	-
7,975,678	3,823,425	11,799,103	-	-	-	7	-
510,243	-	510,243	-	-	-	-	-
-	109,077	109,077	-	152,556	-	-	2,562
(2,899,901)	668,980	(2,230,921)	-	-	-	-	-
261,955,680	4,601,482	266,557,162	-	152,556	7	-	2,562
48,322,748	(1,781,245)	46,541,503	206,356	77,830	19,240	(90,799)	-
(53,531,671)	175,048,483	121,516,812	604,627	1,291,773	16,883	584,803	-
\$ (5,208,923)	\$ 173,267,238	\$ 168,058,315	\$ 810,983	\$ 1,369,603	\$ 36,123	\$ 494,004	-

## City of Danbury, Connecticut

### Balance Sheet - Governmental Funds June 30, 2024

	General	Danbury Career Academy	State & Fed Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 43,052,299	\$ 114,505	\$ 9,548,659	\$ 56,676,053	\$ 109,391,516
Investments	13,554,881	-	-	-	13,554,881
Receivables (net of allowances for collection losses):					
Property taxes	7,125,706	-	-	-	7,125,706
State and federal governments	120,580	73,042,048	556,188	19,787,912	93,506,728
Accounts receivable	958,560	-	-	379,446	1,338,006
Inventories	-	-	-	117,635	117,635
Loan receivable	1,080,710	-	-	-	1,080,710
Other assets	1,948,752	-	685,461	75,102	2,709,315
Due from other funds	49,565,338	-	607,818	18,292,631	68,465,787
<b>Total assets</b>	<b>\$ 117,406,826</b>	<b>\$ 73,156,553</b>	<b>\$ 11,398,126</b>	<b>\$ 95,328,779</b>	<b>\$ 297,290,284</b>
<b>Liabilities</b>					
Accounts payable	\$ 8,199,313	\$ 8,205,429	\$ 846,725	\$ 4,666,649	\$ 21,918,116
Accrued wages	2,821,029	-	-	-	2,821,029
Due to other funds	24,555,866	18,500,000	7,007,708	21,009,904	71,073,478
Due to State of CT	55,858	-	775,653	78,028	909,539
Unearned revenue	72,837	-	1,658,650	24,343,023	26,074,510
Bond anticipation notes and notes payable	-	72,650,000	-	9,500,000	82,150,000
<b>Total liabilities</b>	<b>35,704,903</b>	<b>99,355,429</b>	<b>10,288,736</b>	<b>59,597,604</b>	<b>204,946,672</b>
Deferred inflows of resources:					
Unavailable revenues	6,558,522	73,042,048	554,897	18,285,601	98,441,068
<b>Total deferred inflows of resources</b>	<b>6,558,522</b>	<b>73,042,048</b>	<b>554,897</b>	<b>18,285,601</b>	<b>98,441,068</b>
Fund balances (deficits):					
Nonspendable	3,029,462	-	-	1,699,484	4,728,946
Restricted	-	-	554,493	30,911,251	31,465,744
Committed	-	-	-	705,194	705,194
Assigned	13,331,057	-	-	-	13,331,057
Unassigned	58,782,882	(99,240,924)	-	(15,870,355)	(56,328,397)
<b>Total fund balances (deficits)</b>	<b>75,143,401</b>	<b>(99,240,924)</b>	<b>554,493</b>	<b>17,445,574</b>	<b>(6,097,456)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 117,406,826</b>	<b>\$ 73,156,553</b>	<b>\$ 11,398,126</b>	<b>\$ 95,328,779</b>	

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

Capital assets, net of accumulated depreciation purchased by governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the City as a whole	482,787,270
Prepaid - Development in Progress	3,571,168
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(627,387,489)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position (deficit)	13,871,535
Deferred outflows of resources - pension and OPEB related items	109,524,099
Deferred inflows of resources - pension and OPEB related items	(72,449,335)
Deferred charges on refundings	595,891
Unavailable revenue - long-term assets not available to pay current period expenditure	98,153,711
Accrued interest - not due and payable in current period	(7,778,317)

Net position (deficit) of governmental activities

**\$ (5,208,923)**

See notes to financial statements.

## City of Danbury, Connecticut

### Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds For the Year Ended June 30, 2024

	General	Danbury Career Academy	State & Fed Projects	Formerly major fund COVID-ARPA	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 244,209,144	\$ -	\$ -	\$ -	\$ -	\$ 244,209,144
State and federal governments	67,312,191	-	58,793,696	-	23,581,639	149,687,526
Licenses and permits	4,246,157	-	-	-	13,532	4,259,689
Charges for services	8,134,308	-	1,626,990	-	4,454,712	14,216,010
Fines and penalties	287,040	-	-	-	5,103	292,143
Investment income (loss)	7,719,255	-	-	-	256,749	7,976,004
Contributions and other	-	-	-	-	1,320,622	1,320,622
<b>Total revenues</b>	<b>331,908,095</b>	<b>-</b>	<b>60,420,686</b>	<b>-</b>	<b>29,632,357</b>	<b>421,961,138</b>
<b>Expenditures:</b>						
Current:						
General government	13,012,782	-	-	-	747,991	13,760,773
Public safety	45,612,073	-	-	-	1,316,258	46,928,331
Public works	10,634,396	-	-	-	832,876	11,467,272
Health and welfare	2,329,081	-	-	-	1,857,801	4,186,882
Culture and recreation	3,083,953	-	-	-	759,946	3,843,899
Education	171,860,983	-	58,508,353	-	8,828,047	239,197,383
Pension and other employee benefits	47,072,794	-	-	-	-	47,072,794
Debt service:						
Principal retirements	16,461,767	-	-	-	1,493,552	17,955,319
Interest and other charges	4,517,973	4,224,363	-	-	778,001	9,520,337
Capital outlay	1,080,806	44,458,410	-	-	23,706,779	69,245,995
<b>Total expenditures</b>	<b>315,666,608</b>	<b>48,682,773</b>	<b>58,508,353</b>	<b>-</b>	<b>40,321,251</b>	<b>463,178,985</b>
<b>(Deficiency) excess of revenues over (under) expenditures</b>	<b>16,241,487</b>	<b>(48,682,773)</b>	<b>1,912,333</b>	<b>-</b>	<b>(10,688,894)</b>	<b>(41,217,847)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	6,753,376	6,753,376
Transfers out	(4,851,931)	-	-	-	(1,901,445)	(6,753,376)
Issuance of bond anticipation notes	-	18,350,000	-	-	2,500,000	20,850,000
Issuance of loans	-	-	-	-	1,800,000	1,800,000
Proceeds from sale of assets	-	-	-	-	510,243	510,243
Premium on notes	-	672,477	-	-	88,679	761,156
Issuance of right of use leases	401,674	-	-	-	-	401,674
Issuance of subscription-based information						
technology arrangements	679,132	-	-	-	-	679,132
<b>Total other financing sources (uses)</b>	<b>(3,771,125)</b>	<b>19,022,477</b>	<b>-</b>	<b>-</b>	<b>9,750,853</b>	<b>25,002,205</b>
<b>Net change in fund (deficits) balances</b>	<b>12,470,362</b>	<b>(29,660,296)</b>	<b>1,912,333</b>	<b>-</b>	<b>(938,041)</b>	<b>(16,215,642)</b>
Fund balances (deficits), beginning, as previously reported	62,673,039	(69,580,628)	(1,357,840)	(320,387)	8,828,181	242,365
Change in reporting entity (Note 1)	-	-	-	320,387	(320,387)	-
Restatement (Note 17)	-	-	-	-	9,875,821	9,875,821
Fund balances (deficits), beginning, as restated	62,673,039	(69,580,628)	(1,357,840)	-	18,383,615	10,118,186
Fund (deficits) balances, ending	<b>\$ 75,143,401</b>	<b>\$ (99,240,924)</b>	<b>\$ 554,493</b>	<b>\$ -</b>	<b>\$ 17,445,574</b>	<b>\$ (6,097,456)</b>

See notes to financial statements.

**City of Danbury, Connecticut**

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

---

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

Net change in fund balances (deficits) – total governmental funds	\$ (16,215,642)
---	-----------------

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

45,741,668
------------

Changes in development in progress	825,472
------------------------------------	---------

Changes in deferred inflows of resources - pension and OPEB	(21,019,193)
---	--------------

Changes in deferred outflows of resources - pension and OPEB	(6,273,638)
--	-------------

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Examples are revenues from special assessments, property taxes and intergovernmental sources.

1,886,844
-----------

Taxes and related interest	1,886,844
Miscellaneous revenue	(41,218)
Intergovernmental revenue and other	28,747,377

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

(4,200,806)
-------------

Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

3,402,957
-----------

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.

15,468,927
------------

Change in net position (deficit) of governmental activities	\$ 48,322,748
---	---------------

---

See notes to financial statements.

## City of Danbury, Connecticut

### Statement of Net Position - Proprietary Funds June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Major		Nonmajor		Internal Service Funds	
	Water	Sewer	Ambulance	Totals		
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 26,835,743	\$ 51,768,204	\$ 638,649	\$ 79,242,596	\$ 21,012,158	
Receivables (net of allowances for collection losses):						
Unbilled services	2,051,843	2,356,051	-	4,407,894	-	
Special assessments receivable	-	75,274	-	75,274	-	
User charges	723,035	1,141,174	1,793,332	3,657,541	-	
Other	29,217	1,323,302	-	1,352,519	235,277	
Due from other funds	24,605	-	-	24,605	2,554,585	
Prepays and other assets	208	-	865	1,073	-	
Inventories	302,256	-	-	302,256	-	
<b>Total current assets</b>	<b>29,966,907</b>	<b>56,664,005</b>	<b>2,432,846</b>	<b>89,063,758</b>	<b>23,802,020</b>	
Noncurrent assets:						
Capital assets (net of accumulated depreciation)	63,231,362	136,467,796	1,006,983	200,706,141	-	
Special assessments receivable, net	14,158	149,034	-	163,192	-	
Restricted cash	-	78,296	-	78,296	-	
<b>Total noncurrent assets</b>	<b>63,245,520</b>	<b>136,695,126</b>	<b>1,006,983</b>	<b>200,947,629</b>	<b>-</b>	
<b>Total assets</b>	<b>93,212,427</b>	<b>193,359,131</b>	<b>3,439,829</b>	<b>290,011,387</b>	<b>23,802,020</b>	
Deferred outflows of resources:						
Deferred outflows- Pension	926,419	184,678	-	1,111,097	-	
Deferred outflows- OPEB	2,432,227	65,806	-	2,498,033	-	
Deferred charges on refunding	52,192	110,721	-	162,913	-	
<b>Total deferred outflows of resources</b>	<b>3,410,838</b>	<b>361,205</b>	<b>-</b>	<b>3,772,043</b>	<b>-</b>	
<b>Liabilities</b>						
Current liabilities:						
Accrued liabilities	269,290	1,023,791	-	1,293,081	9,374,736	
Accounts payable	769,848	7,608,409	82,479	8,460,736	535,863	
Due to other funds	122,959	-	1,911,575	2,034,534	19,886	
Unearned revenues	32,133	11,792	-	43,925	-	
Bonds payable	470,000	3,900,298	-	4,370,298	-	
Bond anticipation notes payable	4,000,000	22,000,000	-	26,000,000	-	
<b>Total current liabilities</b>	<b>5,664,230</b>	<b>34,544,290</b>	<b>1,994,054</b>	<b>42,202,574</b>	<b>9,930,485</b>	
Noncurrent liabilities:						
Bonds payables (net of unamortized discount)	1,977,817	58,410,598	-	60,388,415	-	
Net pension liability	4,834,125	963,666	-	5,797,791	-	
Net OPEB liability	9,732,421	263,319	-	9,995,740	-	
<b>Total noncurrent liabilities</b>	<b>16,544,363</b>	<b>59,637,583</b>	<b>-</b>	<b>76,181,946</b>	<b>-</b>	
<b>Total liabilities</b>	<b>22,208,593</b>	<b>94,181,873</b>	<b>1,994,054</b>	<b>118,384,520</b>	<b>9,930,485</b>	
Deferred outflows of resources:						
Deferred inflows- Pension related	313,746	62,544	-	376,290	-	
Deferred inflows- OPEB related	1,709,140	46,242	-	1,755,382	-	
<b>Total deferred outflows of resources</b>	<b>2,022,886</b>	<b>108,786</b>	<b>-</b>	<b>2,131,672</b>	<b>-</b>	
Net position:						
Net investment in capital assets	56,478,466	45,796,461	1,006,983	103,281,910	-	
Unrestricted	15,913,320	53,633,216	438,792	69,985,328	13,871,535	
<b>Total net position</b>	<b>\$ 72,391,786</b>	<b>\$ 99,429,677</b>	<b>\$ 1,445,775</b>	<b>\$ 173,267,238</b>	<b>\$ 13,871,535</b>	

See notes to financial statements.

**City of Danbury, Connecticut**

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds  
For the Year Ended June 30, 2024**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Ambulance	Totals	Internal Service Funds	
Operating revenues:						
Charges for services or premium charges	\$ 10,640,187	\$ 15,285,633	\$ 3,991,253	\$ 29,917,073	\$ 26,056,433	
Septic and connection fees	-	374,524	-	374,524	-	
Other revenue	-	-	-	-	100,664	
<b>Total operating revenues</b>	<b>10,640,187</b>	<b>15,660,157</b>	<b>3,991,253</b>	<b>30,291,597</b>	<b>26,157,097</b>	
Operating expenses:						
Salaries and benefits	10,218,118	1,543,227	3,519,950	15,281,295	-	
Materials and supplies	1,029,266	-	3,793	1,033,059	-	
Depreciation	2,157,957	4,944,711	202,566	7,305,234	-	
Utilities	748,194	-	-	748,194	-	
Claims	-	-	-	-	22,549,871	
Administrative and operating	1,192,357	7,810,588	787,705	9,790,650	204,269	
<b>Total operating expenses</b>	<b>15,345,892</b>	<b>14,298,526</b>	<b>4,514,014</b>	<b>34,158,432</b>	<b>22,754,140</b>	
<b>Operating (loss) income</b>	<b>(4,705,705)</b>	<b>1,361,631</b>	<b>(522,761)</b>	<b>(3,866,835)</b>	<b>3,402,957</b>	
Nonoperating revenues (expenses):						
Interest income (loss)	1,208,027	2,687,378	(71,980)	3,823,425	-	
Intergovernmental revenue	-	10,783	-	10,783	-	
Other	109,077	-	-	109,077	-	
Interest expense	(101,901)	(2,489,074)	-	(2,590,975)	-	
<b>Total nonoperating revenues (expenses)</b>	<b>1,215,203</b>	<b>209,087</b>	<b>(71,980)</b>	<b>1,352,310</b>	<b>-</b>	
<b>Net (loss) income before transfers and capital contributions</b>	<b>(3,490,502)</b>	<b>1,570,718</b>	<b>(594,741)</b>	<b>(2,514,525)</b>	<b>3,402,957</b>	
Capital transfer in Capital contributions	-	-	668,980	668,980	-	
	33,000	31,300	-	64,300	-	
<b>Change in net position</b>	<b>(3,457,502)</b>	<b>1,602,018</b>	<b>74,239</b>	<b>(1,781,245)</b>	<b>3,402,957</b>	
Net position, beginning	75,849,288	97,827,659	1,371,536	175,048,483	10,468,578	
Net position, ending	<b>\$ 72,391,786</b>	<b>\$ 99,429,677</b>	<b>\$ 1,445,775</b>	<b>\$ 173,267,238</b>	<b>\$ 13,871,535</b>	

See notes to financial statements.

## City of Danbury, Connecticut

### Statement of Cash Flows - Proprietary Funds For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Ambulance	Totals	
Cash flows from operating activities:					
Receipts from customers and users	\$ 10,483,718	\$ 14,486,453	\$ 3,935,572	\$ 28,905,743	\$ 23,445,546
Payments to suppliers/claims paid	(2,540,674)	(8,373,580)	(675,885)	(11,590,139)	(22,944,159)
Payments to employees	(4,811,702)	(1,042,574)	(3,519,950)	(9,374,226)	-
<b>Net cash provided by (used in) operating activities</b>	<b>3,131,342</b>	<b>5,070,299</b>	<b>(260,263)</b>	<b>7,941,378</b>	<b>501,387</b>
Cash flows from noncapital financing activities:					
Other income	-	10,783	-	10,783	-
Cash flows from capital and related financing activities:					
Principal payments on debt	(409,000)	(4,793,010)	-	(5,202,010)	-
Bond proceeds, including refunding and premiums	4,087,192	-	-	4,087,192	-
Interest paid on debt	(64,807)	(3,178,274)	-	(3,243,081)	-
Capital contributions	33,000	31,300	-	64,300	-
Sale of assets	21,885	-	-	21,885	-
Purchase of capital assets	(1,391,956)	(6,022,586)	-	(7,414,542)	-
<b>Net cash (used in) provided by capital and related financing activities</b>	<b>2,276,314</b>	<b>(13,962,570)</b>	<b>-</b>	<b>(11,686,256)</b>	<b>-</b>
Cash flows from investing activities:					
Interest received on investments	1,208,027	2,687,378	(71,980)	3,823,425	-
<b>Net cash provided by (used in) investing activities</b>	<b>1,208,027</b>	<b>2,687,378</b>	<b>(71,980)</b>	<b>3,823,425</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,615,683</b>	<b>(6,194,110)</b>	<b>(332,243)</b>	<b>89,330</b>	<b>501,387</b>
Cash and cash equivalents:					
Beginning	20,220,060	58,040,610	970,892	79,231,562	20,510,771
Ending	<b>\$ 26,835,743</b>	<b>\$ 51,846,500</b>	<b>\$ 638,649</b>	<b>\$ 79,320,892</b>	<b>\$ 21,012,158</b>
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:					
Operating (loss) income	\$ (4,705,705)	\$ 1,361,631	\$ (522,761)	\$ (3,866,835)	\$ 3,402,957
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,157,957	4,944,711	202,566	7,305,234	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(156,969)	149,598	(54,816)	(62,187)	(2,697,719)
(Increase) decrease in other receivable	-	(1,323,302)	-	(1,323,302)	-
(Increase) in prepaids and other assets	(208)	-	(865)	(1,073)	-
Decrease in inventories	27,139	-	-	27,139	-
Increase (decrease) in AP and accrued expenses	433,592	(562,992)	(884,387)	(1,013,787)	(180,396)
(Decrease) increase in due to/from other funds	(25,735)	-	1,000,000	974,265	(23,455)
Increase in unearned revenue	500	-	-	500	-
Increase (decrease) in net pension liability	(1,421,828)	553,941	-	(867,887)	-
Increase (decrease) in net OPEB liability	7,063,351	2,318	-	7,065,669	-
Increase (decrease) in deferred inflows of resources for pension and OPEB	762,296	44,292	-	806,588	-
(Increase) decrease in deferred outflows of resources for pension and OPEB	(1,003,048)	(99,898)	-	(1,102,946)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,131,342</b>	<b>\$ 5,070,299</b>	<b>\$ (260,263)</b>	<b>\$ 7,941,378</b>	<b>\$ 501,387</b>
Supplemental schedules of noncash financing activities:					
Capital contributions	\$ 33,000	\$ -	\$ 668,980	\$ 701,980	\$ -
Capital assets in accounts payable at year end	\$ 357,271	\$ 6,471,160	\$ -	\$ 6,828,431	\$ -
Amortization of loss on refunded debt	\$ (16,080)	\$ (27,770)	\$ -	\$ (43,850)	\$ -
Amortization of premium	\$ 57,633	\$ 420,784	\$ -	\$ 478,417	\$ -

See notes to financial statements.

**City of Danbury, Connecticut**

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2024**

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 25,362,655	\$ 1,226	\$ 460,311
Investments, at fair value:			
Common stock	46,464,541	-	-
Debt securities	16,760,500	-	-
Equity and fixed income mutual funds	121,022,162	-	-
Alternatives	144,385,025	-	-
<b>Total investments</b>	<b>328,632,228</b>	<b>-</b>	<b>-</b>
Accrued interest and dividends	882,566	-	-
Prepays	2,886	-	-
Due from other funds	2,101,898	-	-
<b>Total assets</b>	<b>356,982,233</b>	<b>1,226</b>	<b>460,311</b>
<b>Liabilities</b>			
Accounts payable	137,002	-	-
Accrued expenses and management fees	2,139,056	-	-
Due to other funds	18,977	-	-
Other liabilities	-	-	33,358
	<b>2,295,035</b>	<b>-</b>	<b>33,358</b>
Net position:			
Restricted for pension benefits	336,915,010	-	-
Restricted for OPEB	17,772,188	-	-
Restricted for other	-	1,226	426,953
	<b>\$ 354,687,198</b>	<b>\$ 1,226</b>	<b>\$ 426,953</b>

See notes to financial statements.

**City of Danbury, Connecticut**

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
<b>Additions:</b>			
Contributions and other:			
Employer	\$ 46,043,310	\$ -	\$ -
Plan members	2,064,730	-	-
Other	-	-	341,436
<b>Total contributions and other</b>	<b>48,108,040</b>	<b>-</b>	<b>341,436</b>
Investment income:			
Net appreciation in fair value of investments	34,888,951	27	-
Interest and dividends	7,294,621	-	24,209
	<b>42,183,572</b>	<b>27</b>	<b>24,209</b>
Less investment expenses:			
Investment management fees	1,092,790	-	-
	<b>41,090,782</b>	<b>27</b>	<b>24,209</b>
Deductions:			
Contractual services	-	-	273,235
Education	-	100	-
Benefits	58,916,756	-	-
<b>Total deductions</b>	<b>58,916,756</b>	<b>100</b>	<b>273,235</b>
<b>Change in net position</b>	<b>30,282,066</b>	<b>(73)</b>	<b>92,410</b>
Net position, restricted for pension benefits, OPEB and other purposes:			
Beginning of year	<b>324,405,132</b>	<b>1,299</b>	<b>334,543</b>
End of year	<b>\$ 354,687,198</b>	<b>\$ 1,226</b>	<b>\$ 426,953</b>

See notes to financial statements.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies

**Reporting entity:** The City of Danbury, Connecticut (the City) was created in 1889 and operates under an elected Mayor/Council form of government. The City's major operations include education services, health, social services, public safety, public roads, culture and recreation, public improvements, water and sewer services, planning and zoning and general administrative services.

Accounting principles generally accepted in the United States of America (GAAP) as prescribed by Governmental Accounting Standards Board (GASB) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City's component units are discretely presented component units, which are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. Each component unit has a June 30 year-end, except the Stanley L. Richter Memorial Park Authority (Richter Park), which has a December 31 year-end.

**Change within the reporting entity:** The City previously reported the COVID-ARPA fund as a major fund. The COVID-ARPA fund does not meet the threshold to be a major fund. This has no impact on the net position or change in net position. However, the former major COVID-ARPA Fund's fund deficit as of July 1, 2023, of \$(320.387) has been adjusted out of the major fund and is now reported as opening net position in the nonmajor governmental funds.

**Change in nonmajor governmental funds presentation:** The City previously reported the Student Activity Fund and Municipal Grants in Aid Fund within the Miscellaneous Special Revenue Fund. The City determined it was prudent to separately report these funds for transparency. There is no impact to the nonmajor governmental funds balances as a whole.

**Discretely presented component units:** The Redevelopment Agency of the City is governed by members who are appointed by the Mayor with the approval of the City Council. The Redevelopment Agency has the absolute authority (including the right to exercise eminent domain) to acquire, renovate, and resell property within a blighted area legally designated as the redevelopment district. The Redevelopment Agency does not have any assets, liabilities, fund balance, revenues, or expenditures. As such, no financial statements exist or are available for this component unit, as it has no activity.

The Tarrywile Park Authority (Tarrywile) is responsible for administering, operating and maintaining Tarrywile Park, including all structures and land. The land and original buildings are owned by the City. Tarrywile is governed by board members that are appointed by the Mayor and confirmed by the City Council on a rotating basis. The City is potentially liable for any operating deficits and provides substantial budgeted allocation annually to Tarrywile to support its operations. The information presented for Tarrywile is for the year ended June 30, 2024.

