

Preliminary Official Statement Dated June 29, 2026

NEW MONEY ISSUE: Book-Entry-Only

RATINGS: S&P Global Ratings: "AAA / SP-1+"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds 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 the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. (See "Tax Matters" herein.)



Town of New Milford, Connecticut **\$4,300,000** **General Obligation Bonds, Issue of 2026** **(Bank Qualified)**

Dated: Date of Delivery

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

The \$4,300,000 General Obligation Bonds, Issue of 2026 (the "Bonds"), will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing January 15, 2027.

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

Electronic bids via PARITY® for the Bonds will be received until 11:30 A.M. (Eastern Time) on Tuesday, July 7, 2026, as described in the Notice of Sale. (See Appendix D-1 to this Official Statement).

\$4,650,000 **General Obligation Bond Anticipation Notes** **(Bank Qualified)**

Dated: July 17, 2026

Due: July 16, 2027

The \$4,650,000 General Obligation Bond Anticipation Notes (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 in accordance with the Notice of Sale. The Notes are not subject to redemption prior to maturity.

Electronic bids via PARITY® for the Notes will be received until 11:00 A.M. (Eastern Time) on Tuesday, July 7, 2026, as described in the Notice of Sale. (See Appendix D-2 to this Official Statement).

The Bonds and the Notes are issuable only as fully-registered bonds and notes, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner or noteowner and nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds and the Notes. Purchases of the Bonds and the Notes 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 or the Notes. So long as Cede & Co. is the Bondowner and Noteowner, as nominee of DTC, reference herein to the Bondowner or Noteowners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds and the Notes. See "Book-Entry-Only Transfer System" herein.

The Bonds and the Notes will be general obligations of the Town of New Milford, Connecticut (the "Town"), and the Town 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.

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

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and the Notes in book-entry-only form will be made to DTC on or about July 17, 2026.

This cover page and the inside cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Town of New Milford, Connecticut
\$4,300,000
General Obligation Bonds, Issue of 2026
(Bank Qualified)

Dated: *Date of Delivery*

Due: July 15,
as shown below:

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2027	\$ 215,000	._ %	._ %	647480__	2037	\$ 215,000	._ %	._ %	647480__
2028	215,000	._ %	._ %	647480__	2038	215,000	._ %	._ %	647480__
2029	215,000	._ %	._ %	647480__	2039	215,000	._ %	._ %	647480__
2030	215,000	._ %	._ %	647480__	2040	215,000	._ %	._ %	647480__
2031	215,000	._ %	._ %	647480__	2041	215,000	._ %	._ %	647480__
2032	215,000	._ %	._ %	647480__	2042	215,000	._ %	._ %	647480__
2033	215,000	._ %	._ %	