The Danbury Parking Authority (Parking Authority) is responsible for establishing and operating parking facilities within the City in a manner similar to a private business enterprise where the costs of providing services to the general public are financed through user charges. The Parking Authority is governed by board members who are appointed by the Mayor and confirmed by the City Council. The Parking Authority has the potential to provide specific financial benefit to, or impose specific financial burdens on, the City. The information presented for the Parking Authority is for the year ended June 30, 2024.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

The Richter Park Authority is responsible for independent control over the operation of the Stanley L. Richter Memorial Park. The Richter Park Authority was donated to the City of Danbury for use as a recreational facility in 1971. The board members are appointed on a rotating basis by the Mayor and confirmed by the City Council. The City is potentially liable for any operating deficits and provides funding periodically as needed, in the form of operating and capital grants, to Richter Park to support its operations. The information presented for The Richter Park Authority is for the year ended December 31, 2023.

The Danbury Museum and Historical Society Authority (the Authority) is responsible for administering, operating and maintaining the Danbury Museum and Historical Society in the City. The board members are appointed by the Mayor with the approval of the majority of the City Council. The City is potentially liable for any operating deficits and provides budgeted allocation annually to the Authority. The information presented for the Authority is for the year ended June 30, 2024.

Complete financial statements for each of the individual component units may be obtained at the entities' administrative offices:

Tarrywile Park Authority  
70 Southern Boulevard  
Danbury, CT 06810

Danbury Parking Authority  
21 Delay Street  
Danbury, CT 06810

Stanley L. Richter Memorial Park Authority  
100 Aunt Hack Road  
Danbury, CT 06811

Danbury Museum and Historical Society Authority  
43 Main Street  
Danbury, CT 06810

**Related organizations:** The Candlewood Lake Authority (Candlewood), the Housatonic Resources Recovery Authority (HRRA), and the Housatonic Area Regional Transit District (HART) are joint ventures of the City. The Danbury Housing Authority is a related organization. See Note 14 in the notes to financial statements. The City does not have an equity interest in the joint ventures. Therefore, the annual support is reported as expenditure when incurred.

**Accounting standards adopted in the current year:** The City adopted GASB Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, which required changes in the presentation and disclosures relating to corrections of errors and changes in the reporting entity.

**Government-wide and fund financial statements:** The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

Separate fund 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.

**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, fiduciary fund and custodial funds 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 for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, leases, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits, all of which are recorded only when payment is due (matured).

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

The City reports the following major governmental funds.

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

The **Danbury Career Academy Fund** accounts for expenditures related to capital improvements for the planning, design, acquisition, construction, equipping and furnishing of a new grades 9 through 12 Danbury Career Academy School.

The **State and Federal Project Fund** accounts for expenditures related to educational federal and state grants.

The City reports the following major proprietary funds:

The **Water Fund** accounts for the operation of the City's water supply system. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

The **Sewer Fund** accounts for the operations of the City's wastewater treatment system. The City, through Veolia Water North America - Northeast, LLC (Veolia Water), operates its own sewage treatment plant, sewage pumping stations and collection system. It is independent in terms of its relationship to other City functions. Veolia Water finances all aspects of the sewage system operations and recovers such costs through direct charges billed through the City to the users of the service.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

Additionally, the City reports the following fund types:

The **Internal Service Funds** account for workers' compensation and risk management, including health and general liability insurance costs, provided to departments of the City and the Board of Education.

The **Private Purpose Trust Fund** is used to account for resources legally held in trust for use by a not-for-profit organization devoted to educating the public about the government's historic city hall by means of guided tours, publications and special events. All resources of the fund, including any earnings on invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

The **Pension and Other Postemployment Benefits (OPEB) Trust Funds** account for the activities of the City's seven defined benefit pension plans and two OPEB plans, which accumulate resources for pension and OPEB benefit payments to qualified employees. Pension and OPEB funds follow the accrual basis of accounting.

The **Custodial Fund** account for funds received to revitalize and improve the physical appearance of downtown Danbury.

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

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

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

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

**Property taxes:** Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they are levied for. For this purpose, the City considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

**Cash equivalents:** The City considers all highly liquid investments and those with original maturities of three months or less, when purchased to be cash equivalents.

**Allowance for doubtful accounts:** Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$17,795,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the debtor's ability to pay.

**Investments:** Investments are stated at fair value.

The pension and OPEB funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager that represents the net asset value of these funds. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The Connecticut State Treasurer's Short-Term Investment Fund is a money market fund managed by the Cash Management Division of the State Treasurer's Office, created by Section 3-27 of the General Statutes of Connecticut. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. Investments in 2a-7 like pools are stated at amortized cost.

**Investments measured at the net asset value (NAV):** Investments valued using the NAV per share (or its equivalent) as a practical expedient 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 City values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

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

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

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

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

The three categories within the hierarchy are as follows:

**Level 1:** Quoted prices in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

**Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

**Inventories and Prepays:** All inventories are valued at cost using the first-in/first-out (FIFO) method. In the governmental funds, the cost of inventories is recorded as expenditures at the time of consumption, while in the proprietary funds, the cost of inventories is recorded as an expense when consumed. Certain payments 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 an expenditure/expense when consumed, rather than when purchased in both the governmental and proprietary funds. In the governmental funds, reported inventories and prepaid items are classified as nonspendable fund balances.

**Restricted assets:** At June 30, 2024, the City had approximately \$1,016,000 in restricted assets. This amount relates to unspent note and bond proceeds which are to be used for the acquisition of capital assets.

**Capital assets:** Capital assets, which include property easements, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased and constructed 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of any interest revenue earned from specific borrowings.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and improvements	15-45
Land improvements	20
Distribution and collection systems	50-100
Infrastructure	10-100
Machinery and equipment	5-20
Vehicles	6
Other	10
Furniture and fixtures	20
Right of use assets (leases and subscription-based information technology arrangements)	3-26

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

**Leases/Subscription-Based Information Technology Arrangements:** The City is the lessee for noncancellable leases of equipment and property and subscription-based information technology arrangements (SBITAs). The City has recognized intangible right to use lease and SBITA assets (lease assets) in the financial statements.

The lease assets are measured at the start of the lease as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the City is reasonably certain to exercise.

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

Lease and SBITA assets are reported with capital assets on the statement of net position.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, grants, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The City reports advanced property tax collections in the government-wide statement of net position (deficit) and governmental fund balance sheet. Advance property tax collections represent taxes inherently associated with a future period. The amount is recognized during the period in which the revenue is associated.

**Compensated absences:** City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for the amounts that have become due. Amounts for compensated absences are generally liquidated by the General Fund.

**Long-term obligations:** In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable as reported include the applicable bond premium or discount.

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, including capital leases, 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. Debt principal payments are reported as expenditures.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

**Net pension liability:** The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

**Net OPEB liability:** The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

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

- **Net investment in capital assets:** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, including gains and losses on refundings, are included in this component of net position.
- **Restricted net position:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Unrestricted net position or deficits:** This category represents the net position of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

**Fund balance:** In the government fund financial statements, the City classified fund balances as follows:

- **Nonspendable fund balance:** Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted fund balance:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed fund balance:** This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Danbury City Council is the highest level of decision making authority for the City and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

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

- **Assigned fund balance:** Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the City's adopted policy, the Mayor or the Finance Director has the authority to assign amounts for a specific purpose as delegated by the City Council.
- **Unassigned fund balance (deficit):** The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:** The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	\$ (139,332,000)
Unamortized premiums	(6,084,082)
Lease financing arrangements	(2,597,525)
Lease liability	(1,751,915)
Subscription-based information technology arrangements	(701,025)
Compensated absences	(6,279,514)
Heart and hypertension	(1,778,304)
Pollution remediation obligation	(514,794)
Landfill closure	(5,311,740)
Legal claims and other	(18,800,000)
Net pension liability	(146,909,913)
Net OPEB liability	<u>(297,326,677)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ (627,387,489)</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:** The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 67,177,946
Depreciation expense	(18,194,633)
Transfer of assets	(2,899,900)
Loss on disposal	<u>(341,745)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 45,741,668</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:	
Issuance of bonds (including bond anticipation notes)	\$ (22,650,000)
Issuance of right-of-use leases	(401,674)
Issuance of subscription-based information technology arrangements	(679,132)
Principal repayments:	
General obligation debt	15,460,500
Amortization of premiums	1,784,113
Amortization of deferred charges	(209,432)
Lease financing arrangements	1,296,157
Right of use leases	646,963
Subscription-based information technology arrangements	<u>551,699</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (4,200,806)</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that 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.

(Increase) decrease of liability:

Compensated absences	\$ (1,894,660)
Heart and hypertension	157,077
Net OPEB liability	10,094,593
Accrued interest	(2,380,345)
Net pension liability	9,322,507
Landfill closure	(266,621)
Pollution remediation	86,376
Legal claims and other	<u>350,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 15,468,927</u>

#### Note 3. Cash, Cash Equivalents and Investments

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

**Investments:** The investment policies of the City (excluding the retirement and other post-employment benefit plans) (the Plans) conform to the policies as set forth by the State. The City does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (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 funds 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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund (STIF).

Other provisions of the Statutes cover specific municipal pension and other post-employment benefit trust funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

**Interest rate risk:** The City does have a policy that limits its exposure to fair value losses arising from changes in interest rates. The City's trust funds do have a policy to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments and monitoring the liquidity of the funds on an ongoing basis.

**Concentrations:** The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

The investment policy of the pension plans is that no more than 10 percent (at market) may be invested in any one company and no more than 20 percent exposure to any one industry. In addition, the portfolio cannot have more than 20 percent invested in foreign bonds and no more than 20 percent invested in preferred stocks and convertibles.

#### Custodial credit risk:

**Deposits:** This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2024, approximately \$99,241,000 of the City's bank balance of \$248,000,000 was uninsured and uncollateralized.

**Investments:** This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City and the trust funds do not have custodial credit risk policies for investments. At June 30, 2024, the City was not exposed to custodial credit risk.

Cash, cash equivalents and investments of the City consist of the following at June 30, 2024:

#### Cash and cash equivalents:

Deposits with financial institutions	\$ 235,548,758
Total cash and cash equivalents	<u>235,548,758</u>

#### Investments:

##### General Fund:

Government Agency Bonds	805,202
Government CMO's & REMICs	957,344
Government Pass Through Pools	151,175
U.S. Treasury notes	10,543,913
U.S. Treasury Strips and Zeros	1,093,187
Corporate bond variable	4,060
Total government investments	<u>13,554,881</u>

##### Pension/OPEB Trust Funds:

U.S. Treasury notes	7,017,138
Government Pass Through Pools	2,054,041
Government Agency Bonds	409,852
Variable Rate - CMOs and other bonds	924,976
Corporate CMOs and REMICs	1,727,114
Corporate bonds	4,323,600
Foreign bonds	303,778
Common stocks	46,464,541
Fixed income funds	30,719,200
Equity mutual funds	60,289,628
Collective Investment Trust	30,013,335
Alternative investments	144,385,025
Total pension investments	<u>328,632,228</u>
Total cash, cash equivalents and investments	<u>\$ 577,735,867</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

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

	Primary Government
Statement of net position:	
Cash and cash equivalents	\$ 209,724,566
Investments	<u>13,554,881</u>
	<u><u>223,279,447</u></u>
Fiduciary funds:	
Cash and cash equivalents	25,824,192
Investments	<u>328,632,228</u>
	<u><u>354,456,420</u></u>
Total cash, cash equivalents and investments	<u><u>\$ 577,735,867</u></u>

**Interest rate risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Treasury Notes	\$ 18,654,238	\$ 6,966,651	\$ 10,708,909	\$ 978,678	\$ -
Government Agency Bonds	1,215,054	-	805,202	409,852	-
Government CMO's & REMICs	957,344	-	432,318	81,778	443,248
Government Pass through Pools	2,205,216	-	-	-	2,205,216
Fixed Income Funds	30,719,200	8,349,787	8,539,552	10,759,850	3,070,011
Foreign Bonds	303,778	-	303,778	-	-
Corporate CMOs and REMICs	1,727,114	-	313,391	459,296	954,427
Corporate Bonds	4,323,600	332,095	2,453,458	1,493,920	44,127
Variable Rate - CMOs and Other Bonds	929,036	-	412,080	369,480	147,476
Total	<u><u>\$ 61,034,580</u></u>	<u><u>\$ 15,648,533</u></u>	<u><u>\$ 23,968,688</u></u>	<u><u>\$ 14,552,854</u></u>	<u><u>\$ 6,864,505</u></u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Credit risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The City does have a formalized policy establishing a minimum rating for investments. Presented below is the minimum rating as required for each debt-type investment:

Average Rating	U.S. Treasury Notes	U.S. Government Agencies	Government Pass Through Pools	Fixed Income Funds	Foreign Bonds	Corporate CMOs and REMICs	Government CMOs and REMICs	Corporate Bonds	Variable Rate - CMOs and Other Bonds
AAA	\$ -	\$ -	\$ -	\$ 13,165,255	\$ -	\$ 146,891	\$ -	\$ -	\$ -
AA+	-	-	-	-	-	-	-	-	-
AA	-	-	-	1,241,115	-	-	-	-	-
AA-	-	-	-	-	-	-	-	-	-
A+	-	-	-	-	-	-	-	-	-
A	-	-	-	2,395,096	-	-	-	-	50,734
A-	-	-	-	-	-	-	-	781,403	-
BBB+	-	-	-	-	83,655	-	-	733,496	361,247
BBB	-	-	-	6,938,056	147,368	-	-	1,016,400	50,550
BBB-	-	-	-	-	72,755	-	-	997,512	-
BB+	-	-	-	-	-	-	-	20,265	34,110
BB	-	-	-	2,932,433	-	-	-	24,745	-
BB-	-	-	-	-	-	-	-	-	-
B+	-	-	-	-	-	-	-	39,929	-
B	-	-	-	1,411,438	-	-	-	-	-
B-	-	-	-	-	-	-	-	-	-
CCC	-	-	-	1,615,887	-	-	-	-	-
Unrated	18,654,238	1,215,054	2,205,216	1,019,920	-	1,580,223	957,344	709,850	432,395
	<b>\$ 18,654,238</b>	<b>\$ 1,215,054</b>	<b>\$ 2,205,216</b>	<b>\$ 30,719,200</b>	<b>\$ 303,778</b>	<b>\$ 1,727,114</b>	<b>\$ 957,344</b>	<b>\$ 4,323,600</b>	<b>\$ 929,036</b>

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Fair value:** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30:

	Fair Value Measurements Using				
	Quoted Prices in Active Markets for Identical Assets	Significant Other	Significant Observable Inputs	Significant Other Observable Inputs	
	June 30, 2024	(Level 1)	(Level 2)	(Level 3)	
Investments by fair value level:					
Debt securities:					
U.S. Treasury Notes	\$ 17,561,051	\$ -	\$ 17,561,051	\$ -	
US Treasury Strips & Zerps	1,093,187	-	1,093,187	-	
U.S. Government Agencies	1,215,054	-	1,215,054	-	
Government CMOs and REMICs	957,344	-	957,344	-	
Government Pass Through Pools	2,205,216	-	2,205,216	-	
Corporate bonds	4,323,600	-	4,323,600	-	
Foreign bonds	303,778	-	303,778	-	
Variable Rate - CMOs and other bonds	929,036	-	929,036	-	
CMOs and REMICs	1,727,114	-	1,727,114	-	
Total debt securities	30,315,380	-	30,315,380	-	
Equity securities and mutual funds:					
Common stock	46,464,541	46,464,541	-	-	
Equity mutual funds	60,289,628	60,289,628	-	-	
Fixed income funds	30,719,200	-	30,719,200	-	
Total equity securities and mutual funds	137,473,369	106,754,169	30,719,200	-	
Total investments by fair value level	167,788,749	106,754,169	61,034,580	-	
Investments measured by NAV:					
Private equity funds	36,164,309				
Collective investment trusts	30,013,335				
Hedge funds	108,220,716				
Total investments measured by NAV	174,398,360				
Total investments measured at fair value	\$ 342,187,109				

**Debt and equity securities:** Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 2 are valued using discounted cash flow techniques.

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments measured by NAV:				
Equity hedge funds	\$ 108,220,716	\$ 1,755,000	Various	Various
Private equity funds	36,164,309	8,723,473	Not eligible	N/A
Common Collective Trust Fund	30,013,335	-	Daily	Valuation Date
Total Investments measured by NAV	\$ 174,398,360			

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Hedge funds:** These investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. They own stakes in companies they expect to outperform and also sell short stocks they expect to underperform. These investments can never be redeemed by the funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital.

**Private equity funds:** This type includes limited partnership funds. These investments can never be redeemed by the funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital.

**Common collective trust funds:** These funds are investment vehicles aimed to mirror performance of the S&P 500 and 600 indices. It is a type of collective investment fund specifically designed to provide exposure to a diversified group of U.S. and non-US equity securities.

#### Note 4. Deferred Inflows of Resources/Unearned Revenue

Governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned. In addition, governmental funds report unearned revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows/unearned revenue reported in the governmental activities and governmental funds were as follows:

	Deferred Inflows	Unearned Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 5,967,768	\$ -
Advance property tax collections	287,357	-
Other	303,397	72,837
Danbury Career Academy:		
Grants	73,042,048	-
State and Fed School Projects:		
Grants	554,897	1,658,650
Nonmajor funds:		
Grants and other	18,285,601	24,343,023
	<u>\$ 98,441,068</u>	<u>\$ 26,074,510</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2024, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 49,565,338	\$ 24,555,866
Danbury Career Academy	-	18,500,000
State and Fed School Projects	607,818	7,007,708
Water	24,605	122,959
Internal Service Funds	2,554,585	19,886
Nonmajor and other funds	<u>20,394,529</u>	<u>22,940,456</u>
<b>Total</b>	<b>\$ 73,146,875</b>	<b>\$ 73,146,875</b>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All of the balances are scheduled to be collected in the subsequent year.

Interfund transfers during the year ended June 30, 2024, were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 4,851,931
Nonmajor governmental funds and other	<u>6,753,376</u>	<u>1,901,445</u>
<b>Total</b>	<b>\$ 6,753,376</b>	<b>\$ 6,753,376</b>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund and nonmajor capital projects funds to finance various capital projects accounted for in other funds in accordance with budget authorizations.

During the year ended June 30, 2024, the City transferred capital assets of \$2,230,921 to the Richter Park Authority, its component unit. As the information for the Richter Park Authority is presented as of December 31, 2023 and the transfer occurred after that date, the transfer of capital assets as presented in the Statement of Activities does not reflect the transfer in of the capital asset on the Richter Park Authority. This will be reported in the December 31, 2024 financial information for Richter Park Authority.

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 57,604,488	\$ 296,220	\$ -	\$ -	\$ 57,900,708
Easements	1,134,477	-	-	-	1,134,477
Construction in progress (CIP)	64,942,341	50,444,299	(32,967)	(8,528,903)	106,824,770
Total capital assets, not being depreciated	123,681,306	50,740,519	(32,967)	(8,528,903)	165,859,955
Capital assets, being depreciated:					
Land improvements	25,642,691	-	(56,168)	248,800	25,835,323
Buildings and improvements	351,265,824	1,720,744	(275,692)	4,801,677	357,512,553
Machinery and equipment	71,907,894	8,001,932	(6,688,334)	-	73,221,492
Infrastructure	201,728,972	5,367,945	-	578,526	207,675,443
Total capital assets being depreciated	650,545,381	15,090,621	(7,020,194)	5,629,003	664,244,811
Right of use assets, being amortized:					
Buildings	3,069,584	639,014	(538,721)	-	3,169,877
Subscription-based information technology arrangements	734,591	707,792	-	-	1,442,383
Total right-of-use assets and SBITAs being amortized	3,804,175	1,346,806	(538,721)	-	4,612,260
Less accumulated depreciation for:					
Land improvements	14,021,413	1,205,529	(56,168)	-	15,170,774
Buildings and improvements	144,357,945	9,013,511	(223,312)	-	153,148,144
Machinery and equipment	59,530,464	2,300,270	(6,431,936)	-	55,398,798
Infrastructure	121,639,300	4,606,155	-	-	126,245,455
Total accumulated depreciation	339,549,122	17,125,465	(6,711,416)	-	349,963,171
Right-of-use assets, accumulated amortization:					
Buildings	1,250,522	638,121	(538,721)	-	1,349,922
Subscription-based information technology arrangements	185,616	431,047	-	-	616,663
Total right-of-use assets and SBITAs being amortized	1,436,138	1,069,168	(538,721)	-	1,966,585
Total capital assets, being depreciated and amortized, net	313,364,296	(1,757,206)	(308,778)	5,629,003	316,927,315
Governmental activities capital assets, net	\$ 437,045,602	\$ 48,983,313	\$ (341,745)	\$ (2,899,900)	\$ 482,787,270

**Construction commitments:** The City has the following major active construction projects as of June 30, 2024, the primary source of funding these projects will come from grants and bond proceeds:

Project	Spent-to-Date	Remaining Commitment
Waste Water Facility Upgrades	\$ 73,471,133	\$ 3,614,508
Danbury Career Academy	101,470,070	4,874,047
Airport Taxiway	1,560,438	776,035
DHS Accreditation	1,831,105	1,027,650

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 6. Capital Assets (Continued)

	Beginning Balance	Increases/ Transfers/ Reclassifications	Decreases/ Transfers/ Reclassifications	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,031,946	\$ -	\$ -	\$ 1,031,946
Construction in progress	41,305,946	212,051	(41,305,946)	212,051
Total capital assets, not being depreciated	42,337,892	212,051	(41,305,946)	1,243,997
Capital assets, being depreciated:				
Buildings and improvements	152,544,912	47,006,463	-	199,551,375
Machinery and equipment	33,956,091	1,730,501	(775,039)	34,911,553
Distribution and collection systems	105,425,509	440,453	-	105,865,962
Other	1,146,590	-	-	1,146,590
Furniture and fixtures	287,704	-	-	287,704
Total capital assets, being depreciated	293,360,806	49,177,417	(775,039)	341,763,184
Less accumulated depreciation for:				
Buildings and improvements	79,106,566	4,454,008	-	83,560,574
Machinery and equipment	18,287,954	1,345,607	(775,039)	18,858,522
Distribution and collection systems	37,137,343	1,499,071	-	38,636,414
Other	951,278	6,548	-	957,826
Furniture and fixtures	287,704	-	-	287,704
Total accumulated depreciation	135,770,845	7,305,234	(775,039)	142,301,040
Total capital assets, being depreciated, net	157,589,961	41,872,183	-	199,462,144
Business-type capital assets, net	\$ 199,927,853	\$ 42,084,234	\$ (41,305,946)	\$ 200,706,141

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

Governmental activities:			
General government			\$ 1,211,103
Public safety			2,384,177
Public works, including depreciation of general infrastructure assets			4,687,992
Health and welfare			84,689
Culture and recreation			1,373,850
Education			8,452,822
Total depreciation and amortization expense – governmental activities			\$ 18,194,633

Business-type activities:			
Sewer			\$ 4,944,711
Water			2,157,957
Ambulance			202,566
Total depreciation expense – business-type activities			\$ 7,305,234

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 6. Capital Assets (Continued)

**Discretely presented component units:** Activity for the Danbury Parking Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	\$ 224,157	\$ 113,500	\$ -	\$ 337,657
Machinery and equipment	513,775	93,381	(34,355)	572,801
Computer equipment	7,095	-	-	7,095
Total capital assets, being depreciated	745,027	206,881	(34,355)	917,553
Less accumulated depreciation for:				
Buildings and improvements	120,412	17,313	-	137,725
Machinery and equipment	456,353	7,366	(34,355)	429,364
Computer equipment	6,966	129	-	7,095
Total accumulated depreciation	583,731	24,808	(34,355)	574,184
Total capital assets, being depreciated, net	\$ 161,296	\$ 182,073	\$ -	\$ 343,369

Activity for the Danbury Richter Park Authority for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 842,385	\$ -	\$ -	\$ 842,385
CIP - tee renovation project	24,563	-	(24,563)	-
Total capital assets, not being depreciated	866,948	-	(24,563)	842,385
Capital assets, being depreciated:				
Course development and improvement	2,703,447	80,000	-	2,783,447
Buildings and improvements	2,439,313	122,755	(3,600)	2,558,468
Machinery and equipment	2,547,053	266,681	(65,000)	2,748,734
Right-of-use leased carts	211,019	-	-	211,019
Total capital assets, being depreciated	7,900,832	469,436	(68,600)	8,301,668
Course development and improvement	1,253,073	126,101	-	1,379,174
Buildings and improvements	2,250,278	44,509	(3,600)	2,291,187
Machinery and equipment	2,169,029	111,842	(65,000)	2,215,871
Right-of-use leased carts	29,310	74,620	-	103,930
Total accumulated depreciation	5,701,690	357,072	(68,600)	5,990,162
Total capital assets, being depreciated, net	2,199,142	112,364	-	2,311,506
Capital assets, net	\$ 3,066,090	\$ 112,364	\$ (24,563)	\$ 3,153,891

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 6. Capital Assets (Continued)

Activity for the Tarrywile Park Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance					Ending Balance
		Increases		Decreases		
Capital assets, being depreciated:						
Buildings and improvements	\$ 224,070	\$ -	\$ -	\$ -	\$ 224,070	
Ground maintenance equipment	66,627	-	-	-	66,627	
Administrative equipment	88,570	-	-	-	88,570	
Vehicles	27,452	-	-	-	27,452	
Total capital assets, being depreciated	406,719	-	-	-	406,719	
Less accumulated depreciation for:						
Buildings and improvements	176,446	5,705	-	-	182,151	
Ground maintenance equipment	66,627	-	-	-	66,627	
Administrative equipment	88,570	-	-	-	88,570	
Vehicles	20,469	3,492	-	-	23,961	
Total accumulated depreciation	352,112	9,197	-	-	361,309	
Total capital assets, being depreciated, net	\$ 54,607	\$ (9,197)	\$ -	\$ -	\$ 45,410	

Activity for the Danbury Museum and Historical Society Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance				Ending Balance	
		Increases		Decreases		
Capital assets, not being depreciated:						
Land	\$ 128,790	\$ -	\$ -	\$ -	\$ 128,790	
Total capital assets, not being depreciated	128,790	-	-	-	128,790	
Capital assets, being depreciated:						
Buildings and improvements	1,586,357	3,553	-	-	1,589,910	
Machinery and equipment	75,708	1,700	-	-	77,408	
Furniture and fixtures	31,928	-	-	-	31,928	
Total capital assets, being depreciated	1,693,993	5,253	-	-	1,699,246	
Right-of-use assets, being amortized:						
Leased equipment	15,894	-	-	-	15,894	
Less accumulated depreciation for:						
Buildings and improvements	1,178,443	72,025	-	-	1,250,468	
Machinery and equipment	40,935	6,917	-	-	47,852	
Furniture and fixtures	28,078	742	-	-	28,820	
Total accumulated depreciation	1,247,456	79,684	-	-	1,327,140	
Less accumulated amortization for:						
Leased equipment	5,828	3,179	-	-	9,007	
Total capital assets and right to use assets, being depreciated and amortized, net	456,603	(77,610)	-	-	378,993	
Total capital assets, net	\$ 585,393	\$ (77,610)	\$ -	\$ -	\$ 507,783	

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 7. Bond Anticipation Notes Payable, Notes Payable and Subsequent Event

The City had \$138,000,000 of bond anticipation notes outstanding as of June 30, 2024. The bond anticipation notes bear interest at 5% and a yield of 3.64%, and matured on September 24, 2024. Bond Anticipation Notes were issued for sewer, water, school facility and other general government and public improvement capital projects.

Bond anticipation note transactions for the year ended June 30, 2024, were as follows:

Outstanding, July 1, 2023	\$ 120,000,000
Borrowings	18,000,000
Repayments	-
Outstanding, June 30, 2024	<u><u>\$ 138,000,000</u></u>

Reported as:

Short-term debt - governmental	\$ 82,150,000
Short-term debt - business-type	<u><u>\$ 26,000,000</u></u>
Long-term debt - governmental	\$ 20,850,000
Long-term debt - business-type	<u><u>\$ 9,000,000</u></u>

**Subsequent event:** The \$138,000,000 bond anticipation notes (BAN) outstanding at June 30, 2024, was rolled into a new BAN of \$138,000,000 on September 24, 2024, with a rate of 5% and a yield of 3.50% due on February 24, 2025. On February 13, 2025, the City issued \$36,475,000 of General Obligation Bonds with interest rates ranging from 4.00%-5.00% and yields of 2.50%-4.00% maturing on February 15, 2045, and rolled the maturing BAN into a new BAN of \$155,250,000 with an interest rate of 4% and a yield of 2.75% due on February 23, 2026.

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 8. Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 132,142,500	\$ -	\$ 14,144,500	\$ 117,998,000	\$ 14,532,500
Bond anticipation notes	-	20,850,000	-	20,850,000	-
HUD loan	-	1,800,000	1,316,000	484,000	94,000
Unamortized premiums	7,868,195	-	1,784,113	6,084,082	-
Total bonds and notes payable	140,010,695	22,650,000	17,244,613	145,416,082	14,626,500
Lease financing arrangements	3,893,682	-	1,296,157	2,597,525	1,269,275
Lease liability	1,997,204	401,674	646,963	1,751,915	603,331
SBITA Liability	573,592	679,132	551,699	701,025	325,058
Landfill post-closure monitoring	5,045,119	266,621	-	5,311,740	164,845
Pollution remediation obligation	601,170	-	86,376	514,794	60,000
Compensated absences	4,384,854	3,870,533	1,975,873	6,279,514	2,063,547
Heart and hypertension	1,935,381	-	157,077	1,778,304	335,232
Legal claims and other	19,150,000	-	350,000	18,800,000	-
Net pension liability	156,232,420	-	9,322,507	146,909,913	-
Net OPEB liability	307,421,270	-	10,094,593	297,326,677	-
Governmental activity long-term liabilities	\$ 641,245,387	\$ 27,867,960	\$ 41,725,858	\$ 627,387,489	\$ 19,447,788

The net liabilities related to pension and OPEB are liquidated by the General Fund.

#### Business-type activities:

Bonds and notes payable:					
General obligation bonds	\$ 54,617,500	\$ -	\$ 3,890,500	\$ 50,727,000	\$ 4,052,500
Bond anticipation notes	-	9,000,000	-	9,000,000	-
Notes payable	2,729,386	-	311,471	2,417,915	317,798
Plus deferred amounts:					
Unamortized premiums	3,092,215	-	478,417	2,613,798	-
Total bonds and notes payable	60,439,101	9,000,000	4,680,388	64,758,713	4,370,298
Net pension liability	3,078,795	2,718,996	-	5,797,791	-
Net OPEB liability	6,520,555	3,475,185	-	9,995,740	-
Business-type activity long-term liabilities	\$ 70,038,451	\$ 15,194,181	\$ 4,680,388	\$ 80,552,244	\$ 4,370,298

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

**General obligation bonds:** As of June 30, 2024, the outstanding general obligation bonded indebtedness of the City, payable from its governmental activities, was as follows:

	Outstanding Amount
\$11,000,000 General Obligation Bonds; issued July 15, 2014; due in annual installments of \$100,000 to \$450,000; final maturity July 15, 2034; interest at 2.00% to 3.375%.	\$ 6,050,000
\$18,000,000 General Obligation Bonds; issued July 23, 2015; due in annual installments of \$900,000; final maturity July 1, 2035; interest at 3.00% to 5.00%.	9,000,000
\$14,955,000 General Obligation Bonds; issued March 17, 2016; due in annual installments of \$1,020,000 to \$2,835,000; final maturity July 15, 2030; interest at 2.27% to 5.00%.	13,361,000
\$10,850,000 General Obligation Bonds; issued July 21, 2016; due in annual installments of \$150,000 to \$392,500; final maturity July 15, 2036; interest at 2.00% to 4.00%.	6,510,000
\$15,050,000 General Obligation Bonds; issued July 20, 2017; due in annual installments of \$152,000 to \$600,000; final maturity August 1, 2037; interest at 2.125% to 5.00%.	10,532,000
\$14,903,000 General Obligation Bonds; issued September 21, 2017; due in annual installments of \$313,000 to 1,823,000; final maturity July 15, 2029; interest at 2.45% to 5.00%.	8,224,000
\$14,046,415 General Obligation Bonds issued July 19, 2018 - installments of \$230,000-\$235,000 final maturity July 15, 2033; interest at 3.00% to 5.00%.	9,355,000
\$6,950,000 General Obligation Bonds issued July 18 2019 - installments of \$310,000-\$385,000 final maturity July 15, 2029; interest at 3.00% to 5.00%.	4,170,000
\$6,740,000 General Obligation Bonds issued June 1, 2020, refunding installments of \$110,000-\$1,800,000 final maturity July 15, 2030; interest at 4.00% to 5.00%.	1,727,000
\$11,750,000 General Obligation Bonds issued July 16, 2020; due in annual installments of \$30,000-\$1,145,000 final maturity July 15, 2030; interest at 2.00% to 5.00%.	8,225,000
\$11,500,000 General Obligation Bonds issued July 15, 2021 - installments of \$750,000 final maturity July 15, 2031; interest at 2.00% - 4.00%.	9,200,000
\$18,556,000 General Obligation Bonds issued August 19, 2021 refunding Series B, installments of \$879,000-\$3,293,000, final maturity July 15, 2028; interest at 4.00%.	12,644,000
\$3,500,000 General Obligation Bonds issued July 14, 2022 - installments of \$175,000 final maturity July 1, 2042; interest at 4.00%-5.00%.	19,000,000
Total bonds payable	<u><u>\$ 117,998,000</u></u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

At June 30, 2024, the outstanding general obligation bonded indebtedness of the City, payable from its business-type activities, was as follows:

	Outstanding Amount
\$621,000 General Obligation Bonds; issued March 17, 2016; due in annual installments of \$20,000 to \$67,000; final maturity July 15, 2030; interest at 2.27% to 5.00%.	\$ 574,000
\$5,150,000 Sewer general obligation bond; issued July 21, 2016; due in annual installments of \$237,500; final maturity July 15, 2034 interest at 2% to 4%.	3,090,000
\$2,950,000 General Obligation Bonds; issued July 20, 2017; due in annual installments of \$20,000 to \$158,000; final maturity July 15, 2037; interest at 3.00% to 5.00%.	2,068,000
\$887,000 General Obligation Bonds; issued September 21, 2017; due in annual installments of \$4,000 to \$244,000; final maturity July 15, 2029; interest at 2.45% to 5.00%.	621,000
\$5,304,580 General Obligation Bonds issued July 19, 2018 (non-assessment) annual installments of \$350,000-355,000; final maturity July 15, 2033; interest at 3.00% to 5.00%.	950,000
\$50,000 Water General Obligation Bonds issued July 18, 2019; annual installments of \$5,000; final maturity July 15, 2029; interest at 3.00% - 5.00%.	30,000
\$50,000,000 General Obligation Bonds issued November 4, 2019, annual installments of \$2,500,000; final maturity November 11, 2039 interest at 2.125% - 5.00%.	40,000,000
\$580,000 General Obligation Bonds issued June 1, 2020; refunding annual installments of \$51,000 to \$160,000; final maturity July 15, 2029; interest at 4.00% - 5.00%.	208,000
\$250,000 Sewer & Water General Obligation Bonds issued July 16, 2020; annual installments of \$5,000-\$20,000; final maturity July 15, 2030; interest at 2.00% to 5.00%.	175,000
\$500,0000 General Obligation Bonds issued July 15, 2021 annual installments of \$35,000 ; final maturity July 15, 2031 interest at 2.00% - 4.00%.	400,000
\$3,769,500 Water and Sewer General Obligation Bonds issued August 19, 2021, refunding annual installments of \$30,000 - \$375,000 final maturity July 15, 2028, interest at 4.00%.	2,611,000
Total general obligation bonds	<hr/> 50,727,000
\$2,549,994 Clean Water Fund 515-C note payable signed March 31, 2010; due in annual installments of \$107,476 ; final maturity September 30, 2029, interest at 2%.	763,709
\$3,219,688 Clean Water 132-CSC note payable signed January 31, 2013; due in annual installments of \$174,910; final maturity January 31, 2033; interest at 2%.	1,654,206
Total notes payable	<hr/> 2,417,915
Total bonds and notes payable	<hr/> \$ 53,144,915

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

The annual debt service requirements of the City's bonded indebtedness and notes payable are as follows (excluding BANS payable):

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2025	\$ 14,532,500	\$ 3,891,576	\$ 18,424,076	\$ 4,370,298	\$ 1,685,195	\$ 6,055,493
2026	14,043,000	3,302,334	17,345,334	4,251,213	1,491,865	5,743,078
2027	13,945,500	2,736,698	16,682,198	4,290,257	1,301,151	5,591,408
2028	12,828,500	2,223,283	15,051,783	3,943,933	1,122,442	5,066,375
2029	11,741,500	1,811,757	13,553,257	3,717,744	973,608	4,691,352
2030-2034	34,921,500	5,083,402	40,004,902	16,206,970	3,392,597	19,599,567
2035-2039	11,985,500	1,627,039	13,612,539	13,864,500	1,377,180	15,241,680
2040-2043	4,000,000	320,000	4,320,000	2,500,000	37,500	2,537,500
Total	\$ 117,998,000	\$ 20,996,089	\$ 138,994,089	\$ 53,144,915	\$ 11,381,538	\$ 64,526,453

**Prior years in-substance defeasance:** In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued, and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the City's government-wide financial statements. As of June 30, 2024, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, was approximately \$800,000.

**HUD Section 108 loan:** On September 19, 2019, U.S. Department of Housing and Urban Development (HUD) issued an interim financing note related to the Community Development Block Grant for \$1,800,000 with a variable/fixed interest rate. The loan matures on August 1, 2039 with principal installments commencing on August 1, 2021, for \$94,000, with final payment due on August 1, 2039, for \$108,000. The City prepaid \$1,034,000 during the year ended June 30, 2024.

**Landfill post closure monitoring:** State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The landfill's closure project was completed during the year ended June 30, 1999, as the landfill was at 100% capacity. The estimated total current cost of the landfill post-closure care, aggregating \$5,311,740, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill as of June 30, 2024. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. These costs will be paid from the General Fund.

**Compensated absences:** Included in the long-term obligations in the government-wide statement of net position is the estimated obligation for employee compensated absences in the amount of \$6,279,514 as of June 30, 2024. The General Fund has typically been used to liquidate the liability for compensated absences.

**Heart and hypertension:** The City has certain police officers and firefighters or their survivors' receiving benefits under the State's Heart and Hypertension statutes. Additionally, the City pays for medical costs for other officers and firefighters under the same statutes. The Statutes require that the City pay monthly amounts to the officer or firefighter or surviving spouse for life. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated (see Note 13).

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

**Lease financing obligations:** The City has entered into multi-year financing leases for the purchase of various capital items including energy conservation construction, public works equipment, vehicles and computer hardware and software. Interest rates on these leases range from 1.28% to 5.04%. Most of the lease arrangements have terms of five to eight years; however, the energy conservation project leases have a 15-year term.

The capitalized value of property under the financing leases is summarized below:

Machinery and equipment	\$ 13,803,274
Accumulated depreciation	(11,267,978)
Net book value	<u>\$ 2,535,296</u>

Future minimum lease payments under financing leases are as follows:

Fiscal year:	
2025	\$ 1,319,824
2026	1,166,278
2027	<u>187,410</u>
	2,673,512
Less amount representing interest	(75,987)
	<u>\$ 2,597,525</u>

**Lease liability:** The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2048.

The following is a schedule of the net present value of future payments:

Years ending June 30:	Principal	Interest	Total
2025	\$ 603,331	\$ 30,828	\$ 634,159
2026	192,095	21,641	213,736
2027	97,951	18,826	116,777
2028	46,755	17,512	64,267
2029	47,729	16,539	64,268
2030-2034	253,967	67,371	321,338
2035-2039	165,479	44,521	210,000
2040-2044	183,508	26,492	210,000
2045-2048	161,100	6,900	168,000
	<u>\$ 1,751,915</u>	<u>\$ 250,630</u>	<u>\$ 2,002,545</u>

Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	\$ 3,169,877	\$ 1,349,922
Total	<u>\$ 3,169,877</u>	<u>\$ 1,349,922</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

**Subscription-based information technology arrangements liability:** The City subscribes to various subscription based technology arrangements under long-term, noncancelable agreements. The agreements expire at various dates through 2027.

The following is a schedule of future payments:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 325,058	\$ 32,037	\$ 357,095
2026	257,072	17,118	274,190
2027	118,895	5,335	124,230
	<u>\$ 701,025</u>	<u>\$ 54,490</u>	<u>\$ 755,515</u>

**Stanley L. Richter Park Authority:** The following is a summary of the component unit's bonds and notes payable transactions for the year ended December 31, 2023.

Beginning balance	\$ 1,309,333
Additions	-
Deductions	(151,461)
Ending balance	<u>\$ 1,157,872</u>

The Richter Park Authority issued a long-term promissory note amounting to \$1,500,000 in November 2015 to refinance existing debt and perform improvements to the pump-house and other working capital needs. The principal and interest at 2.5%, is payable in monthly installments, with final maturity on November 18, 2030.

The Richter Park Authority issued a long-term promissory note amounting to \$600,000 in November 2019, for the driving range improvements. The principal and interest rate at 2.5% is payable in monthly installments, with final maturity on November 18, 2030.

**Authorized but unissued bonds:** Bonds authorized but unissued by the City at June 30, 2024, were as follows:

General purpose	\$ 26,164,074
Schools	130,069,274
Sewer	32,225,000
Water	111,000,000
	<u>\$ 299,458,348</u>

As per the bonding authorization, the amount of the bonds authorized but unissued has been reduced by any State/Federal Grant funding approved and/or received, and by the amounts of funding received through other sources such as the Clean Water Act Funds.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 8. Long-Term Liabilities (Continued)

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

	Debt Limit	Indebtedness	Balance
General purpose	\$ 511,435,647	\$ 114,964,351	\$ 396,471,296
Schools	1,022,871,294	264,864,522	758,006,772
Sewers	852,392,745	207,379,875	645,012,870
Urban renewal	738,740,379	-	738,740,379
Unfunded pension benefit obligation	681,914,196	-	681,914,196

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,591,133,124.

#### Note 9. Commitments and Contingencies

**Lawsuits:** There are several personal injury, negligence, personnel and other related lawsuits pending against the City. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$16,990,000. Based upon the advice of the legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

In the fall of 2023, the City was notified of an adverse jury trial decision totaling approximately \$16.8 million. While the insurance carrier extends full coverage for defense counsel and costs, the carrier excludes coverage for the specific finding that the court made, alleging reckless disregard which the City firmly believes is itself a baseless finding. The case is on appeal in the briefing stages. We specifically make note of the above due to its potentially sizable and adverse outcome, but remain confident that a successful prosecution of the appeal(s) will be achieved. As a result the City has recorded this litigation related accrual in the governmental activities opinion unit in the event it is unsuccessful upon appeal. The litigation has also incurred approximately \$1.7 million in interest related to the judgment, which was included within the accrual as of June 30, 2024.

**Waste water treatment:** The City had a 20-year agreement through June 2018 (the Agreement) with Veolia Water (Veolia) to manage its wastewater collection and treatment system. However, a five-year extension (with two one-year exemptions) to this agreement was signed on October 1, 2017. The annual base fee is maintained at approximately \$4.8 million (plus an annual adjustment equal to the change in the consumer price index, which currently totals approximately \$154,000) through June 30, 2024. The City continues to exercise control over its rate setting and inter-municipal agreements. The City retains full legal title and ownership of the facility. Veolia operates and maintains the facility in accordance with the terms and conditions of the City's National Pollutant Discharge Elimination System (NPDES) permit (# CT0100145). The contract with Veolia contains additional performance standards, such as Veolia implementing a program to provide a year round nitrification process to ensure the quality of effluent, which are above the requirements of the City's current NPDES permit. A laboratory is maintained on site by Veolia to ensure proper operation of the plant process and to comply with the Connecticut Department of Energy and Environmental Protection requirements.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 10. Fund Deficits

The City has the following fund deficits at June 30, 2024, and expects to eliminate the deficits in the future as follows:

Fund	Deficit June 30, 2024	Plan for Eliminating Debt
<b>Capital Projects:</b>		
Vision 2020	\$ (1,172,340)	Through future debt issuance/grant reimbursements
DHS 2020	(4,717,211)	Through future debt issuance/grant reimbursements
2016 Public Improvement Program	(863,008)	Through future debt issuance/grant reimbursements
Danbury Career Academy	(99,240,924)	Through future debt issuance/grant reimbursements
SNAPP2020	(6,336,366)	Through future debt issuance/grant reimbursements
<b>Special Revenue:</b>		
COVID ARPA	(13,807)	Through future grant reimbursement
Airport Projects	(726,052)	Through future grant reimbursement
Community Development Block Grant	(1,816,952)	Through future grant reimbursement
Metro North Parking Lease	(37,043)	City council appropriation
LOCIP	(187,576)	Through future grant reimbursement

#### Note 11. Employee Retirement Plans

The City maintains seven separate single-employer pension plans covering substantially all of its eligible employees (collectively, the City's plans), except those public school teachers covered under the State of Connecticut Teachers' Retirement System. The General Employees Plan is a defined benefit plan covering all full-time employees not qualified under one of the City's other plans or the State Teachers' Retirement System. Employees contribute up to 5% dependent upon hire date and Union membership. Non Union members hired before January 1, 2011, do not contribute to the plan. The following five plans: Pre-1967 Policemen, Pre-1967 Firemen, Post-1967 Policemen, Post-1967 Firemen, Post-1983 Policemen and Post-2011 Firemen are contributory defined benefit plans and cover all paid members of the City Police and Fire Departments. The City of Danbury 401(a) Retirement Plan is a defined contribution plan that covers all Teamsters' and Danbury Municipal Employees' Association, Inc. (DMEA) union employees who are hired subsequent to July 2011. City and employee contributions are made pursuant to City charter and Union contracts. Administrative fees are paid through the plans. The City's pension plans, and 401(a) retirement plan do not, however, issue stand-alone financial reports.

The defined benefit plans' assets are consolidated and treated as one combined trust (Master Trust) for the City's retirement plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Assets in the defined contribution plan are allocated to each participant in a separate account and investments are self-directed. Employer contributions are subject to five-year cliff vesting schedule.

Master Trust transactions other than cash and cash equivalents, employer and employee contributions, and payments to separated participants by participating plans are allocated to each plan based upon procedures established by the trustee and the plans' actuary. Earnings from the Master Trust include interest and dividend income, and net appreciation in the fair value of investments. Master Trust earnings reallocated to the City's plans based upon the relative fair values of the assets of each plan.

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans (Continued)

##### Schedule of Plan Net Position June 30, 2024

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Post-2011 Fire	OPEB	Totals
<b>Assets</b>									
Cash and cash equivalents	\$ 5,221,844	\$ 30,399	\$ 12,949	\$ 556,200	\$ 915,478	\$ 703,061	\$ 68,421	\$ 17,854,303	\$ 25,362,655
Investments, at fair value:									
Common stock	17,273,903	284,864	281,646	4,825,258	13,006,151	10,329,107	463,612	-	46,464,541
Debt securities	6,230,972	102,755	101,594	1,740,547	4,691,526	3,725,874	167,232	-	16,760,500
Mutual funds	44,991,838	741,960	733,579	12,567,930	33,875,995	26,903,330	1,207,530	-	121,022,162
Private hedge fund	53,677,339	885,193	875,194	14,994,121	40,415,625	32,096,914	1,440,639	-	144,385,025
<b>Total investments</b>	<b>122,174,052</b>	<b>2,014,772</b>	<b>1,992,013</b>	<b>34,127,856</b>	<b>91,989,297</b>	<b>73,055,225</b>	<b>3,279,013</b>	-	<b>328,632,228</b>
Accrued interest and dividend:	290,591	4,932	26,469	82,988	220,053	174,262	7,927	75,344	882,566
Prepays	1,073	18	17	300	808	642	28	-	2,886
Due from other funds	-	-	-	-	-	-	-	2,101,898	2,101,898
<b>Total assets</b>	<b>127,687,560</b>	<b>2,050,121</b>	<b>2,031,448</b>	<b>34,767,344</b>	<b>93,125,636</b>	<b>73,933,190</b>	<b>3,355,389</b>	<b>20,031,545</b>	<b>356,982,233</b>
<b>Liabilities</b>									
Accounts payable	-	-	-	-	-	-	-	137,002	137,002
Accrued expenses and management fees	13,514	218	215	3,682	9,863	7,831	355	2,103,378	2,139,056
Due to other funds	-	-	-	-	-	-	-	18,977	18,977
<b>Total liabilities</b>	<b>13,514</b>	<b>218</b>	<b>215</b>	<b>3,682</b>	<b>9,863</b>	<b>7,831</b>	<b>355</b>	<b>2,259,357</b>	<b>2,295,035</b>
Net position- restricted for pension benefits and OPEB	\$ 127,674,046	\$ 2,049,903	\$ 2,031,233	\$ 34,763,662	\$ 93,115,773	\$ 73,925,359	\$ 3,355,034	\$ 17,772,188	\$ 354,687,198

##### Schedule of Changes in Plan Net Position Year Ended June 30, 2024

	General Employees	Pre-1967 Police	Pre-1967 Fire	Post-1967 Police	Post-1967 Fire	Post-1983 Police	Post-2011 Fire	OPEB	Totals
Additions:									
Contributions:									
Employer	\$ 5,008,000	\$ 274,000	\$ 507,000	\$ 1,741,000	\$ 3,570,000	\$ 3,790,000	\$ 358,000	\$ 30,795,310	\$ 46,043,310
Plan members	566,776	-	-	-	380,468	856,199	261,287	-	2,064,730
<b>Total contributions</b>	<b>5,574,776</b>	<b>274,000</b>	<b>507,000</b>	<b>1,741,000</b>	<b>3,950,468</b>	<b>4,646,199</b>	<b>619,287</b>	<b>30,795,310</b>	<b>48,108,040</b>
Investment Income/loss:									
Net gain/loss in fair value of investments	13,654,178	213,623	127,265	3,566,531	9,496,213	7,495,363	335,778	-	34,888,951
Interest and dividends	2,350,735	45,350	76,405	664,762	1,762,725	1,432,310	72,775	889,559	7,294,621
	16,004,913	258,973	203,670	4,231,293	11,258,938	8,927,673	408,553	889,559	42,183,572
Less investment expenses:									
Investment management fees	360,906	22,282	21,067	106,163	225,073	185,262	28,530	143,507	1,092,790
Net investment income	15,644,007	236,691	182,603	4,125,130	11,033,865	8,742,411	380,023	746,052	41,090,782
Deductions:									
Benefits paid	12,628,356	611,712	599,019	5,227,894	7,103,545	3,425,814	91,230	29,229,186	58,916,756
<b>Total deductions</b>	<b>12,628,356</b>	<b>611,712</b>	<b>599,019</b>	<b>5,227,894</b>	<b>7,103,545</b>	<b>3,425,814</b>	<b>91,230</b>	<b>29,229,186</b>	<b>58,916,756</b>
Net change in net position	8,590,427	(101,021)	90,584	638,236	7,880,788	9,962,796	908,080	2,312,176	30,282,066
Net position-restricted for pension benefits and OPEB									
Beginning of year	119,083,619	2,150,924	1,940,649	34,125,426	85,234,985	63,962,563	2,446,954	15,460,012	324,405,132
<b>End of year</b>	<b>\$ 127,674,046</b>	<b>\$ 2,049,903</b>	<b>\$ 2,031,233</b>	<b>\$ 34,763,662</b>	<b>\$ 93,115,773</b>	<b>\$ 73,925,359</b>	<b>\$ 3,355,034</b>	<b>\$ 17,772,188</b>	<b>\$ 354,687,198</b>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

**Investments:** Investments are stated at fair value.

The City sets asset allocation parameters for all pension plans, as follows:

Asset Class	Target Allocation
Russell 3000	36%
MS EAFE	24%
BC Int Gov/CR	35%
T-Bills	5%
Total	<u>100%</u>

**Plan administration:** Each of the City's seven pension plans are separately administered by their own respective pension board consisting of seven members. The Mayor, Director of Finance and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor, and must be an active employee of their respective pension plan. The pension boards typically meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The joint pension board, which is comprised of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

#### General Employees' Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	625
Inactive plan members entitled to but not yet receiving benefits	205
Active plan members	<u>521</u>
	<u>1,351</u>

#### Benefits provided:

Plan identification:	Single-employer pension plan.
Effective date:	June 1, 1963.
Eligibility requirements:	All full-time employees except Policemen, Firemen and those eligible for State Teachers Retirement System. Redevelopment employees are eligible as long as the Redevelopment Agency pays all costs.
Compensation:	W-2 Earnings.
Average compensation:	Average of three highest years of Compensation or all years Compensation if less than three years.
Accrued benefit:	1.5% of Average Compensation times service to date of reference.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Normal retirement age: Requirement: The first of the month following age 65. A normal pension is also available for participants retiring with age plus service of 85 or more.

Amount: Accrued Benefit based on Average Compensation and service at Normal Retirement Date. The normal form of benefit is a life annuity.

2009 retirement incentive: Requirement: As of June 30, 2009, attained age plus years of credited service greater than or equal to 80.

Amount: The benefit formula is increased from 1.5% to 2.0% with no actuarial reduction for retirement prior to normal retirement age.

2013 retirement incentive Requirement: As of July 1, 2013, attained age plus years of credited service greater than or equal to 75.

Amount: An immediate retirement benefit, reduced for early retirement where applicable. In addition, each person that elected the incentive received a lump sum payout equal to \$1,000 time's pension service.

Early retirement: Requirement: Attainment of age 55.

Amount: Accrued benefit at termination, reduced by one-half of one percent for each month by which actual commencement precedes the earlier of a member's Normal Retirement Date or the first of the month following the date which causes the sum of the member's age and service to equal 85.

Normal form of pension: Life Annuity.

Vesting: Age Requirement: None.

Service requirement: According to the following schedule:

<u>Years of Full Employment</u>	<u>Percentage of Vesting</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

Alternatively, a participant who was hired prior to December 31, 1983, is fully vested if the sum of his age plus years of service is greater than or equal to 50.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Employee contributions:	Effective July 1, 2013, union participants who are members of DMEA or Teamsters make an annual pension contribution equal to 1% of base salary. Effective July 1, 2014, union participants who are members of DMEA or Teamsters make an annual pension contribution equal to 2% of base salary.
	Effective July 1, 2013, Non-Union employees hired on or after January 1, 2011, make an annual contribution equal to 5% of base salary. Effective July 1, 2021, BOE paraprofessionals, BOE custodians, BOE tutors, and BOE school lunch employees make an annual contribution equal to 1% of base salary. These contributions are refundable upon death or termination. These contributions do not receive any interest credit for participants with less than five years of service. A death benefit for a participant with five or more years of service is credited with 3% interest. An employee that terminates with between five and ten years of service can receive a refund of contributions with 3% interest in lieu of any other partially vested benefit.
Cost of living:	Whenever the cost-of-living index (December to December) goes above 115% of the base month index, pensions will be increased 15% on the following July 1. The latest base month was December 2010.  Non-Union employees have an “opt out” feature, which allows them to rollover the present value of their defined benefit into the City’s defined contribution plan. Non-Union employees can choose to opt out at any time. Employees who opt out will no longer be part of the defined benefit plan but will participate in the City’s defined contribution plan.

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

General Employees Pension Plan	2024
Net Pension Liability	
Total pension liability	\$ 194,069,534
Plan fiduciary net position	127,674,046
Net pension liability	<u>\$ 66,395,488</u>
Plan fiduciary net position as a percentage of total pension liability	65.79%

For governmental activities, the net pension liability of \$60,597,697 for the City is recorded on the government-wide statement of net position. The Water and Sewer portion of the net pension liability of \$5,797,791 is reported in the statement of net position of the business-type activities/enterprise funds.

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.30%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2024. There have been no significant changes between the valuation date and the fiscal year-end.

Actuarial valuation method: Entry Age Normal Cost Method.

Long-term inflation: 2.40%.

Interest: 6.75% compounded annually, net of investment expense.

Mortality: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

Mortality improvement: Projected to date of decrement using Scale MP-2021 (generational).

Measurement Date June 30, 2024, as rolled forward from July 1, 2023, valuation date.

Retirement age: Retirement probabilities based on table below once participant meets Rule of 85.

Age	Percent	Age	Percent
55	10%	66	15%
56	5%	67	10%
57	5%	68	10%
58	5%	69	10%
59	7.5%	70	25%
60	7.5%	71	20%
61	7.5%	72	20%
62	15%	73	20%
63	10%	74	20%
64	10%	75	100%
65	20%		

Payroll growth: 2.40% only used to project normal cost to next year.

Expense loading: No loading for expenses has been included, as all administrative expenses are paid by the City outside of the Trust Fund.

Cost of living increases: Benefit is assumed to increase by 15% every six years.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 25 years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$5,008,000 to the plan.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

**Assumed rate of return:** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u>100.00%</u>		<u>4.27%</u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u>6.67%</u>

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

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury General Employees' Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury General Employees' Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75% or 1-percentage-point higher 7.75%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
General Employees Pension Plan	5.75%	6.75%	7.75%
Net Pension Liability	\$ 88,503,511	\$ 66,395,488	\$ 47,705,993

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

##### Changes in the Net Pension Liability

	General Employees Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 179,910,316	\$ 119,083,619	\$ 60,826,697
Changes for the year:			
Service cost	2,338,129	-	2,338,129
Interest	11,882,522	-	11,882,522
Differences between expected and actual experience	12,072,302	-	12,072,302
Change of benefit terms	494,621	-	494,621
Changes of assumptions	-	-	-
Contributions - employer	-	5,008,000	(5,008,000)
Contributions - member	-	566,776	(566,776)
Net investment income/loss	-	15,724,883	(15,724,883)
Benefit payments, including refunds of employee contributions	(12,628,356)	(12,628,356)	-
Administrative expense	-	(80,876)	80,876
Net changes	14,159,218	8,590,427	5,568,791
Balances at June 30, 2024	\$ 194,069,534	\$ 127,674,046	\$ 66,395,488

For the year ended June 30, 2024, the City recognized pension expense of \$9,245,120. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

General Employees Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,508,316	\$ (380,732)
Changes of assumptions	1,215,812	(924,658)
Net difference between projected and actual earnings on pension plan investments	-	(3,003,828)
Total	\$ 12,724,128	\$ (4,309,218)

## **City of Danbury, Connecticut**

## Notes to Financial Statements

#### **Note 11. Employee Retirement Plans (Continued)**

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

		General Employees Pension Plan
Years ending June 30:		
2025		\$ 1,829,714
2026		6,558,737
2027		1,036,309
2028		(1,009,850)
2029		-
Thereafter		-
		<hr/> \$ 8,414,910

## Pre-1967 Police Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan member or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-

### ***Benefits provided:***

Plan identification:	Single-employer pension plan.
Effective date:	July 1, 1967.
Eligibility requirements:	Hired by Police Dept. before July 1, 1967, and contributed to the plan.
Retirement benefit:	All participants are retired and have had their benefits calculated.
Death benefit after retirement:	50% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage.
Cost of living:	All pension payments are to be increased to correspond to any increase in salary by members of the same grade and rank of retired member while in active service.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

Pre-1967 Police Pension Plan	2024
Net Pension Liability	
Total pension liability	\$ 2,812,249
Plan fiduciary net position	2,049,903
Net pension liability	<u>\$ 762,346</u>
Plan fiduciary net position as a percentage of total pension liability	72.89%

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.97%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method:	Entry Age Normal Cost Method.
Long-term inflation:	2.40%.
Interest:	6.75% compounded annually, net of investment expense.
Mortality:	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.
Mortality improvement:	Projected to date of decrement using Scale MP-2021 (generational).
Expense loading:	Administrative expenses are paid outside the plan.
Cost of living increases:	2.40% per year.
Measurement Date	June 30, 2024, as rolled forward from July 1, 2023, valuation date.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over eight years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$274,000 to the plan.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

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

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Pre-1967 Police Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Pre-1967 Police Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Pre-1967 Police Pension Plan	5.75%	6.75%	7.75%
Net Pension Liability	\$ 876,703	\$ 762,346	\$ 656,790

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans (Continued)

##### Changes in the Net Pension Liability

	Pre-1967 Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 3,239,120	\$ 2,150,924	\$ 1,088,196
Changes for the year:			
Service cost	-	-	-
Interest	198,333	-	198,333
Differences between expected and actual experience	(13,492)	-	(13,492)
Changes of assumptions	-	-	-
Contributions - employer	-	274,000	(274,000)
Contributions - member	-	-	-
Net investment income	-	253,640	(253,640)
Benefit payments, including refunds of employee contributions	(611,712)	(611,712)	-
Administrative expense	-	(16,949)	16,949
Net changes	(426,871)	(101,021)	(325,850)
Balances at June 30, 2024	\$ 2,812,249	\$ 2,049,903	\$ 762,346

For the year ended June 30, 2024, the City recognized pension expense of \$49,068. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pre-1967 Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(42,980)
Total	\$ -	\$ (42,980)

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

	Pre-1967 Police Pension Plan
Years ending June 30:	
2025	\$ (30,940)
2026	43,507
2027	(31,500)
2028	(24,047)
2029	-
Thereafter	-
	\$ (42,980)

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

##### Pre-1967 Fire Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>-</u>
	<u>11</u>

##### **Benefits provided:**

Plan identification:	Single-employer pension plan.
Effective date:	July 1, 1967.
Eligibility requirements:	Hired by Fire Dept. before July 1, 1967, and contributed to the plan.
Retirement benefit:	All participants are retired and have had their benefits calculated.

**Net pension liability:** The components of the net pension liability of the City of Danbury Pre-1967 Fire Department at June 30, 2024, were as follows:

Pre-1967 Fire Pension Plan	2024
Net Pension Liability	<u> </u>
Total pension liability	\$ 4,025,211
Plan fiduciary net position	<u>2,031,233</u>
Net pension liability	<u><u>\$ 1,993,978</u></u>

Plan fiduciary net position as a percentage of total pension liability 50.46%

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.38%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2024. There have been no significant changes between the valuation date and the fiscal year-end.

Actuarial valuation method: Entry Age Normal Cost Method.

Long-term inflation: 2.40%.

Interest: 6.75% compounded annually, net of investment expense.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Mortality:	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.
Mortality improvement:	Projected to date of decrement using Scale MP-2021 (generational).
Expense loading:	Administrative expenses are paid outside the plan.
Cost of living increases:	2.40% per year.
Measurement Date	June 30, 2024, as rolled forward from July 1, 2023, valuation date

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over eight years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$507,000 to the plan.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Pre-1967 Fire Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Pre-1967 Fire Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Pre-1967 Fire Pension Plan	Current		
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 2,212,737	\$ 1,993,978	\$ 1,796,099

#### Changes in the Net Pension Liability

	Pre-1967 Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 4,734,855	\$ 1,940,649	\$ 2,794,206
Changes for the year:			
Service cost	-	-	-
Interest	299,716	-	299,716
Differences between expected and actual experience	(410,341)	-	(410,341)
Changes of assumptions	-	-	-
Contributions - employer	-	507,000	(507,000)
Contributions - member	-	-	-
Net investment income	-	199,255	(199,255)
Benefit payments, including refunds of employee contributions	(599,019)	(599,019)	-
Administrative expense	-	(16,652)	16,652
Net changes	(709,644)	90,584	(800,228)
Balances at June 30, 2024	\$ 4,025,211	\$ 2,031,233	\$ 1,993,978

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$(234,714). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pre-1967 Fire Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(16,336)
<b>Total</b>	<b>\$ -</b>	<b>\$ (16,336)</b>

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

Years ending June 30:	Pre-1967 Fire Pension Plan
2025	\$ (27,354)
2026	46,452
2027	(21,061)
2028	(14,373)
2029	-
Thereafter	-
	<b>\$ (16,336)</b>

#### Post-1967 Police Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	86
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>86</u>

#### **Benefits provided:**

Plan identification:	Single-employer pension plan.
Effective date:	July 1, 1967.
Eligibility requirements:	Hired by Police Dept. on or after July 1, 1967 and before April 20, 1983, and contributes to the plan.
Compensation:	Total salary or wages earned by a participant from the City for a particular year.
Final compensation:	The highest-paid year of service.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Normal retirement age:	Age 65.
Credited service:	Latest period of continuous service during which the participant contributes.
Normal retirement benefit:	2% of Final Compensation times years of Credited Service. Maximum benefit equals 68% of Final Compensation.
Employee contributions:	4% of Compensation, no interest is credited on contribution.
Disability (service-connected):	66 2/3% of Final Compensation payable for the participant's lifetime.
Death benefit during active employment	50% of Final Compensation paid to surviving spouse until death or remarriage.
Death benefit after retirement:	50% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage.
Cost of living adjustment:	2.40%

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

Post-1967 Police Pension Plan	2024
Net Pension Liability	
Total pension liability	\$ 59,687,458
Plan fiduciary net position	34,763,662
Net pension liability	<u>\$ 24,923,796</u>
Plan fiduciary net position as a percentage of total pension liability	58.24%

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.46%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method:	Entry Age Normal Cost Method.
Long-term inflation:	2.40%.
Interest:	6.75% compounded annually, net of investment expense.
Mortality:	Pub-2010 Public Retirement Plan Amount-Weighted Mortality Tables for Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Measurement Date June 30, 2024, as rolled forward from July 1, 2023, valuation date.

Mortality improvement: Projected to date of decrement using Scale MP-2021 (generational)

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 25 years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$1,741,000 to the plan.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

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

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans (Continued)

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Post-1967 Police Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Post-1967 Police Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Post-1967 Police Pension Plan	1% Decrease	Current	1% Increase
	5.75%	Discount Rate 6.75%	7.75%
Net Pension Liability	\$ 30,184,803	\$ 24,923,796	\$ 20,400,286

#### Changes in the Net Pension Liability

	Post-1967 Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 60,711,473	\$ 34,125,426	\$ 26,586,047
Changes for the year:			
Service cost	-	-	-
Interest	3,924,464	-	3,924,464
Differences between expected and actual experience	279,415	-	279,415
Changes of assumptions	-	-	-
Contributions - employer	-	1,741,000	(1,741,000)
Contributions - member	-	-	-
Net investment income	-	4,154,199	(4,154,199)
Benefit payments, including refunds of employee contributions	(5,227,894)	(5,227,894)	-
Administrative expense	-	(29,069)	29,069
Net changes	(1,024,015)	638,236	(1,662,251)
Balances at June 30, 2024	\$ 59,687,458	\$ 34,763,662	\$ 24,923,796

For the year ended June 30, 2024, the City recognized pension expense of \$1,775,334. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Post-1967 Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(535,685)
Total	\$ -	\$ (535,685)

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

	Post-1967 Police Pension Plan
Years ending June 30:	
2025	\$ (628,610)
2026	982,672
2027	(496,256)
2028	(393,491)
2029	-
Thereafter	-
	<hr/> <hr/>
	\$ (535,685)

#### Post-1967 Fire Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	115
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>64</u>
	<u>181</u>

#### **Benefits provided:**

Plan identification:	Single-employer pension plan.
Effective date:	July 1, 1967.
Eligibility requirements:	Hired by Fire Dept. on or after July 1, 1967 and before January 1, 2012, and contributes to the plan.
Compensation:	Total salary or wages earned by a participant from the City for a particular year.
Final compensation:	The highest-paid year of service.
Normal retirement age:	Age 65.
Credited service:	Latest period of continuous service during which the participant contributes.
Normal retirement benefit:	2% of Final Compensation times years of Credited Service. Maximum benefit equals 68% of Final Compensation.
Early retirement:	Age 55 or 27 years of Credited Service. Normal retirement benefit formula applies.
Vesting:	Termination prior to retirement eligibility results in forfeiture of accrued benefit.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Employee contributions:	Prior to July 1, 2012: 5% of Compensation, no interest is credited on contribution.
	Effective July 1, 2012: 5.5% of Compensation, no interest is credited on contribution.
	Effective July 1, 2013: 6% of Compensation, no interest is credited on contribution.
Disability (service-connected):	66 2/3% of Final Compensation payable for the participant's lifetime.
Disability (non-service connected):	With less than 10 years of service - 2% of Final Compensation times years of credited service. With 10 or more years of service - 25% of final pay plus 2% of Final Compensation times years of credited service in excess of 10 years.
Death benefit during active employment:	(Service related): 50% of Final Compensation. (Non-service related): With less than 10 years of service: 2% of Final Compensation times years of credited service or return of contributions. With 10 or more years of service: 25% of Final Compensation.
Death benefit after retirement:	(Service related): 100% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage. (Non-service related): 50% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage.
Cost of living	2.40% per year
<b>Rate of return:</b> For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.95%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.	
<b>Actuarial assumptions:</b> The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2024. There have been no significant changes between the valuation date and the fiscal year-end.	
Actuarial valuation method:	Entry Age Normal Cost Method.
Measurement Date	June 30, 2024, as rolled forward from July 1, 2023, valuation date.
Long-term inflation:	2.40%.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Interest:	6.75% compounded annually, net of investment expense.
Mortality:	Pub-2010 Public Retirement Plan Amount-Weighted Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.
Mortality improvement:	Projected to date of decrement using Scale MP-2021 (generational)
Cost of living increases:	2.40%.

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

Post-1967 Fire Pension Plan	2024
Net Pension Liability	
Total pension liability	\$ 127,043,970
Plan fiduciary net position	93,115,773
Net pension liability	<u><u>\$ 33,928,197</u></u>
Plan fiduciary net position as a percentage of total pension liability	73.29%

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 25 years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$3,570,000 to the plan.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

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

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Post-1967 Fire Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Post-1967 Fire Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Post-1967 Fire Pension Plan	5.75%	6.75%	7.75%
Net Pension Liability	\$ 49,463,415	\$ 33,928,197	\$ 21,022,957

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans (Continued)

##### Changes in the Net Pension Liability

	Post-1967 Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 123,052,416	\$ 85,234,985	\$ 37,817,431
Changes for the year:			
Service cost	1,437,439	-	1,437,439
Interest	8,167,235	-	8,167,235
Differences between expected and actual experience	1,488,729	-	1,488,729
Changes of benefit terms	1,696	-	1,696
Contributions - employer	-	3,570,000	(3,570,000)
Contributions - member	-	380,468	(380,468)
Net investment income	-	11,064,441	(11,064,441)
Benefit payments, including refunds of employee contributions	(7,103,545)	(7,103,545)	-
Administrative expense	-	(30,576)	30,576
Net changes	3,991,554	7,880,788	(3,889,234)
Balances at June 30, 2024	\$ 127,043,970	\$ 93,115,773	\$ 33,928,197

For the year ended June 30, 2024, the City recognized pension expense of \$4,763,563. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Post-1967 Fire Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,107,004	\$ (756,340)
Changes of assumptions	712,890	(24,411)
Net difference between projected and actual earnings on pension plan investments	-	(1,880,746)
Total	\$ 1,819,894	\$ (2,661,497)

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

	Post-1967 Fire Pension Plan
Years ending June 30:	
2025	\$ (920,261)
2026	2,176,116
2027	(1,014,104)
2028	(1,083,354)
2029	-
Thereafter	-
	\$ (841,603)

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

##### Post-1983 Police Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan member or beneficiaries currently receiving benefits	74
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	154
	<u>243</u>

##### **Benefits provided:**

Plan identification:	Single-employer pension plan.
Effective date:	April 20, 1983.
Eligibility requirements:	Hired by Police Department after April 20, 1983, and contributing to the Plan.
Compensation:	Total straight-time wages paid by the City.
Average compensation:	The average annual compensation during the three highest-paid years of service.
Normal retirement age:	Age 65.
Credited service:	Latest period of continuous service during which the participant contributes.
Normal retirement benefit:	Effective March 19, 2007, 3% of Average Compensation per year of service for the final five years of service, and 2% of Average Compensation per year of service prior to the final five years, but in no case greater than 68% of pay.
Early retirement:	25 years of Credited Service or Age 55. Normal Retirement Benefit formula applies.
Vesting:	15 years of service and employee contributions remain in plan.
Employee contributions:	4.5% of Compensation, refundable upon death or termination. These contributions do not receive any interest credit.
Disability (service-connected):	50% of Average Compensation offset by Workers' Compensation that exceeds 50% of Average Compensation.
Death benefit during active employment:	50% of Average Compensation payable to widow until death or remarriage.
Death benefit after retirement:	50% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Cost of living: 2% per year after the completion of five years of retirement or one year of disability retirement.

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

Post-1983 Police Pension Plan	2024
Total pension liability	\$ 97,523,642
Plan fiduciary net position	73,925,359
Net pension liability	<u><u>\$ 23,598,283</u></u>
Plan fiduciary net position as a percentage of total pension liability	75.80%

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.23%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2024. There have been no significant changes between the valuation date and the fiscal year-end.

Actuarial valuation method:	Entry Age Normal Cost Method.
Measurement Date:	June 30, 2024, as rolled forward from July 1, 2023, valuation date.
Long-term inflation:	2.40%.
Interest:	6.75% compounded annually, net of investment expense.
Mortality:	Pub-2010 Public Retirement Plan Amount-Weighted Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.
Mortality improvement:	Projected to date of decrement using Scale MP-2021 (generational).
Cost of living increases:	Pension payments are assumed to increase 2% per year payable starting the first of the month following the completion of either five years of retirement or one year of retirement for service connected disability.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 25 years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$3,790,000 to the plan.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

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

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Post-1983 Police Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Post-1983 Police Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Post-1983 Police Pension Plan	5.75%	6.75%	7.75%
Net Pension Liability	\$ 37,480,236	\$ 23,598,283	\$ 12,268,766

## City of Danbury, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans (Continued)

##### Changes in the Net Pension Liability

	Post-1983 Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 93,442,283	\$ 63,962,563	\$ 29,479,720
Changes for the year:			
Service cost	2,175,612	-	2,175,612
Interest	6,340,475	-	6,340,475
Differences between expected and actual experience	(1,008,914)	-	(1,008,914)
Changes of assumptions	-	-	-
Contributions - employer	-	3,790,000	(3,790,000)
Contributions - member	-	856,199	(856,199)
Net investment income	-	8,773,393	(8,773,393)
Benefit payments, including refunds of employee contributions	(3,425,814)	(3,425,814)	-
Administrative expense	-	(30,982)	30,982
Net changes	4,081,359	9,962,796	(5,881,437)
Balances at June 30, 2024	\$ 97,523,642	\$ 73,925,359	\$ 23,598,283

For the year ended June 30, 2024, the City recognized pension expense of \$3,519,980. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Post-1983 Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 862,863	\$ (3,037,741)
Changes of assumptions	3,937,550	(48,948)
Net difference between projected and actual earnings on pension plan investments	-	(1,805,466)
Total	\$ 4,800,413	\$ (4,892,155)

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

	Post-1983 Police Pension Plan
Years ending June 30:	
2025	\$ (264,783)
2026	1,996,111
2027	(337,415)
2028	(971,601)
2029	(209,403)
Thereafter	(304,651)
	\$ (91,742)

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

##### Post-2011 Fire Pension Plan:

**Plan membership:** Eligible regular full-time employees of the City are members of the Plan. At July 1, 2023, Pension Plan membership consisted of the following:

Inactive plan member or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>46</u>
	<u>47</u>

##### **Benefits provided:**

Plan identification:	Single-employer pension plan.
Effective date:	Original Plan - January 1, 2012.
Eligibility requirements:	Hired by Fire Dept. on or after January 1, 2012, and contributes to the plan.
Compensation:	Base salary.
Average compensation:	Base salary for the three years preceding retirement.
Credited service:	Latest period of continuous service during which the participant contributes.
Normal retirement age:	Age 55 or 30 years of Credited Service but not later than age 65.
Early retirement:	25 years of Credited Service.
Normal retirement benefit:	2% of Average Compensation times years of Credited Service. Maximum benefit equals 60% of Average Compensation.
Early retirement benefit:	Normal Retirement Benefit, reduced by 0.5% for each month prior to Normal Retirement Eligibility.
Vesting:	10 years of service, benefits begin at age 65.
Employee contributions:	6% of Compensation.
Disability (service-connected):	50% of Average Compensation payable for the participant's lifetime, or Normal Retirement benefit, if greater.
Disability (non-service-connected):	2% of Average Compensation times years of Credited Service. Maximum benefit equals 60% of Final Compensation, if greater.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Death benefit during active employment (service connected):	2% of average Compensation times years of credited services. The minimum benefit is 50% of Average Compensation and the maximum benefit is 60% of Average Compensation.
Death benefit during active employment (nonservice connected):	2% of average Compensation times years of credited service subject to a 60% maximum if 10 or more years of service.  Return of employee contributions if less than 10 years of service.
Death benefit after retirement:	50% of the annuitant's retirement benefit payable to surviving spouse until death or remarriage.
Cost of living:	There is no provision for any automatic post-retirement increases.

**Net pension liability:** The components of the net pension liability of the City's Post-2011 Fire Department Pension Plan at June 30, 2024, were as follows:

Post-2011 Fire Pension Plan	2024
Net Pension Liability	
Total pension liability	\$ 4,460,650
Plan fiduciary net position	3,355,034
Net pension liability	<u>\$ 1,105,616</u>
Plan fiduciary net position as a percentage of total pension liability	75.21%

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 14.01%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, and then was projected forward to the measurement date of June 30, 2024. There have been no significant changes between the valuation date and the fiscal year-end.

Actuarial valuation method:	Entry Age Normal Cost Method.
Measurement Date	June 30, 2024, as rolled forward from July 1, 2023 valuation date.
Long-term inflation:	2.40%.
Interest:	6.75% compounded annually, net of investment expense.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

Mortality: Pub-2010 Public Retirement Plan Amount-Weighted Mortality Tables for Public Safety employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

Mortality improvement: Projected to date of decrement using Scale MP-2021 (generational).

Retirement age: Based on scale from 50 years of age to 65 years of age.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the projected unit credit funding method, plus an amortization of the plan's unfunded liability over 25 years from July 1, 2021, as a level percentage of pay. For the year ended June 30, 2024, the City contributed \$358,000 to the plan.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u><u>100.00%</u></u>		<u><u>4.27%</u></u>
Long-term inflation expectation			2.40%
Long-term expected nominal return			<u><u>6.67%</u></u>

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

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of Danbury Post-2011 Fire Police Pension Plan, calculated using the discount rate of 6.75% as well as what the City of Danbury Post-2011 Fire Police Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Post-2011 Fire Pension Plan	Current		
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 2,022,425	\$ 1,105,616	\$ 377,758

#### Changes in the Net Pension Liability

	Post-2011 Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 3,165,872	\$ 2,446,954	\$ 718,918
Changes for the year:			
Service cost	572,857	-	572,857
Interest	249,335	-	249,335
Differences between expected and actual experience	561,698	-	561,698
Change in benefit terms	2,118	-	2,118
Changes of assumptions	-	-	-
Contributions - employer	-	358,000	(358,000)
Contributions - members	-	261,287	(261,287)
Net investment income	-	397,978	(397,978)
Benefit payments, including refunds of employee contributions	(91,230)	(91,230)	-
Administrative expense	-	(17,955)	17,955
Net changes	1,294,778	908,080	386,698
Balances at June 30, 2024	\$ 4,460,650	\$ 3,355,034	\$ 1,105,616

For the year ended June 30, 2024, the City recognized pension expense of \$446,026. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Post-2011 Fire Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 875,538	\$ (62,895)
Changes of assumptions	208,800	(17,513)
Net difference between projected and actual earnings on pension plan investments	-	(99,523)
Total	\$ 1,084,338	\$ (179,931)

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

	Post-2011 Fire Pension Plan
Years ending June 30:	
2025	\$ 38,044
2026	88,812
2027	18,045
2028	23,908
2029	67,083
Thereafter	<u>668,515</u>
	<u><u>\$ 904,407</u></u>

#### Aggregate Information:

	Net Pension Liability	Pension Expense	Deferred Inflows	Deferred Outflows
General Employees Retirement	\$ 66,395,488	\$ 9,245,120	\$ (4,309,218)	\$ 12,724,128
Pre-1967 Police	762,346	49,068	(42,980)	-
Pre-1967 Fire	1,993,978	(234,714)	(16,336)	-
Post-1967 Police	24,923,796	1,775,334	(535,685)	-
Post-1967 Fire	33,928,197	4,763,563	(2,661,497)	1,819,894
Post-1983 Police	23,598,283	3,519,980	(4,892,155)	4,800,413
Post-2011 Fire	1,105,616	446,026	(179,931)	1,084,338
	<u>\$ 152,707,704</u>	<u>\$ 19,564,377</u>	<u>\$ (12,637,802)</u>	<u>\$ 20,428,773</u>

**Defined Contribution Plan:** The City of Danbury 401(a) Retirement Plan is a defined contribution plan that covers all Teamsters' and Danbury Municipal Employees' Association, Inc. (DMEA) union employees who are hired subsequent to July 2011. City and employee contributions are made pursuant to City charter and Union contracts. Administrative fees are paid through the plans. The City's 401(a) retirement plan does not issue stand-alone financial reports.

Assets in the defined contribution plan are allocated to each participant in a separate account and investments are self-directed. The plan is not subject to forfeits. City and employee contributions are made pursuant to City charter and Union contracts. Administrative fees are paid through the plans.

#### Connecticut State Teachers' Retirement System:

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

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

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

**Early retirement:** Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service, including 15 years of Connecticut service with reduced benefit amounts. Benefit amounts are reduced by 6% per year for the first five years preceding normal retirement age and 4% per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

**Minimum benefit:** Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions, and who have completed at least 25 years of full time Connecticut service at retirement.

**Disability retirement:** Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. 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 average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

**Pre-retirement death benefit:** The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

#### 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 are amended and certified by the TRB 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 amounts to finance any unfunded accrued liability.

##### *Employer (School Districts)*

School District employers are not required to make contributions to the plan, as contributions are required only from employees and the State.

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

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$30,701,862, and is recognized in the General Fund as state and federal governments revenues and expenses. For the year ended June 30, 2024, the amount of pension expense incurred by the State on-behalf of the City's employees was \$31,680,722, and is recognized in the statement of activities as operating grants and contributions and education expenses.

##### *Employees / Retirees*

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

##### *Administrative Expenses*

Administrative expenses of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

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

Inflation	2.50%
Salary increases, including inflation	3.00-6.50%
Long-term investment rate of return, net of pension investment expense, including inflation	6.90%
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System (TRS) before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of TRS after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**Changes of benefit terms:** None.

**Changes of assumptions:** None for the 2023 valuation.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	<hr/> <u>100.0%</u>	<hr/> <u>100.0%</u>

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

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

The following presents the state's proportionate share of the net pension liability allocated to the City, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate.

1% Decrease	Current Discount Rate	1% Increase
5.90%	6.90%	7.90%

State's Share of the NPL associated with the City      \$ 432,287,090      \$ 330,889,169      \$ 246,716,643

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the net pension liability that was associated with the City was \$330,889,169, and 100% of the collective net pension liability is allocated to the State.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 11. Employee Retirement Plans (Continued)

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

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

#### Note 12. Other Post-Employment Benefit Plans

**Other post-employment retirement benefits:** From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid.

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

**Contributions:** The contribution requirements of plan members and the City are established and may be amended by the City. These requirements are also negotiated with the various unions representing the employees. The City determines the required contribution using the Entry Age Normal Cost Method.

Membership in the plan consisted of the following at July 1, 2022, the date of the last actuarial valuation.

General Government employees:

Inactive plan members or beneficiaries currently receiving benefits	441
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	502
Total	943

Board of Education (BOE) employees:

Inactive plan members or beneficiaries currently receiving benefits	70
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	1,286
Total	1,356

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

The information presented was determined as part of the actuarial valuation (AV). Additional information as of the last actuarial valuations follows:

Valuation date:	July 1, 2022
Actuarial cost method:	Entry Age Normal
Asset valuation method:	Fair Value
Measurement date:	June 30, 2024 as rolled forward from the July 1, 2022 AV
Actuarial assumptions:	
Investment rate of return:	3.93% (City) and 3.93% (BOE)
Inflation rate:	2.40%
Health cost trend rates:	7.0% in 2022, reducing by 0.2% each year to an ultimate 4.4% per year rate of 2036 and later.

#### Mortality:

**All:** Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

**Mortality Improvement:** Projected to date of decrement using Scale MP-2021 (generational).

**Changes in Actuarial Assumption as of July 1, 2022:** The July 1, 2022, valuation reflects changes in the actuarial assumptions listed below:

- Interest
- Mortality improvement
- Healthcare Cost Trend Rates

The assumptions indicated were changed to represent the best estimate of anticipated experience of the plan.

**Funding policy:** Effective July 1, 2014, the City Council adopted an OPEB funding policy requiring annual funding with incremental increases of \$500,000 annually with the goal of prefunding the OPEB liability and eliminating the annual funding gap. For the July 1, 2022, Actuarial Valuation, a closed amortization period of 26 years was used. For the year ended June 30, 2024, the City contributed \$30,795,310 to the OPEB Plan.

**Rate of return:** For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	OPEB Plan
Rate of return - General Government	3.93%
Rate of return - Board of Education	3.93%

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

**Net OPEB liability of the City:** The components of the net OPEB liability of the City at June 30, 2024, were as follows:

Net OPEB Liability as of June 30, 2024	General OPEB Plan	BOE OPEB Plan	Total
Total OPEB liability	\$ 295,046,178	\$ 30,048,427	\$ 325,094,605
Plan fiduciary net position	17,605,409	166,779	17,772,188
Net OPEB liability	<u>\$ 277,440,769</u>	<u>\$ 29,881,648</u>	<u>\$ 307,322,417</u>
Plan fiduciary net position as a percentage of total OPEB liability			
	5.97%	0.56%	5.47%
Covered payroll	\$ 37,879,684	\$ 105,551,845	\$ 143,431,529
Net OPEB liability as a % of covered payroll	732.43%	28.31%	214.26%

For governmental activities, the net OPEB liability of \$297,326,677 for the City is recorded on the government-wide statement of net position. The Water and Sewer portion of the net OPEB liability of \$9,995,740 is reported in the statement of net position of the business-type activities/enterprise funds.

**Assumed rate of return:** The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2022, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return	Weighting
U.S. Equities	22.90%	6.20%	1.42%
International Equities	11.40%	5.20%	0.59%
Emerging & Frontier Mkt	5.20%	7.00%	0.36%
Ultra Short Term Fixed Income	0.50%	0.00%	0.00%
Short Term Fixed Income	0.60%	0.40%	0.00%
US Fixed Income Taxable	11.30%	0.80%	0.09%
Emerging Mkt Fixed Income	1.60%	4.00%	0.06%
Absolute Return Assets Relative Value	5.90%	2.30%	0.14%
Absolute Return Assets Equity Market Neutral	5.70%	1.30%	0.07%
Equity Hedge Assets	8.60%	3.20%	0.28%
Equity Return Assets	19.50%	4.40%	0.86%
Private Investments	4.90%	8.10%	0.40%
Cash	1.90%	0.00%	0.00%
Total	<u>100.00%</u>		4.27%
Long-term inflation expectation			2.40%
Long-term expected nominal rate			6.67%

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

**Discount rate:** The discount rate used to measure the total OPEB liability was 3.93% (GG) and 3.93% (BOE) an increase of 0.29 and 0.32 for GG and BOE, respectively. 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 City and BOE contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, using the building block method. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would not be sufficient to cover projected benefit payments and administrative expenses. Therefore, a single discount rate of return on OPEB plan investments was applied to the GG plan for all periods of projected benefit payments to determine the total OPEB liability. The Municipal Bond Index Rate was used in the determination of the net OPEB liability for both plans (published Bond Buyer GO 20-Bond Municipal Index).

#### Changes in the Net OPEB Liability - General Government:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 298,733,031	\$ 15,230,643	\$ 283,502,388
Changes for the year:			
Service cost	7,459,895	-	7,459,895
Interest	10,968,494	-	10,968,494
Differences between expected and actual experience	1,711,762	-	1,711,762
Changes in benefit terms	-	-	-
Changes of assumptions	(12,351,660)	-	(12,351,660)
Contributions - employer	-	12,975,344	(12,975,344)
Net investment income	-	881,210	(881,210)
Administrative expense	-	(6,444)	6,444
Other	-	-	-
Benefit payments, including refunds of employee contributions	(11,475,344)	(11,475,344)	-
Net changes	(3,686,853)	2,374,766	(6,061,619)
Balances at June 30, 2024	\$ 295,046,178	\$ 17,605,409	\$ 277,440,769

**City of Danbury, Connecticut**

**Notes to Financial Statements**

---

**Note 12. Other Post-Employment Benefit Plans (Continued)**

**Changes in the Net OPEB Liability - BOE:**

			Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 30,597,929	\$ 158,492		\$ 30,439,437
Changes for the year:				
Service cost	699,063		-	699,063
Interest	1,129,605		-	1,129,605
Differences between expected and actual experience	(869,943)		-	(869,943)
Changes of assumptions	(804,113)		-	(804,113)
Contributions - employer	-	591,442		(591,442)
Contributions - TRB subsidy	-	112,672		(112,672)
Net investment income	-	8,348		(8,348)
Administrative expense	-	(61)		61
Benefit payments, including refunds of employee contributions	(704,114)	(704,114)		-
Net changes	(549,502)	8,287		(557,789)
Balances at June 30, 2024	<u>\$ 30,048,427</u>	<u>\$ 166,779</u>		<u>\$ 29,881,648</u>

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

	Healthcare Cost		
	1.0% Decrease (6.00% decreasing to 3.40%)	Trend Rates (7.00% decreasing to 4.40%)	1.0% Increase (8.00% decreasing to 5.40%)
<hr/>			
General Government			
<hr/>			
Net OPEB liability as of June 30, 2024	\$ 231,976,360	\$ 277,440,769	\$ 335,652,091
<hr/>			
BOE			
<hr/>			
Net OPEB liability as of June 30, 2024	\$ 26,366,886	\$ 29,881,648	\$ 34,060,319

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

**Sensitivity of estimates used in calculating the net OPEB liability:** The following presents the net OPEB liability, calculated using the discount rates of 3.93% and 3.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

Net OPEB Liability - General Government	1% Decrease	Current	1% Increase
	2.93%	3.93%	4.93%
OPEB Plan	\$ 325,388,369	\$ 277,440,769	\$ 239,008,681
<hr/>			
Net OPEB Liability - BOE	1% Decrease	Current	1% Increase
	2.93%	3.93%	4.93%
OPEB Plan	\$ 32,895,122	\$ 29,881,648	\$ 27,236,551

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended June 30, 2024, the City recognized OPEB expense of \$20,530,370 (GG, including water and sewer) and \$2,493,593 (BOE). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

General Government OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,323,948	\$ (40,491,271)
Changes of assumptions	71,334,420	(11,322,692)
Net difference between projected and actual earnings on OPEB plan investments	76,565	-
<b>Total</b>	<b>\$ 73,734,933</b>	<b>\$ (51,813,963)</b>
<hr/>		
BOE OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
BOE OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,433,420	\$ (4,409,073)
Changes of assumptions	5,536,103	(5,719,898)
Net difference between projected and actual earnings on OPEB plan investments	-	(271)
<b>Total</b>	<b>\$ 18,969,523</b>	<b>\$ (10,129,242)</b>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

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

	General Government OPEB Plan
Years ending June 30:	
2025	\$ 2,597,622
2026	2,486,990
2027	2,373,768
2028	3,133,507
2029	5,360,074
Thereafter	5,969,009
	<u><u>\$ 21,920,970</u></u>
	BOE OPEB Plan
Years ending June 30:	
2025	\$ 782,704
2026	782,076
2027	781,467
2028	768,999
2029	750,795
Thereafter	4,974,240
	<u><u>\$ 8,840,281</u></u>

#### Aggregate OPEB Information:

	Net OPEB Liability	OPEB Expense	Deferred Inflows	Deferred Outflows
General Government	\$ 277,440,769	\$ 20,530,370	\$ (51,813,963)	\$ 73,734,933
Board of Education	29,881,648	2,493,593	(10,129,242)	18,969,523
	<u><u>\$ 307,322,417</u></u>	<u><u>\$ 23,023,963</u></u>	<u><u>\$ (61,943,205)</u></u>	<u><u>\$ 92,704,456</u></u>

#### Connecticut State Teachers' Retirement System - Retiree Health Insurance Plan

**Plan description:** Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan with a special funding situation, administered by the 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](http://www.ct.gov/trb).

## **City of Danbury, Connecticut**

### **Notes to Financial Statements**

---

#### **Note 12. Other Post-Employment Benefit Plans (Continued)**

**Benefit provisions:** The plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the plan. The plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the plan is eligible to participate in the healthcare portion of the plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB 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. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute and has not increased since July of 1996. 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).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

#### **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 TRB 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***

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

##### ***Administrative Expenses***

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 12. Other Post-Employment Benefit Plans (Continued)

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

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	30,999,771
	<u>\$ 30,999,771</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. The June 30, 2022, actuarial valuation was projected forward to the measurement date of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expenditures and revenue of \$417,792 in General Fund state and federal governments revenue for on-behalf amounts for the benefits provided by the State.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of \$(3,651,975) in Governmental Activities operating grants, for OPEB provided by the State.

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.
Salary increases	3.00-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2028

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 75 valuation process. Several factors are considered in the evaluation of the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class.

## **City of Danbury, Connecticut**

### **Notes to Financial Statements**

---

#### **Note 12. Other Post-Employment Benefit Plans (Continued)**

The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**Discount rate:** The discount rate used to measure the total OPEB liability was 3.64%, an increase of 0.11 from the previous discount rate of 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022. Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate. The Municipal Bond Index Rate used for this purpose is the 20-Bond average General Obligation 20-year Municipal Bond Rate published at the end of the last week during the month of June by The Bond Buyer ([www.bondbuyer.com](http://www.bondbuyer.com)).

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

**Other information:** Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented, as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

#### **Note 13. Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years. The City self-insures up to certain levels of risk based on an evaluation of the City's financial capability to assume risk and prevailing market conditions for commercial insurance. Effective July 1, 2019, the deductible for general, auto, property and public liability increased from \$100,000 to \$250,000. The Risk Management Department also manages workers' compensation. The City is self-insured for the first \$500,000 per claim and maintains an aggregate deductible on these worker's compensation claims of \$4,000,000. Employee medical, prescription drug and dental coverage are self-insured arrangement. The Board of Education is also self-insured for medical, dental and prescription programs.

The City is a member of Connecticut Interlocal Risk Management Association Agency (CIRMA). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. Seq. The City is liable only for contributions to the pool. Members retain the risk of loss up to the per occurrence and aggregate deductibles specified on the LAP and WC policies. Once the deductibles are exhausted, the risk is transferred to CIRMA.

## **City of Danbury, Connecticut**

### **Notes to Financial Statements**

---

#### **Note 13. Risk Management (Continued)**

The City is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The City paid CIRMA for provisions of general liability, automobile liability, employee benefits liability, law enforcement liability, public officials liability and property coverage. The claims and expense payments falling within the deductible amounts are the responsibility of the City. The City of Danbury and Danbury Board of Education's Liability-Automobile-Property policy retains \$1,000,000 per occurrence for each of the above lines of liability coverage and an additional \$20,000,000 of excess liability above each of the underlying liability limits.

The City is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to CIRMA's Large Deductible Plan. The policy is subject to a payroll audit at the close of the coverage period. The City of Danbury and Danbury Board of Education's Workers' Compensation policy retains a \$1,000,000 Employer's Liability limit and the City of Danbury and Danbury's Board of Education's LAP policy contains an Employer's Liability Endorsement that states "The limit of liability for the Employers Liability is the lesser of \$10,000,000 or the limit of liability shown in Section J of the Declarations Page."

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Generally, all claims are paid by the Internal Service Funds.

Changes in the balances of claims liabilities recorded by the City during the past two years were as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2024	\$ 9,344,254	\$ 22,580,353	\$ 22,549,871	\$ 9,374,736
2023	8,693,662	22,208,065	21,557,473	9,344,254

#### **Note 14. Joint Ventures and Related Organizations**

The Candlewood is a joint venture of five municipalities, including the City. Candlewood is under joint control, comprised of three delegates from each member municipality selected for three-year terms. The City has an ongoing financial responsibility but no equity interest. The City remitted \$130,619 to supplement Candlewood's operating revenues for the year ended June 30, 2024, as Candlewood would experience financial stress without such revenue supplement.

Complete financial statements for Candlewood can be obtained by request from the Candlewood Lake Authority, P.O. Box 37, Sherman, CT 06784-0037.

The HART is a joint venture of eight municipalities, including the City. HART is under joint control, comprised of at least one director from each member municipality selected for four-year terms. The City has an ongoing financial responsibility, but no equity interest. The City remitted \$717,980 to supplement HART's operating revenues for the year ended June 30, 2024, as HART would experience financial stress without such revenue supplement.

Complete financial statements for HART can be obtained by request from HART, 107 Newtown Road, Suite 2C, Danbury, CT 06810.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 14. Joint Ventures and Related Organizations (Continued)

The City's officials are responsible for appointing the board members of the Danbury Housing Authority. The City's accountability for the Danbury Housing Authority does not extend beyond making the appointments.

#### Note 15. Fund Balances (Deficits)

Below is a table of fund balance categories and classifications in accordance with GASB Statement No. 54 at June 30, 2024, for the City governmental funds:

	General	Danbury Career Academy	State & Fed Projects	Nonmajor Governmental Funds	Total
Fund balances (deficits):					
Non-spendable:					
Inventory	\$ -	\$ -	\$ -	\$ 117,635	\$ 117,635
Permanent fund principal	-	-	-	1,581,849	1,581,849
Loan receivable - Richter Park	1,080,710	-	-	-	1,080,710
Prepaid	1,948,752	-	-	-	1,948,752
<b>Total nonspendable</b>	<b>3,029,462</b>	<b>-</b>	<b>-</b>	<b>1,699,484</b>	<b>4,728,946</b>
Restricted:					
Public safety	-	-	-	668,920	668,920
General government	-	-	-	3,937,272	3,937,272
Education	-	-	554,493	4,154,551	4,709,044
Health and welfare	-	-	-	517,726	517,726
Public works	-	-	-	6,940,643	6,940,643
Culture and recreation	-	-	-	239,777	239,777
Capital projects	-	-	-	14,452,362	14,452,362
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>554,493</b>	<b>30,911,251</b>	<b>31,465,744</b>
Committed:					
Public safety	-	-	-	340,767	340,767
Culture and recreation	-	-	-	364,427	364,427
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>705,194</b>	<b>705,194</b>
Assigned:					
General government	121,063	-	-	-	121,063
Public safety - police	182,232	-	-	-	182,232
Public works - other	68,797	-	-	-	68,797
Health and welfare	5,229	-	-	-	5,229
Education	355,862	-	-	-	355,862
Capital	1,185,556	-	-	-	1,185,556
Education services	1,500,990	-	-	-	1,500,990
Pension and employee benefits	2,536,328	-	-	-	2,536,328
Future appropriation	7,375,000	-	-	-	7,375,000
<b>Total assigned</b>	<b>13,331,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,331,057</b>
Unassigned (deficit)	58,782,882	(99,240,924)	-	(15,870,355)	(56,328,397)
<b>Total fund (deficit) balance</b>	<b>\$ 75,143,401</b>	<b>\$ (99,240,924)</b>	<b>\$ 554,493</b>	<b>\$ 17,445,574</b>	<b>\$ (6,097,456)</b>

Significant encumbrances of approximately \$0.7 million are included in the above table in the Assigned column for the General Fund.

#### Note 16. Governmental Accounting Standards Board Statements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 16. Governmental Accounting Standards Board Statements (Continued)

The impact of the following accounting pronouncements are currently being assessed by the City as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the City's financial statements.

**GASB Statement No. 101, 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 the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Effective Date: The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**GASB Statement No. 102, Certain Risk Disclosures.** The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**GASB Statement No. 103, Financial Reporting Model Improvements.** The objective of this statement is 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. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**GASB Statement No. 104, Disclosure of Certain Capital Assets.** The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

#### Note 17. Restatement

Net position and fund balance have been restated as of July 1, 2023 to correct errors in accounting for nonexchange transactions (grants). For certain grant transactions, the City overstated unearned revenue, and understated revenue as follows:

	Governmental Activities Net Position	Aggregate Remaining Fund Information Fund Balance/Net Position	Governmental Activities Unearned Revenue	Aggregate Remaining Fund Information Unearned Revenue	Governmental Activities Capital Grants and Contributions	Aggregate Remaining Fund Information State and Federal Governments	Aggregate Remaining Fund Information Contributions and other
Balance as previously report June 30, 2023	\$ (63,407,492)	\$ 345,409,269	\$ 47,976,388	\$ 14,003,318	\$ 47,033,883	\$ 8,108,216	\$ 168,381
Adjustments:							
Unearned revenue/revenue error	9,875,821	9,875,821	(9,875,821)	(9,875,821)	3,158,121	3,027,544	130,577
Balances as restated July 1, 2023	<u>\$ (53,531,671)</u>	<u>\$ 355,285,090</u>	<u>\$ 38,100,567</u>	<u>\$ 4,127,497</u>	<u>\$ 50,192,004</u>	<u>\$ 11,135,760</u>	<u>\$ 298,958</u>

## City of Danbury, Connecticut

### Notes to Financial Statements

---

#### Note 17. Restatement (Continued)

The impact of the errors on the change in net position and change in revenues, expenditures and fund balance are as follows:

	Governmental Activities	Aggregate Remaining Fund Information
Changes in net position or fund balance for the year ended June 30, 2023, as previously reported	\$ 31,747,795	\$ 25,319,906
Unearned revenue error	3,158,121	3,158,121
Changes in net position or fund balance for the year ended June 30, 2023, as restated	<u>\$ 34,905,916</u>	<u>\$ 28,478,027</u>

#### Note 18. Subsequent Events

**General obligation bonds and bond anticipation notes:** On September 24, 2024, the City issued \$138,000,000 of General Obligation Bond Anticipation Notes. The notes matured on February 24, 2025. On February 24, 2025, the City issued \$155,250,000 in General Obligation Bond Anticipation Notes with an interest rate of 4.00% and a yield of 2.75% maturing on February 24, 2026. On February 13, 2025, the City issued \$36,475,000 of General Obligation Bonds with interest rates ranging from 4.00%-5.00% and yields of 2.50%-4.00% maturing on February 15, 2045.

In November 2024, voters approved a \$49 million bond package that includes funding for a new firehouse on Danbury's growing west side, the Mayor's citywide road improvement plan that doubles the average miles of paving, and needed police technology upgrades. The bond allocates an estimated \$18 million to \$22 million for a new firehouse on the city's west side.

In January 2025, several executive orders were signed by President Trump that could impact federal financial assistance. Federal agencies have been tasked with reviewing their federal programs to ensure they align with the President's policy priorities. The City receives various federal grants and payments that could be subject to the abovementioned executive orders. The City does not believe any loss of funding would be material to its financial statements, however the implication of these executive orders are not fully known at the date these financial statements were issued. Total federal funding as of June 30, 2024, was approximately \$45,400,000. Accounts receivable associated with federal grants as of June 30, 2024, was \$2,800,000, and was collected subsequent to year end with the exception of \$135,000.

**This page intentionally left blank.**

**Required Supplementary  
Information – *unaudited***



## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans Last Ten Fiscal Years

Changes in Net Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	General Employees Retirement									
<b>Total pension liability:</b>										
Service cost	\$ 2,338,129	\$ 2,171,751	\$ 2,032,816	\$ 2,183,197	\$ 2,051,243	\$ 2,200,186	\$ 2,285,357	\$ 2,231,775	\$ 2,262,441	\$ 2,132,568
Interest on total pension liability	11,882,522	11,015,219	11,062,868	11,274,601	10,764,181	10,706,168	10,822,683	10,546,534	9,963,041	9,705,969
Change of benefit terms	494,621	8,206,174	5,411	-	-	(2,650)	-	-	-	-
Differences between expected and actual experience	12,072,302	3,291,757	(1,332,563)	5,275,075	-	2,750,629	(3,629,137)	-	(1,674,712)	-
Changes of assumptions	-	-	4,255,340	(8,321,934)	4,918,868	(2,465,951)	(2,511,121)	-	6,504,256	-
Benefit payments	(12,628,356)	(11,396,452)	(10,640,361)	(10,281,896)	(11,108,776)	(8,207,775)	(8,761,960)	(9,274,911)	(8,687,738)	(8,166,553)
<b>Net change in total pension liability</b>	<b>14,159,218</b>	<b>13,288,449</b>	<b>5,383,511</b>	<b>129,043</b>	<b>6,625,516</b>	<b>4,980,607</b>	<b>(1,794,178)</b>	<b>3,503,398</b>	<b>8,367,288</b>	<b>3,671,984</b>
<b>Total pension liability, beginning</b>	<b>179,910,316</b>	<b>166,621,867</b>	<b>161,238,356</b>	<b>161,109,313</b>	<b>154,483,797</b>	<b>149,503,190</b>	<b>151,297,368</b>	<b>147,793,970</b>	<b>139,426,682</b>	<b>135,754,698</b>
<b>Total pension liability, ending (a)</b>	<b>194,069,534</b>	<b>179,910,316</b>	<b>166,621,867</b>	<b>161,238,356</b>	<b>161,109,313</b>	<b>154,483,797</b>	<b>149,503,190</b>	<b>151,297,368</b>	<b>147,793,970</b>	<b>139,426,682</b>
<b>Fiduciary net position:</b>										
Employer contributions	5,008,000	5,196,000	5,367,000	5,115,000	4,814,000	4,788,000	4,787,000	4,709,000	3,846,000	3,776,000
Member contributions	566,776	379,814	279,386	240,566	254,685	254,313	248,065	244,029	223,956	217,413
Investment income net of investment expenses	15,724,883	9,641,259	(14,505,997)	32,242,748	2,794,388	4,502,921	9,902,756	9,718,712	(3,105,668)	3,920,638
Benefit payments	(12,628,356)	(11,396,452)	(10,640,361)	(10,281,896)	(11,108,776)	(8,207,775)	(8,761,960)	(9,274,911)	(8,687,738)	(8,166,553)
Administrative expenses	(80,876)	(112,266)	(162,899)	(111,389)	(136,012)	(144,014)	(157,915)	(169,988)	(73,106)	(74,473)
<b>Net change in plan fiduciary net position</b>	<b>8,590,427</b>	<b>3,708,355</b>	<b>(19,662,871)</b>	<b>27,205,029</b>	<b>(3,381,715)</b>	<b>1,193,445</b>	<b>6,017,946</b>	<b>5,226,842</b>	<b>(7,796,556)</b>	<b>(326,975)</b>
<b>Fiduciary net position, beginning</b>	<b>119,083,619</b>	<b>115,375,264</b>	<b>135,038,135</b>	<b>107,833,106</b>	<b>111,214,821</b>	<b>110,021,376</b>	<b>104,003,430</b>	<b>98,776,588</b>	<b>106,573,144</b>	<b>106,900,119</b>
<b>Fiduciary net position, ending (b)</b>	<b>127,674,046</b>	<b>119,083,619</b>	<b>115,375,264</b>	<b>135,038,135</b>	<b>107,833,106</b>	<b>111,214,821</b>	<b>110,021,376</b>	<b>104,003,430</b>	<b>98,776,588</b>	<b>106,573,144</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 66,395,488</b>	<b>\$ 60,826,697</b>	<b>\$ 51,246,603</b>	<b>\$ 26,200,221</b>	<b>\$ 53,276,207</b>	<b>\$ 43,268,976</b>	<b>\$ 39,481,814</b>	<b>\$ 47,293,938</b>	<b>\$ 49,017,382</b>	<b>\$ 32,853,538</b>
Fiduciary net position as a % of total pension liability	65.79%	66.19%	69.24%	83.75%	66.93%	71.99%	73.59%	68.74%	66.83%	76.44%
Covered payroll	\$ 28,389,263	\$ 26,243,289	\$ 24,330,141	\$ 24,535,719	\$ 26,162,000	\$ 25,474,227	\$ 26,008,073	\$ 26,357,000	\$ 25,589,651	\$ 26,806,000
Net pension liability as a % of covered payroll	233.88%	231.78%	210.63%	106.78%	203.64%	169.85%	151.81%	179.44%	191.55%	122.56%
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	13.30%	8.37%	-10.81%	29.98%	2.54%	4.07%	9.50%	9.81%	-2.96%	3.79%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

Changes in Net Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Pre-1967 Police Pension Plan									
<b>Total pension liability:</b>										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Differences between expected and actual experience	198,333	353,498	(47,217)	(246,797)	(402,764)	274,937	-	(623,600)	201,582	-
Changes of assumptions	-	-	34,809	(3,846)	317,606	43,267	-	-	148,725	-
Interest on total pension liability	(13,492)	203,604	240,690	288,651	323,384	341,705	394,107	481,839	504,238	553,203
Benefit payments	(611,712)	(657,914)	(642,690)	(658,515)	(790,609)	(1,039,185)	(1,029,138)	(1,106,167)	(1,218,841)	(1,237,975)
<b>Net change in total pension liability</b>	<b>(426,871)</b>	<b>(100,812)</b>	<b>(414,408)</b>	<b>(620,507)</b>	<b>(552,383)</b>	<b>(379,276)</b>	<b>(635,031)</b>	<b>(1,247,928)</b>	<b>(364,296)</b>	<b>(684,772)</b>
Total pension liability, beginning	3,239,120	3,339,932	3,754,340	4,374,847	4,927,230	5,306,506	5,941,537	7,189,465	7,553,761	8,238,533
<b>Total pension liability, ending (a)</b>	<b>2,812,249</b>	<b>3,239,120</b>	<b>3,339,932</b>	<b>3,754,340</b>	<b>4,374,847</b>	<b>4,927,230</b>	<b>5,306,506</b>	<b>5,941,537</b>	<b>7,189,465</b>	<b>7,553,761</b>
<b>Fiduciary net position:</b>										
Employer contributions	274,000	781,000	790,000	822,000	760,000	753,000	721,000	721,000	655,000	655,000
Investment income net of investment expenses	253,640	167,398	(231,804)	474,732	38,017	55,940	153,377	175,535	(61,449)	88,860
Benefit payments	(611,712)	(657,914)	(642,690)	(658,515)	(790,609)	(1,039,185)	(1,029,138)	(1,106,167)	(1,218,841)	(1,237,975)
Administrative expenses	(16,949)	(13,096)	(31,181)	(14,335)	(13,670)	(13,995)	(10,823)	(10,228)	(8,710)	(5,892)
<b>Net change in plan fiduciary net position</b>	<b>(101,021)</b>	<b>277,388</b>	<b>(115,675)</b>	<b>623,882</b>	<b>(6,262)</b>	<b>(244,240)</b>	<b>(165,584)</b>	<b>(219,860)</b>	<b>(634,000)</b>	<b>(500,007)</b>
Fiduciary net position, beginning	2,150,924	1,873,536	1,989,211	1,365,329	1,371,591	1,615,831	1,781,415	2,001,275	2,635,275	3,135,282
<b>Fiduciary net position, ending (b)</b>	<b>2,049,903</b>	<b>2,150,924</b>	<b>1,873,536</b>	<b>1,989,211</b>	<b>1,365,329</b>	<b>1,371,591</b>	<b>1,615,831</b>	<b>1,781,415</b>	<b>2,001,275</b>	<b>2,635,275</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 762,346</b>	<b>\$ 1,088,196</b>	<b>\$ 1,466,396</b>	<b>\$ 1,765,129</b>	<b>\$ 3,009,518</b>	<b>\$ 3,555,639</b>	<b>\$ 3,690,675</b>	<b>\$ 4,160,122</b>	<b>\$ 5,188,190</b>	<b>\$ 4,918,486</b>
<b>Fiduciary net position as a % of total pension liability</b>										
Covered payroll	72.89%	66.40%	56.10%	52.98%	31.21%	27.84%	30.45%	29.98%	27.84%	34.89%
Net pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Annual money-weighted rate of return, net of investment expense</b>										
2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
11.97%	7.32%	-10.17%	27.39%	2.26%	3.08%	8.05%	8.40%	-2.40%	3.39%	

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Pre-1967 Fire Pension Plan									
<b>Changes in Net Pension Liability</b>										
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	299,716	301,567	331,178	359,045	343,148	328,917	361,382	414,321	415,146	445,256
Differences between expected and actual experience	(410,341)	313,098	60,243	108,450	228,310	625,469	-	(316,834)	230,528	-
Changes of assumptions	-	-	63,369	(10,091)	439,357	117,824	-	-	178,899	-
Benefit payments	(599,019)	(683,806)	(751,111)	(779,211)	(795,908)	(789,742)	(827,941)	(827,435)	(844,167)	(876,387)
<b>Net change in total pension liability</b>	<b>(709,644)</b>	<b>(69,141)</b>	<b>(296,321)</b>	<b>(321,807)</b>	<b>214,907</b>	<b>282,468</b>	<b>(466,559)</b>	<b>(729,948)</b>	<b>(19,594)</b>	<b>(431,131)</b>
Total pension liability, beginning	4,734,855	4,803,996	5,100,317	5,422,124	5,207,217	4,924,749	5,391,308	6,121,256	6,140,850	6,571,981
<b>Total pension liability, ending (a)</b>	<b>4,025,211</b>	<b>4,734,855</b>	<b>4,803,996</b>	<b>5,100,317</b>	<b>5,422,124</b>	<b>5,207,217</b>	<b>4,924,749</b>	<b>5,391,308</b>	<b>6,121,256</b>	<b>6,140,850</b>
Fiduciary net position:										
Employer contributions	507,000	782,000	730,000	644,000	563,000	510,000	481,000	468,000	415,000	415,000
Investment income net of investment expenses	199,255	151,323	(202,180)	479,912	51,342	72,405	188,421	214,072	(75,668)	104,536
Benefit payments	(599,019)	(683,806)	(751,111)	(779,211)	(795,908)	(789,742)	(827,941)	(827,435)	(844,167)	(876,387)
Administrative expenses	(16,652)	(13,646)	(32,752)	(12,819)	(13,541)	(13,913)	(11,148)	(11,130)	(6,361)	(7,136)
<b>Net change in plan fiduciary net position</b>	<b>90,584</b>	<b>235,871</b>	<b>(256,043)</b>	<b>331,882</b>	<b>(195,107)</b>	<b>(221,250)</b>	<b>(169,668)</b>	<b>(156,493)</b>	<b>(511,196)</b>	<b>(363,987)</b>
Fiduciary net position, beginning	1,940,649	1,704,778	1,960,821	1,628,939	1,824,046	2,045,296	2,214,964	2,371,457	2,882,653	3,246,640
<b>Fiduciary net position, ending (b)</b>	<b>2,031,233</b>	<b>1,940,649</b>	<b>1,704,778</b>	<b>1,960,821</b>	<b>1,628,939</b>	<b>1,824,046</b>	<b>2,045,296</b>	<b>2,214,964</b>	<b>2,371,457</b>	<b>2,882,653</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 1,993,978</b>	<b>\$ 2,794,206</b>	<b>\$ 3,099,218</b>	<b>\$ 3,139,496</b>	<b>\$ 3,793,185</b>	<b>\$ 3,383,171</b>	<b>\$ 2,879,453</b>	<b>\$ 3,176,344</b>	<b>\$ 3,749,799</b>	<b>\$ 3,258,197</b>
Fiduciary net position as a % of total pension liability	50.46%	40.99%	35.49%	38.45%	30.04%	35.03%	41.53%	41.08%	38.74%	46.94%
Covered payroll	N/A									
Net pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	9.38%	7.25%	-9.38%	26.61%	2.61%	3.38%	8.45%	8.97%	-2.74%	3.63%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Post-1967 Police Pension Plan									
<b>Changes in Net Pension Liability</b>										
Total pension liability:										
Service cost	\$ -	\$ 30,978	\$ 28,634	\$ 45,350	\$ 54,541	\$ 78,270	\$ 76,175	\$ 60,978	\$ 59,491	\$ 100,676
Interest on total pension liability	3,924,464	3,977,854	4,145,295	4,342,914	3,719,804	3,852,583	3,904,575	4,026,284	4,048,243	4,135,500
Differences between expected and actual experience	279,415	515,621	(590,953)	(863,389)	1,911,007	(584,815)	-	(141,108)	-	(1,159,613)
Changes of assumptions	-	-	1,283,747	(342,425)	7,907,374	610,800	-	(1,143,454)	-	-
Benefit payments	(5,227,894)	(5,339,139)	(4,976,708)	(4,825,285)	(4,850,505)	(4,876,440)	(4,529,572)	(4,464,859)	(4,361,159)	(4,120,884)
<b>Net change in total pension liability</b>	<b>(1,024,015)</b>	<b>(814,686)</b>	<b>(109,985)</b>	<b>(1,642,835)</b>	<b>8,742,221</b>	<b>(919,602)</b>	<b>(548,822)</b>	<b>(1,662,159)</b>	<b>(253,425)</b>	<b>(1,044,321)</b>
Total pension liability, beginning	60,711,473	61,526,159	61,636,144	63,278,979	54,536,758	55,456,360	56,005,182	57,667,341	57,920,766	58,965,087
<b>Total pension liability, ending (a)</b>	<b>59,687,458</b>	<b>60,711,473</b>	<b>61,526,159</b>	<b>61,636,144</b>	<b>63,278,979</b>	<b>54,536,758</b>	<b>55,456,360</b>	<b>56,005,182</b>	<b>57,667,341</b>	<b>57,920,766</b>
Fiduciary net position:										
Employer contributions	1,741,000	1,451,000	1,403,000	1,170,000	1,208,000	1,090,000	965,000	843,000	1,152,000	803,000
Member contributions	-	-	-	-	-	-	-	3,394	6,427	13,032
Investment income net of investment expenses	4,154,199	2,765,096	(4,482,474)	10,530,208	883,597	1,505,222	3,817,945	3,905,155	(1,343,456)	1,722,288
Benefit payments	(5,227,894)	(5,339,139)	(4,976,708)	(4,825,285)	(4,850,505)	(4,876,440)	(4,529,572)	(4,464,859)	(4,361,159)	(4,120,884)
Administrative expenses	(29,069)	(31,711)	(44,403)	(20,246)	(21,032)	(25,207)	(23,155)	(12,633)	(10,023)	(20,901)
<b>Net change in plan fiduciary net position</b>	<b>638,236</b>	<b>(1,154,754)</b>	<b>(8,100,585)</b>	<b>6,854,677</b>	<b>(2,779,940)</b>	<b>(2,306,425)</b>	<b>230,218</b>	<b>274,057</b>	<b>(4,556,211)</b>	<b>(1,603,465)</b>
Fiduciary net position, beginning	34,125,426	35,280,180	43,380,765	36,526,088	39,306,028	41,612,453	41,382,235	41,108,178	45,664,389	47,267,854
<b>Fiduciary net position, ending (b)</b>	<b>34,763,662</b>	<b>34,125,426</b>	<b>35,280,180</b>	<b>43,380,765</b>	<b>36,526,088</b>	<b>39,306,028</b>	<b>41,612,453</b>	<b>41,382,235</b>	<b>41,108,178</b>	<b>45,664,389</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 24,923,796</b>	<b>\$ 26,586,047</b>	<b>\$ 26,245,979</b>	<b>\$ 18,255,379</b>	<b>\$ 26,752,891</b>	<b>\$ 15,230,730</b>	<b>\$ 13,843,907</b>	<b>\$ 14,622,947</b>	<b>\$ 16,559,163</b>	<b>\$ 12,256,377</b>
Fiduciary net position as a % of total pension liability	58.24%	56.21%	57.34%	70.38%	57.72%	72.07%	75.04%	73.89%	71.29%	78.84%
Covered payroll	\$ -	\$ 215,763	\$ 215,763	\$ 423,901	\$ 411,407	\$ 389,680	\$ 735,257	\$ 715,579	\$ 1,172,000	\$ 1,138,000
Net pension liability as a % of covered payroll	0.00%	12321.87%	12164.26%	4306.52%	6502.78%	3908.52%	1882.87%	2043.51%	1412.90%	1077.01%
Annual money-weighted rate of return, net of investment expense	12.46%	8.07%	-10.64%	29.79%	2.31%	3.73%	9.53%	9.81%	-3.03%	3.79%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Post-1967 Fire Pension Plan									
<b>Changes in Net Pension Liability</b>										
Total pension liability:										
Service cost	\$ 1,437,439	\$ 1,457,125	\$ 1,417,104	\$ 1,542,637	\$ 1,492,839	\$ 1,651,135	\$ 1,606,944	\$ 1,750,287	\$ 1,707,587	\$ 1,659,154
Interest on total pension liability	8,167,235	8,081,493	7,987,742	8,019,305	6,976,948	6,970,120	6,754,154	6,631,944	6,384,417	6,060,488
Change in benefit terms	1,696	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,488,729	(1,373,475)	(624,106)	(595,051)	2,092,686	(1,452,445)		709,278		699,463
Changes of assumptions	-	-	3,386,226	(1,000,851)	9,981,952	531,565		(2,249,496)		494,323
Benefit payments	(7,103,545)	(6,654,196)	(6,527,576)	(6,041,979)	(5,889,943)	(5,632,050)	(5,227,911)	(4,805,508)	(4,638,500)	(4,354,212)
<b>Net change in total pension liability</b>	<b>3,991,554</b>	<b>1,510,947</b>	<b>5,639,390</b>	<b>1,924,061</b>	<b>14,654,482</b>	<b>2,068,325</b>	<b>3,133,187</b>	<b>2,036,505</b>	<b>3,453,504</b>	<b>4,559,216</b>
Total pension liability, beginning	123,052,416	121,541,469	115,902,079	113,978,018	99,323,536	97,255,211	94,122,024	92,085,519	88,632,015	84,072,799
<b>Total pension liability, ending (a)</b>	<b>127,043,970</b>	<b>123,052,416</b>	<b>121,541,469</b>	<b>115,902,079</b>	<b>113,978,018</b>	<b>99,323,536</b>	<b>97,255,211</b>	<b>94,122,024</b>	<b>92,085,519</b>	<b>88,632,015</b>
Fiduciary net position:										
Employer contributions	3,570,000	3,013,000	3,026,000	2,749,000	2,658,092	2,778,268	2,670,000	2,531,172	3,327,082	2,010,000
Member contributions	380,468	388,042	389,635	428,025	436,552	437,018	450,633	490,878	471,063	482,977
Investment income net of investment expenses	11,064,441	6,780,492	(10,344,866)	22,706,672	1,823,587	3,115,445	6,789,352	6,553,986	(2,030,614)	2,575,947
Benefit payments	(7,103,545)	(6,654,196)	(6,527,576)	(6,041,979)	(5,889,943)	(5,632,050)	(5,227,911)	(4,805,508)	(4,638,500)	(4,354,212)
Administrative expenses	(30,576)	(50,151)	(55,677)	(27,466)	(27,838)	(38,907)	(29,371)	(14,564)	(16,176)	(24,152)
<b>Net change in plan fiduciary net position</b>	<b>7,880,788</b>	<b>3,477,187</b>	<b>(13,512,484)</b>	<b>19,814,252</b>	<b>(999,550)</b>	<b>659,774</b>	<b>4,652,703</b>	<b>4,755,964</b>	<b>(2,887,145)</b>	<b>690,560</b>
Fiduciary net position, beginning	85,234,985	81,757,798	95,270,282	75,456,030	76,455,580	75,795,806	71,143,103	66,387,139	69,274,284	68,583,724
<b>Fiduciary net position, ending (b)</b>	<b>93,115,773</b>	<b>85,234,985</b>	<b>81,757,798</b>	<b>95,270,282</b>	<b>75,456,030</b>	<b>76,455,580</b>	<b>75,795,806</b>	<b>71,143,103</b>	<b>66,387,139</b>	<b>69,274,284</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 33,928,197</b>	<b>\$ 37,817,431</b>	<b>\$ 39,783,671</b>	<b>\$ 20,631,797</b>	<b>\$ 38,521,988</b>	<b>\$ 22,867,956</b>	<b>\$ 21,459,405</b>	<b>\$ 22,978,921</b>	<b>\$ 25,698,380</b>	<b>\$ 19,357,731</b>
Fiduciary net position as a % of total pension liability	73.29%	69.27%	67.27%	82.20%	66.20%	76.98%	77.93%	75.59%	72.09%	78.16%
Covered payroll	\$ 6,327,027	\$ 6,747,570	\$ 6,825,588	\$ 7,197,952	\$ 7,383,543	\$ 7,485,065	\$ 8,289,441	\$ 8,067,582	\$ 8,715,000	\$ 8,461,000
Net pension liability as a % of covered payroll	536.24%	560.46%	582.86%	286.63%	521.73%	305.51%	258.88%	284.83%	294.88%	228.79%
Annual money-weighted rate of return, net of investment expense	12.95%	8.30%	-10.92%	30.17%	2.39%	4.10%	9.53%	9.84%	-2.94%	3.84%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Post-1983 Police Pension Plan									
<b>Changes in Net Pension Liability</b>										
Total pension liability:										
Service cost	\$ 2,175,612	\$ 2,174,374	\$ 1,989,560	\$ 1,917,298	\$ 1,661,113	\$ 1,684,496	\$ 1,639,412	\$ 1,517,182	\$ 1,480,169	\$ 1,388,686
Interest on total pension liability	6,340,475	6,118,560	5,826,716	5,507,768	4,693,276	4,472,280	4,174,919	3,692,029	3,432,817	3,137,854
Changes of benefit terms	-	-	-	-	(12,179)	-	-	-	-	-
Differences between expected and actual experience	(1,008,914)	(1,887,100)	(932,105)	(466,529)	2,266,724	46,348	-	918,189	-	(107,160)
Changes of assumptions	-	-	2,898,937	1,029,762	4,444,256	(176,634)	-	1,997,763	-	698,090
Benefit payments	(3,425,814)	(2,822,899)	(2,306,968)	(1,946,162)	(1,811,928)	(1,825,657)	(1,692,473)	(1,484,811)	(1,268,318)	(1,017,069)
<b>Net change in total pension liability</b>	<b>4,081,359</b>	<b>3,582,935</b>	<b>7,476,140</b>	<b>6,042,137</b>	<b>11,241,262</b>	<b>4,200,833</b>	<b>4,121,858</b>	<b>6,640,352</b>	<b>3,644,668</b>	<b>4,100,401</b>
Total pension liability, beginning	93,442,283	89,859,348	82,383,208	76,341,071	65,099,809	60,898,976	56,777,118	50,136,766	46,492,098	42,391,697
<b>Total pension liability, ending (a)</b>	<b>97,523,642</b>	<b>93,442,283</b>	<b>89,859,348</b>	<b>82,383,208</b>	<b>76,341,071</b>	<b>65,099,809</b>	<b>60,898,976</b>	<b>56,777,118</b>	<b>50,136,766</b>	<b>46,492,098</b>
Fiduciary net position:										
Employer contributions	3,790,000	3,576,000	3,453,000	3,213,000	3,144,534	3,143,018	2,999,782	2,457,933	2,385,261	2,115,030
Member contributions	856,199	695,653	611,719	611,696	589,987	560,727	495,121	505,959	475,914	455,189
Investment income (loss) net of investment expenses	8,773,393	5,074,871	(7,251,700)	14,736,397	1,136,765	1,946,324	3,415,002	3,050,119	(782,347)	993,903
Benefit payments	(3,425,814)	(2,822,899)	(2,306,968)	(1,946,162)	(1,811,928)	(1,825,657)	(1,692,473)	(1,484,811)	(1,268,318)	(1,017,069)
Administrative expenses	(30,982)	(45,123)	(53,944)	(26,910)	(23,351)	(28,977)	(27,770)	(14,801)	(6,475)	(23,211)
<b>Net change in plan fiduciary net position</b>	<b>9,962,796</b>	<b>6,478,502</b>	<b>(5,547,893)</b>	<b>16,588,021</b>	<b>3,036,007</b>	<b>3,795,435</b>	<b>5,189,662</b>	<b>4,514,399</b>	<b>804,035</b>	<b>2,523,842</b>
Fiduciary net position, beginning	63,962,563	57,484,061	63,031,954	46,443,933	43,407,926	39,612,491	34,422,829	29,908,430	29,104,395	26,580,553
<b>Fiduciary net position, ending (b)</b>	<b>73,925,359</b>	<b>63,962,563</b>	<b>57,484,061</b>	<b>63,031,954</b>	<b>46,443,933</b>	<b>43,407,926</b>	<b>39,612,491</b>	<b>34,422,829</b>	<b>29,908,430</b>	<b>29,104,395</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 23,598,283</b>	<b>\$ 29,479,720</b>	<b>\$ 32,375,287</b>	<b>\$ 19,351,254</b>	<b>\$ 29,897,138</b>	<b>\$ 21,691,883</b>	<b>\$ 21,286,485</b>	<b>\$ 22,354,289</b>	<b>\$ 20,228,336</b>	<b>\$ 17,387,703</b>
Fiduciary net position as a % of total pension liability	75.80%	68.45%	63.97%	76.51%	60.84%	66.68%	65.05%	60.63%	59.65%	62.60%
Covered payroll	\$ 13,203,119	\$ 12,944,699	\$ 13,000,659	\$ 12,846,773	\$ 12,171,877	\$ 11,186,681	\$ 10,841,838	\$ 10,551,667	\$ 10,554,000	\$ 10,247,000
Net pension liability as a % of covered payroll	178.73%	227.74%	249.03%	150.63%	245.62%	193.91%	196.34%	211.86%	191.67%	169.69%
Annual money-weighted rate of return, net of investment expense	13.23%	8.48%	-11.18%	30.40%	2.49%	4.64%	9.45%	9.65%	-2.58%	3.75%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Investment Returns - Pension Plans (Continued) Last Ten Fiscal Years

Changes in Net Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Post-2011 Fire Pension Plan									
Total pension liability:										
Service cost	\$ 572,857	\$ 497,998	\$ 354,763	\$ 290,262	\$ 183,587	\$ 127,857	\$ 124,435	\$ 82,686	\$ 80,669	\$ 78,741
Interest on total pension liability	249,335	203,688	153,617	115,214	72,078	49,975	37,954	24,746	17,893	12,904
Change of benefit terms	2,118	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	561,698	(55,414)	65,352	114,214	132,975	103,191	-	-	-	(27,709)
Changes of assumptions	-	-	121,515	8,223	121,510	(3,424)	-	58,790	-	25,473
Benefit payments	(91,230)	-	(30,339)	-	(22,416)	-	-	(25,797)	(11,903)	-
<b>Net change in total pension liability</b>	<b>1,294,778</b>	<b>646,272</b>	<b>664,908</b>	<b>527,913</b>	<b>487,734</b>	<b>277,599</b>	<b>162,389</b>	<b>140,425</b>	<b>86,659</b>	<b>89,409</b>
Total pension liability, beginning	3,165,872	2,519,600	1,854,692	1,326,779	839,045	561,446	399,057	258,632	171,973	82,564
<b>Total pension liability, ending (a)</b>	<b>4,460,650</b>	<b>3,165,872</b>	<b>2,519,600</b>	<b>1,854,692</b>	<b>1,326,779</b>	<b>839,045</b>	<b>561,446</b>	<b>399,057</b>	<b>258,632</b>	<b>171,973</b>
Fiduciary net position:										
Employer contributions	358,000	206,000	203,410	275,811	81,025	68,959	80,568	45,539	64,490	70,797
Member contributions	261,287	224,265	196,864	164,253	147,109	112,504	79,714	70,929	51,425	45,030
Investment income net of investment expenses	397,978	168,718	(220,106)	338,763	16,374	46,762	38,064	20,988	859	10
Benefit payments	(91,230)	-	(30,339)	-	(22,416)	-	-	-	(11,903)	-
Administrative expenses	(17,955)	(11,217)	(37,755)	(14,219)	(14,786)	(13,579)	(12,657)	(7,356)	(8,076)	(3,705)
<b>Net change in plan fiduciary net position</b>	<b>908,080</b>	<b>587,766</b>	<b>112,074</b>	<b>764,608</b>	<b>207,306</b>	<b>214,646</b>	<b>185,689</b>	<b>130,100</b>	<b>96,795</b>	<b>112,132</b>
Fiduciary net position, beginning	2,446,954	1,859,188	1,747,114	982,506	775,200	560,554	374,865	244,765	147,970	35,838
<b>Fiduciary net position, ending (b)</b>	<b>3,355,034</b>	<b>2,446,954</b>	<b>1,859,188</b>	<b>1,747,114</b>	<b>982,506</b>	<b>775,200</b>	<b>560,554</b>	<b>374,865</b>	<b>244,765</b>	<b>147,970</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 1,105,616</b>	<b>\$ 718,918</b>	<b>\$ 660,412</b>	<b>\$ 107,578</b>	<b>\$ 344,273</b>	<b>\$ 63,845</b>	<b>\$ 892</b>	<b>\$ 24,192</b>	<b>\$ 13,867</b>	<b>\$ 24,003</b>
Fiduciary net position as a % of total pension liability										
Covered payroll	75.21%	77.29%	73.79%	94.20%	74.05%	92.39%	99.84%	93.94%	94.64%	86.04%
Net pension liability as a % of covered payroll	29.03%	20.94%	23.68%	4.28%	17.44%	4.54%	0.10%	2.75%	1.80%	3.20%
Annual money-weighted rate of return, net of investment expense										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	14.01%	7.87%	-11.36%	30.04%	1.84%	7.03%	8.61%	6.69%	0.43%	0.01%

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedules of Employer Contributions - Pensions Last Ten Fiscal Years

Schedule of Contributions - General Employees											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 5,008,000	\$ 5,196,000	\$ 5,067,000	\$ 5,115,000	\$ 4,814,000	\$ 4,788,000	\$ 4,787,000	\$ 4,709,000	\$ 3,846,000	\$ 3,776,000	
Contributions in relation to actuarially determined calculation	5,008,000	5,196,000	5,367,000	5,115,000	4,814,000	4,788,000	4,787,000	4,709,000	3,846,000	3,776,000	
Contribution (excess)	\$ -	\$ -	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 28,389,263	\$ 26,243,289	\$ 24,330,141	\$ 24,535,719	\$ 26,162,000	\$ 25,474,227	\$ 26,008,073	\$ 26,357,000	\$ 25,589,651	\$ 26,806,000	
Contributions as a percentage of covered payroll	17.64%	19.80%	22.06%	20.85%	18.40%	18.80%	18.41%	17.87%	15.03%	14.09%	
Schedule of Contributions - Pre-1967 Police											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 274,000	\$ 781,000	\$ 790,000	\$ 822,000	\$ 760,000	\$ 760,000	\$ 721,000	\$ 721,000	\$ 655,000	\$ 655,000	
Contributions in relation to actuarially determined calculation	274,000	781,000	790,000	822,000	760,000	753,000	721,000	721,000	655,000	655,000	
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions as a percentage of covered payroll	N/A										
Schedule of Contributions Pre - 1967 Fire											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 507,000	\$ 782,000	\$ 730,000	\$ 644,000	\$ 563,000	\$ 563,000	\$ 481,000	\$ 468,000	\$ 415,000	\$ 415,000	
Contributions in relation to actuarially determined calculation	507,000	782,000	730,000	644,000	563,000	510,000	481,000	468,000	415,000	415,000	
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,000	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions as a percentage of covered payroll	N/A										
Schedule of Contributions - Post 1967 Police											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 1,741,000	\$ 1,451,000	\$ 1,403,000	\$ 1,170,000	\$ 1,208,000	\$ 1,205,000	\$ 965,000	\$ 843,000	\$ 1,152,000	\$ 803,000	
Contributions in relation to actuarially determined calculation	1,741,000	1,451,000	1,403,000	1,170,000	1,208,000	1,090,000	965,000	843,000	1,152,000	803,000	
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ -	\$ -	\$ 215,763	\$ 423,901	\$ 411,407	\$ 389,680	\$ 735,257	\$ 715,579	\$ 1,172,000	\$ 1,138,000	
Contributions as a percentage of covered payroll	0.00%	0.00%	276.01%	293.63%	279.72%	131.25%	117.81%	98.29%	70.56%	65.49%	
Schedule of Contributions - Post 1967 Fire											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 3,570,000	\$ 3,013,000	\$ 3,026,000	\$ 2,749,000	\$ 2,658,000	\$ 2,628,000	\$ 2,598,000	\$ 2,531,000	\$ 2,493,000	\$ 2,010,000	
Contributions in relation to actuarially determined calculation	3,570,000	3,013,000	3,026,000	2,749,000	2,658,092	2,778,268	2,670,000	2,531,172	3,327,082	2,010,000	
Contribution (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (92)	\$ (150,268)	\$ (72,000)	\$ (172)	\$ (834,082)	
Covered payroll	\$ 6,327,027	\$ 6,747,570	\$ 6,825,588	\$ 7,197,952	\$ 7,383,543	\$ 7,485,065	\$ 8,289,441	\$ 8,067,582	\$ 8,715,000	\$ 8,461,000	
Contributions as a percentage of covered payroll	56.42%	44.65%	44.33%	38.19%	36.00%	37.12%	32.21%	31.37%	38.18%	23.76%	

**City of Danbury, Connecticut**

**Required Supplementary Information - Unaudited  
Schedules of Employer Contributions - Pensions (Continued)  
Last Ten Fiscal Years**

<b>Schedule of Contributions - Post 2011 Fire Pension Plan</b>											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 358,000	\$ 206,000	\$ 161,000	\$ 105,000	\$ 74,000	\$ 73,000	\$ 64,000	\$ 43,000	\$ 42,000	\$ 41,000	
Contributions in relation to actuarially determined calculation	358,000	206,000	203,410	275,811	81,025	68,959	80,568	45,539	64,490	70,797	
Contribution (excess) deficiency	\$ -	\$ -	\$ (42,410)	\$ (170,811)	\$ (7,025)	\$ 4,041	\$ (16,568)	\$ (2,539)	\$ (22,490)	\$ (29,797)	
 Covered payroll	 \$ 3,808,840	 \$ 3,433,177	 \$ 2,789,341	 \$ 2,511,867	 \$ 1,974,418	 \$ 1,407,117	 \$ 902,638	 \$ 878,480	 \$ 771,841	 \$ 749,360	
Contributions as a percentage of covered payroll	9.40%	6.00%	7.29%	10.98%	4.10%	4.90%	8.93%	5.18%	8.36%	9.45%	
<b>Schedule of Contributions - Post 1983 Police Pension Plan</b>											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined calculation	\$ 3,790,000	\$ 3,576,000	\$ 3,453,000	\$ 3,213,000	\$ 3,143,000	\$ 3,106,000	\$ 2,998,000	\$ 2,455,000	\$ 2,417,000	\$ 2,114,000	
Contributions in relation to actuarially determined calculation	3,790,000	3,576,000	3,453,000	3,213,000	3,144,534	3,143,018	2,999,782	2,457,933	2,385,261	2,115,030	
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ (1,534)	\$ (37,018)	\$ (1,782)	\$ (2,933)	\$ 31,739	\$ (1,030)	
 Covered payroll	 \$ 13,203,119	 \$ 12,944,699	 \$ 13,000,659	 \$ 12,846,773	 \$ 12,171,877	 \$ 11,186,681	 \$ 10,841,838	 \$ 10,551,667	 \$ 10,554,000	 \$ 10,247,000	
Contributions as a percentage of covered payroll	28.71%	27.63%	26.56%	25.01%	25.83%	28.10%	27.67%	23.29%	22.60%	20.64%	

## City of Danbury, Connecticut

### Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers' Retirement System Required Supplementary Information - Unaudited Last Ten Fiscal Years

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	330,889,169	361,011,164	282,278,918	356,408,962	316,710,533	244,202,221	244,036,306	257,460,172	188,625,334	174,346,320
<b>Total</b>	<b>\$ 330,889,169</b>	<b>\$ 361,011,164</b>	<b>\$ 282,278,918</b>	<b>\$ 356,408,962</b>	<b>\$ 316,710,533</b>	<b>\$ 244,202,221</b>	<b>\$ 244,036,306</b>	<b>\$ 257,460,172</b>	<b>\$ 188,625,334</b>	<b>\$ 174,346,320</b>
City's covered payroll	\$ 97,219,338	\$ 90,130,261	\$ 86,457,074	\$ 83,938,907	\$ 81,431,058	\$ 80,168,489	\$ 77,350,837	\$ 74,555,030	\$ 72,110,000	\$ 69,885,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

#### Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	None
Actuarial cost method	Entry age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024, valuation.
Asset valuation method	4-year smoothed market
Remaining amortization period	27.8 years
Inflation	2.50 percent
Salary increase	3.00-6.50 percent, including inflation
Investment rate of return	6.90 percent, net of investment related expense
Mortality	Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited Schedule of Contributions/Investment Returns - OPEB Plans Last Eight Fiscal Years\*

Schedule of Contributions - OPEB Plan																		
	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE
	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018	2017	2017	2017	2017
Actuarially determined contribution	\$ 17,500,000	\$ 2,201,000	\$ 15,912,000	\$ 1,301,000	\$ 14,623,000	\$ 1,289,000	\$ 15,099,000	\$ 1,445,000	\$ 14,966,000	\$ 1,434,000	\$ 17,669,000	\$ 1,219,000	\$ 17,518,000	\$ 1,197,000	\$ 21,915,000	\$ 2,670,000		
Contributions in relation to the actuarially determined contribution	12,975,344	591,442	11,983,785	1,101,907	11,655,003	737,720	9,125,211	874,594	10,604,352	704,611	9,119,163	804,217	10,558,546	909,734	8,537,932	1,006,040		
Contribution deficiency	\$ 4,524,656	\$ 1,609,558	\$ 3,928,215	\$ 199,093	\$ 2,967,997	\$ 551,280	\$ 5,973,789	\$ 570,406	\$ 4,361,648	\$ 729,389	\$ 8,549,837	\$ 414,783	\$ 6,959,454	\$ 287,266	\$ 13,377,068	\$ 1,663,960		
Covered payroll	\$ 37,879,684	\$ 105,551,845	\$ 36,991,879	\$ 103,077,974	\$ 41,246,853	\$ 102,398,299	\$ 40,280,130	\$ 99,998,339	\$ 38,509,816	\$ 89,656,231	\$ 37,533,933	\$ 87,384,240	\$ 65,657,660	\$ 87,280,878	\$ 63,993,821	\$ 85,069,082		
Contributions as a percentage of covered payroll	34.25%	0.56%	32.40%	1.07%	28.26%	0.72%	22.65%	0.87%	27.54%	0.79%	24.30%	0.92%	16.08%	1.04%	13.34%	1.18%		
	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE	City	BOE
	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018	2017	2017	2017	2017

#### Schedule of Investment Returns - OPEB Plan

Annual money-weighted rate of return	5.31%	5.27%	3.64%	3.61%	0.18%	0.18%	0.14%	0.14%	1.51%	1.47%	1.99%	1.94%	1.18%	1.12%	0.15%	0.14%
--------------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

#### Notes to Schedule

Valuation date: July 1, 2022

Measurement Date June 30, 2024

Actuarial Cost method Entry Age Normal

Amortization method Market Value

Remaining amortization period 26 years

Asset valuation method Market Value

Inflation 2.40%

Salary increases 3.80%

Investment rate of return 3.93% (Prior: 3.65%)

Mortality City Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

Mortality BOE Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Teachers and General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

\*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited

### Schedule of Changes in the General Government/BOE's OPEB Liability and Related Ratios - OPEB Plan Last Eight Fiscal Years\*

	General		General		General		General		General		General		General		General		
	Government	BOE															
<b>Changes in Net OPEB Liability</b>	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018	2017	2017	
Total OPEB liability:																	
Service cost	\$ 7,459,895	\$ 699,063	\$ 7,105,169	\$ 466,342	\$ 5,054,700	\$ 594,386	\$ 5,503,350	\$ 588,488	\$ 3,865,304	\$ 442,842	\$ 4,853,190	\$ 989,684	\$ 4,924,813	\$ 1,023,694	\$ 6,220,604	\$ 784,349	
Interest	10,968,494	1,129,605	10,434,350	724,325	11,211,787	513,216	11,867,662	599,491	11,173,293	763,481	13,140,437	616,172	12,528,613	538,215	11,481,426	575,048	
Change in benefit terms	-	-	-	-	-	(1,538,403)	-	-	-	-	-	-	-	-	-	-	
Differences between expected and actual experience	1,711,762	(869,943)	(15,095,374)	8,409,585	1,256,182	(129,385)	(26,881,250)	(4,279,328)	(1,273,780)	(385,821)	(34,769,087)	9,275,183	(730,155)	854,537	(1,589,083)	1,104,887	
Changes in assumptions	(12,351,660)	(804,113)	13,925,887	1,620,208	43,733,459	(3,114,007)	30,973,089	2,840,067	29,905,655	3,111,071	(2,100,711)	(3,626,426)	(4,594,287)	(523,751)	(31,976,341)	1,862,300	
Benefit payments, including refunds of member contributions	(11,475,344)	(704,114)	(10,483,785)	(1,224,066)	(10,655,003)	(851,959)	(8,625,211)	(986,350)	(7,604,352)	(819,761)	(6,619,163)	(934,293)	(8,558,546)	(1,007,474)	(7,137,932)	(1,172,220)	
<b>Net change in total OPEB liability</b>	<b>(3,686,853)</b>	<b>(549,502)</b>	<b>5,886,247</b>	<b>9,996,394</b>	<b>50,601,125</b>	<b>(2,987,749)</b>	<b>11,299,237</b>	<b>(1,237,632)</b>	<b>36,066,120</b>	<b>3,111,812</b>	<b>(25,495,334)</b>	<b>6,320,320</b>	<b>3,570,438</b>	<b>885,221</b>	<b>(23,001,326)</b>	<b>3,154,364</b>	
Total pension liability, beginning	298,733,031	30,597,929	292,846,784	20,601,535	242,245,659	23,589,284	230,946,422	24,826,916	194,880,302	21,715,104	220,375,636	15,394,784	216,805,198	14,509,563	239,806,524	11,355,199	
<b>Total OPEB liability, ending (a)</b>	<b>295,046,178</b>	<b>30,048,427</b>	<b>298,733,031</b>	<b>30,597,929</b>	<b>292,846,784</b>	<b>20,601,535</b>	<b>242,245,659</b>	<b>23,589,284</b>	<b>230,946,422</b>	<b>24,826,916</b>	<b>194,880,302</b>	<b>21,715,104</b>	<b>220,375,636</b>	<b>15,394,784</b>	<b>216,805,198</b>	<b>14,509,563</b>	
Fiduciary net position:																	
Employer contributions	12,975,344	591,442	11,983,785	1,101,907	11,655,003	737,720	9,125,211	874,594	10,604,352	704,611	9,119,163	804,217	10,558,546	909,734	8,537,932	1,006,040	
TRB subsidy	-	112,672	-	122,159	-	114,239	-	111,756	-	115,150	-	130,076	-	97,740	-	166,180	
Investment (loss) income net of investment expenses	881,210	8,348	530,149	5,517	(17,023)	276	58,388	219	169,861	2,221	162,509	2,870	65,020	1,635	5,416	208	
Benefit payments, including refunds of member contributions	(11,475,344)	(704,114)	(10,483,785)	(1,224,066)	(10,655,003)	(851,959)	(8,625,211)	(986,350)	(7,604,352)	(819,761)	(6,619,163)	(934,293)	(8,558,546)	(1,007,474)	(7,137,932)	(1,172,220)	
Administrative expenses	(6,444)	(61)	(2,479)	(26)	(27,192)	(315)	(6,815)	(85)	(27,885)	(365)	-	-	-	-	-	-	
<b>Net change in plan fiduciary net position</b>	<b>2,374,766</b>	<b>8,287</b>	<b>2,027,670</b>	<b>5,491</b>	<b>955,785</b>	<b>(39)</b>	<b>551,573</b>	<b>134</b>	<b>3,141,976</b>	<b>1,856</b>	<b>2,662,509</b>	<b>2,870</b>	<b>2,065,020</b>	<b>1,635</b>	<b>1,405,416</b>	<b>208</b>	
Fiduciary net position, beginning	15,230,643	158,492	13,202,973	153,001	12,247,188	153,040	11,695,615	152,906	8,553,639	151,050	5,891,130	148,180	3,826,110	146,545	2,420,694	146,337	
<b>Fiduciary net position, ending (b)</b>	<b>17,605,409</b>	<b>166,779</b>	<b>15,230,643</b>	<b>158,492</b>	<b>13,202,973</b>	<b>153,001</b>	<b>12,247,188</b>	<b>153,040</b>	<b>11,695,615</b>	<b>152,906</b>	<b>8,553,639</b>	<b>151,050</b>	<b>5,891,130</b>	<b>148,180</b>	<b>3,826,110</b>	<b>146,545</b>	
<b>Net OPEB liability, ending = (a) - (b)</b>	<b>\$ 277,440,769</b>	<b>\$ 29,881,648</b>	<b>\$ 283,502,388</b>	<b>\$ 30,439,437</b>	<b>\$ 279,643,811</b>	<b>\$ 20,448,534</b>	<b>\$ 229,998,471</b>	<b>\$ 23,436,244</b>	<b>\$ 219,250,807</b>	<b>\$ 24,674,010</b>	<b>\$ 186,326,663</b>	<b>\$ 21,564,054</b>	<b>\$ 214,484,506</b>	<b>\$ 15,246,604</b>	<b>\$ 212,979,088</b>	<b>\$ 14,363,018</b>	
Fiduciary net position as a % of total OPEB liability	5.97%	0.56%	5.12%	0.52%	4.72%	0.75%	5.32%	0.65%	5.33%	0.62%	4.59%	0.70%	2.67%	0.96%	1.76%	1.01%	
Covered payroll	\$ 37,879,684	\$ 105,551,845	\$ 36,991,879	\$ 103,077,974	41,246,853	102,398,299	40,280,130	99,998,339	38,509,816	89,656,231	37,533,933	87,384,240	65,657,660	87,280,878	63,993,821	85,069,082	
Net OPEB liability as a % of covered payroll	732.43%	28.31%	766.39%	29.53%	677.98%	19.97%	571.00%	23.44%	569.34%	27.52%	496.42%	24.68%	326.67%	17.47%	332.81%	16.88%	

\*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

## City of Danbury, Connecticut

### Required Supplementary Information - Unaudited

#### Schedule of the City's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan Last Seven Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	30,999,771	31,616,298	30,753,771	53,158,409	49,392,794	48,817,546	62,812,186
<b>Total</b>	<b>\$ 30,999,771</b>	<b>\$ 31,616,298</b>	<b>\$ 30,753,771</b>	<b>\$ 53,158,409</b>	<b>\$ 49,392,794</b>	<b>\$ 48,817,546</b>	<b>\$ 62,812,186</b>
City's covered payroll	\$ 91,360,123	\$ 92,581,060	\$ 86,457,074	\$ 83,938,907	\$ 81,431,058	\$ 75,611,399	\$ 77,350,837
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

#### Notes to Schedule

Changes in benefit terms

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

Changes of assumptions

June 30, 2023 (Valuation Date: June 30, 2022)

Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2023, was updated to equal the SEIR of 3.64% as of June 30, 2023.

Actuarial cost method

Entry age

Amortization method

Level percent of payroll over an open period

Remaining amortization period

30 years, open

Asset valuation method

Market value of assets

Inflation

2.50%

Investment rate of return

No change year-over-year from 3.00% to 3.00%, net of pension plan investment related expense, including price inflation

Health care cost trend rates

Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

Note: This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

## **City of Danbury, Connecticut**

### **Required Supplementary Information – Unaudited (Continued)**

### **Notes to the Schedule of the City's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan**

---

#### **Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate. Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased, and the Real Wage Growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation

**\*Note:** This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

**City of Danbury, Connecticut**

**Required Supplementary Information - Unaudited**  
**Schedule of Revenues and Expenditures - Budgetary Basis -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
General property taxes	\$ 244,645,225	\$ 244,645,225	\$ 244,209,144	\$ (436,081)
Federal and state governments	33,857,360	33,857,360	36,192,537	2,335,177
Licenses and permits	7,927,350	7,927,350	3,735,888	(4,191,462)
Charges for services	1,919,665	1,919,665	2,699,287	779,622
Fines and penalties	176,500	176,500	287,039	110,539
Investment income	4,032,400	4,032,400	7,719,255	3,686,855
<b>Total revenues</b>	<b>292,558,500</b>	<b>292,558,500</b>	<b>294,843,150</b>	<b>2,284,650</b>
<b>Expenditures:</b>				
Current:				
General government	12,605,832	13,735,175	13,319,193	415,982
Public safety	43,647,689	43,932,042	42,785,344	1,146,698
Public works	11,382,360	11,506,964	10,578,591	928,373
Health and welfare	2,923,143	2,954,931	2,327,805	627,126
Culture and recreation	3,195,646	3,195,646	3,083,953	111,693
Education	150,300,000	150,300,000	141,519,855	8,780,145
Pension and other employee benefits	47,067,671	47,072,799	47,072,794	5
Education - schools health and welfare	208,575	208,575	84,725	123,850
Contingency	300,000	-	-	-
Debt service:				
Principal retirements	14,144,500	14,144,500	14,144,500	-
Interest	5,166,033	4,686,324	4,517,973	168,351
<b>Total expenditures</b>	<b>290,941,449</b>	<b>291,736,956</b>	<b>279,434,733</b>	<b>12,302,223</b>
<b>Excess of revenues over expenditures</b>	<b>1,617,051</b>	<b>821,544</b>	<b>15,408,417</b>	<b>14,586,873</b>
<b>Other financing sources (uses):</b>				
Use of fund balance	3,191,500	3,666,500	-	(3,666,500)
Reappropriations	-	320,507	-	(320,507)
Transfers (out)	(4,808,551)	(4,808,551)	(4,808,551)	-
<b>Total other financing (uses)</b>	<b>(1,617,051)</b>	<b>(821,544)</b>	<b>(4,808,551)</b>	<b>(3,987,007)</b>
<b>Revenues over expenditures and other financing (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,599,866</b>	<b>\$ 10,599,866</b>

See note to required supplementary information.

## **City of Danbury, Connecticut**

### **Note to Required Supplementary Information**

---

#### **Note 1. Budgets and Budgetary Accounting**

The City follows procedures in establishing the formal (as amended) budgetary data reflected in the financial statements for the General Fund. The procedures are as follows:

1. Prior to April 7, the Mayor submits proposed operating budgets to the City Council for the fiscal year commencing the following July 1. The Board of Education has the same duties and follows the same procedures with respect to the budget of the Board of Education as those required of the Mayor. The operating budgets include proposed expenditures and the means of financing them; however, capital lease acquisitions and state on-behalf payments are not included in the operating budget. The Animal Control and Ambulance are special revenue funds which have legally adopted annual budgets.
2. Upon receipt of the proposed budgets, the City Council publishes a notice of the proposed budgets and a public hearing to be held no later than May 1.
3. No later than May 15, the budgets are legally enacted through City Council resolution.
4. The legal level of budgetary control is at the department level. The Mayor is authorized to transfer budget amounts within departments and the City Council is authorized to transfer budget amounts between departments within any fund as well as any supplemental appropriations that amend the total expenditures of any budgeted fund. During the year, several supplemental appropriations were necessary; the effect of the amendments increased budgeted expenditures by \$3.9 million.
5. Formal budgetary accounting is employed as a management control within the City for the General Fund and certain special revenue funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting, except that encumbrances and continued appropriations are treated as budgeted expenditures in the year of incurrence of the commitment to purchase and certain employee benefits are budgeted on the cash basis of accounting (non-GAAP basis). Budgetary comparisons in the financial statements are presented pursuant to the applicable budgetary basis referred to above.
6. Except for purposes which are to be financed by the issuance of bonds or by special assessment, no money can be disbursed without an authorized appropriation in any fiscal year. A contingency fund may be used for emergency appropriations; however, expenditures may not be charged directly to this fund. An appropriation and transfer to the expending fund must be approved by the City Council.
7. All unencumbered appropriations, except for continued appropriations, lapse at the end of each fiscal year.
8. Continued appropriations represent approved appropriations from the current or prior years' budgets for construction or other permanent improvement projects. In accordance with the City's Charter, these appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Any such project is deemed to be abandoned if three years have elapsed without any expenditure from, or encumbrance of, the appropriation. At June 30, 2024, there were no continued appropriations.

**City of Danbury, Connecticut**

**Note to Required Supplementary Information**

---

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

A reconciliation of General Fund operations presented on a budgetary basis to the amounts presented in the fund financial statements in accordance with GAAP is as follows:

	Revenues and Other Financing Sources	Expenditures, Encumbrances and Other Financing Uses
Balance, budgetary basis	\$ 294,843,150	\$ 284,243,284
Encumbrances and continued appropriations:		
June 30, 2024	-	(733,183)
June 30, 2023	-	411,961
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	31,119,654	31,119,654
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB No. 54	1,292,059	1,361,464
Non-budgeted Police and Fire Special Services	3,873,477	3,034,553
Issuance of leases	401,674	401,674
Issuance of SBITAs	679,132	679,132
Other GAAP reconciling items	779,755	-
Balance, GAAP basis	<u>\$ 332,988,901</u>	<u>\$ 320,518,539</u>

**Special Revenue Funds:** The City does not have legally adopted annual budgets for its special revenue funds except for the Animal Control special revenue funds. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements for the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

**Capital Project Funds:** Legal authorization for expenditures of capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

*(This page intentionally left blank)*

## ***Appendix B***

### ***Form of Opinion of Bond Counsel - Bonds***

*(This page intentionally left blank)*



One State Street  
Hartford, CT 06103  
Main (860) 275-8200  
Fax (860) 275-8299

[FORM OF OPINION OF BOND COUNSEL]

February \_\_\_, 2026

City of Danbury,  
Danbury, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Danbury, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated February \_\_\_, 2026 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$60,130,000 City of Danbury, Connecticut General Obligation Bonds, Issue of 2026, dated February \_\_\_, 2026 (the "Bonds"), maturing on February 15 in each of the years, in the principal amounts and bearing interest payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2027	\$3,005,000	[____]%	2037	\$3,005,000	[____]%
2028	3,005,000	[____]	2038	3,005,000	[____]
2029	3,005,000	[____]	2039	3,005,000	[____]
2030	3,005,000	[____]	2040	3,005,000	[____]
2031	3,005,000	[____]	2041	3,010,000	[____]
2032	3,005,000	[____]	2042	3,010,000	[____]
2033	3,005,000	[____]	2043	3,010,000	[____]
2034	3,005,000	[____]	2044	3,010,000	[____]
2035	3,005,000	[____]	2045	3,010,000	[____]
2036	3,005,000	[____]	2046	3,010,000	[____]

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

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

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

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

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

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

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

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

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

Respectfully,

## ***Appendix C***

### ***Form of Opinion of Bond Counsel - Notes***

*(This page intentionally left blank)*



One State Street  
Hartford, CT 06103  
Main (860) 275-8200  
Fax (860) 275-8299

**[FORM OF OPINION OF BOND COUNSEL]**

February \_\_\_, 2026

City of Danbury,  
Danbury, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Danbury, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated February \_\_\_, 2026 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$139,605,000 City of Danbury, Connecticut General Obligation Bond Anticipation Notes, dated February \_\_\_, 2026 and maturing February \_\_\_, 2027, consisting of Note R-\_\_ in the aggregate principal amount of \$139,605,000, bearing interest at the rate of \_\_\_\_% per annum, with principal and interest payable at maturity (the "Notes"). The Notes are not subject to redemption prior to maturity.

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

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

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Notes.

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

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

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

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

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

Respectfully,

## ***Appendix D***

### ***Form of Continuing Disclosure Agreement - Bonds***

*(This page intentionally left blank)*

**[FORM OF CONTINUING DISCLOSURE AGREEMENT]**

**CONTINUING DISCLOSURE AGREEMENT**

City of Danbury, Connecticut  
\$60,130,000 General Obligation Bonds, Issue of 2026  
dated February \_\_\_, 2026

February \_\_\_, 2026

WHEREAS, the City of Danbury, Connecticut (the "City") has heretofore authorized the issuance of \$60,130,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2026, dated February \_\_\_, 2026 (the "Bonds"), maturing on the dates and in the amounts set forth in the City's Official Statement dated February \_\_\_, 2026 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated February \_\_\_, 2026 (the "Notice of Sale"); and

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

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

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

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

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

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

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

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

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

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

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

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

**Section 2. Annual Reports.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

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

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

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

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

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

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

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

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

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

**CITY OF DANBURY, CONNECTICUT**

By: \_\_\_\_\_

Name: Daniel Garrick  
Title: Director of Finance

*(This page intentionally left blank)*

## ***Appendix E***

### ***Form of Continuing Disclosure Agreement - Notes***

*(This page intentionally left blank)*

**[FORM OF CONTINUING DISCLOSURE AGREEMENT]**

**CONTINUING DISCLOSURE AGREEMENT**

City of Danbury, Connecticut  
\$139,605,000 General Obligation Bond Anticipation Notes  
dated February \_\_\_, 2026

February \_\_\_, 2026

WHEREAS, the City of Danbury, Connecticut (the "City") has heretofore authorized the issuance of \$139,605,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated February \_\_\_, 2026 (the "Notes"), maturing on the dates and in the amounts set forth in the City's Official Statement dated February \_\_\_, 2026 describing the Notes (the "Official Statement"); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated February \_\_\_, 2026 (the "Notice of Sale"); and

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

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

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

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

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

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

"Listed Events" shall mean any of the events listed in Section 2 of this Agreement.

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

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

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

Section 2. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

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

Section 3. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, 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 Notes and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the

date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Notes.

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

**CITY OF DANBURY, CONNECTICUT**

By: \_\_\_\_\_  
Name: Daniel Garrick  
Title: Director of Finance

*(This page intentionally left blank)*

## ***Appendix F***

### ***Notice of Sale - Bonds***

*(This page intentionally left blank)*

**NOTICE OF SALE**  
**\$60,130,000**  
**CITY OF DANBURY, CONNECTICUT**  
**GENERAL OBLIGATION BONDS, ISSUE OF 2026**

Electronic bids (as described herein) will be received by the **CITY OF DANBURY, CONNECTICUT** (the “City”), until 11:30 A.M. (E.T.) Tuesday,

**FEBRUARY 10, 2026**

(the “Sale Date”) for the purchase of all, but not less than all, of the \$60,130,000 City of Danbury, Connecticut General Obligation Bonds, Issue of 2026 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

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

#### **The Bonds**

The Bonds will be dated February 23, 2026, mature in the principal amounts of \$3,005,000 on February 15 in each of the years 2027 to 2040, both inclusive, and \$3,010,000 on February 15 in each of the years 2041 to 2046, both inclusive, bear interest payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated February 3, 2026 (the “Preliminary Official Statement”).

The Bonds maturing on or before February 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after February 15, 2034, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
February 15, 2034 and thereafter	100%

#### **Nature of Obligation**

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

## **Bank Qualification**

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

## **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the City or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

## **Electronic Bidding Procedures**

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

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

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

## **Bid Specifications/Basis of Award**

Each bid must be for the entire \$60,130,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 23, 2026, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to February 23, 2026, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

### **Closing Documents and Legal Opinion**

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

### **Obligation to Deliver Issue Price Certificate**

Pursuant to the Code and applicable Treasury Regulations, the City must establish the “issue price” of the Bonds. In order to assist the City, the winning bidder is obligated to deliver to the City a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The City will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors,

Email: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com), Telephone: (203) 878-4945, municipal advisor to the City (the "Municipal Advisor").

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Settlement of the Bonds**

The Bonds will be available for delivery on or about February 23, 2026. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished a reasonable number of copies of the final Official Statement prepared for the Bonds at the City’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

## **Continuing Disclosure**

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

## **Related Information**

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, Email: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com), Telephone: (203) 878-4945, municipal advisor to the City.

**ROBERTO L. ALVES**  
Mayor

**DANIEL P. JOWDY**  
Treasurer

**DANIEL GARRICK**  
Director of Finance

February 3, 2026

## ISSUE PRICE RULE SELECTION CERTIFICATE

City of Danbury, Connecticut  
\$60,130,000 General Obligation Bonds, Issue of 2026

The undersigned, on behalf of \_\_\_\_\_, on behalf of itself and \_\_\_\_\_, hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the "Bonds"), as described in the Notice of Sale for the Bonds, dated February 3, 2026 (the "Notice of Sale"). For a description of the requirements of each rule, please refer to the section "Obligation to Deliver Issue Price Certificate" in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<b>Date of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<b>Check Box</b>	<b>Sales Price</b>	<b>Check Box</b>	<b>Initial Offering Price</b>
02/15/2027	\$3,005,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2028	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2029	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2030	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2031	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2032	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2033	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2034	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2035	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2036	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2037	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2038	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2039	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2040	3,005,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2041	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2042	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2043	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2044	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2045	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
02/15/2046	3,010,000	_____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

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

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Email this completed and executed certificate to the following by 5:00 P.M. on February 11, 2026:

**Bond Counsel:** gsantoro@rc.com

**Municipal Advisor:** mspoenrindle@muniadvisors.com

*(This page intentionally left blank)*

## ***Appendix G***

### ***Notice of Sale - Notes***

*(This page intentionally left blank)*

**NOTICE OF SALE**  
**\$139,605,000**  
**CITY OF DANBURY, CONNECTICUT**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Electronic bids (as described herein) will be received by the **CITY OF DANBURY, CONNECTICUT** (the “City”), until 11:00 A.M. (E.T.) Tuesday,

**FEBRUARY 10, 2026**

(the “Sale Date”) for the purchase of all or a portion of the \$139,605,000 City of Danbury, Connecticut General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

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

#### **The Notes**

The Notes will be dated February 23, 2026, and will be payable to the registered owner on February 22, 2027, as further described in the Preliminary Official Statement for the Notes dated February 3, 2026 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on the basis of twelve 30-day months and a 360-day year) payable at maturity at the rate or rates per annum set forth in the bid or bids accepted for their purchase, which rates shall be multiples of 1/1000 of one percent (1%) per annum.

The Notes are not subject to redemption prior to maturity.

#### **Nature of Obligation**

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

#### **Bank Qualification**

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

#### **Registration**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$100,000 and any integral multiples

of \$5,000 in excess thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the City or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

### **Electronic Bidding Procedures**

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

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

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

### **Bid Specifications/Basis of Award**

Proposals for the purchase of the Notes must provide the information set forth in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the City, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the City reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the City with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the City, computed and rounded to six decimal places.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use

its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes or a portion thereof at the lowest net interest cost computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

### **Closing Documents and Legal Opinion**

The Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Notes, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

### **Obligation to Deliver Issue Price Certificate**

Pursuant to the Code and applicable Treasury Regulations, the City must establish the “issue price” of the Notes. In order to assist the City, each winning bidder is obligated to deliver to the City a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes. The City will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, Email: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com), Telephone: (203) 878-4945, municipal advisor to the City (the “Municipal Advisor”).

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

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

**Competitive Sale Rule Met.** If the Municipal Advisor advises the winning bidders that the Competitive Sale Rule has been met, the winning bidders shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of the Notes as of the Sale Date.

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

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity of the Notes, the winning bidders:

- (i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the City with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will report to the City information regarding the actual prices at which at least 10 percent (10%) of the Notes (or each maturity thereof, if applicable) have been sold to the public;
- (iii) will provide the City with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and
- (iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity of the Notes, the winning bidders:

- (i) will make a bona fide offering to the public of all of the Notes at the initial offering price(s) and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will neither offer nor sell to any person any Notes at a price that is higher than the initial offering price of such Notes until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of such maturity of the Notes at a price that is no higher than the initial offering price of such maturity of the Notes or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

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

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

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

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

### **Settlement of the Notes**

The Notes will be available for delivery on or about February 23, 2026. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Notes prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidders to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidders will be furnished a reasonable number of copies of the final Official Statement prepared for the Notes at the City’s expense. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidders no later than seven business days after the bid opening at the office of the City’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidders by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the names of the winning bidders of the Notes.

### **Continuing Disclosure**

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes. Each winning bidder’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

## **Related Information**

For more information regarding the Notes and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, Email: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com), Telephone: (203) 878-4945, municipal advisor to the City.

**ROBERTO L. ALVES**  
Mayor

**DANIEL P. JOWDY**  
Treasurer

**DANIEL GARRICK**  
Director of Finance

February 3, 2026

## ISSUE PRICE RULE SELECTION CERTIFICATE

City of Danbury, Connecticut  
\$139,605,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of \_\_\_\_\_, on behalf of itself and \_\_\_\_\_, hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated February 3, 2026 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

			<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Price Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
<b>Date of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Check Box</b>	<b>Sales Price</b>	<b>Check Box</b>	<b>Initial Offering Price</b>
02/22/2027	\$139,605,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Notes.)

---

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Email this completed and executed certificate to the following by 5:00 P.M. on February 11, 2026:

**Bond Counsel:** gsantoro@rc.com

**Municipal Advisor:** mspoerndle@muniadvisors.com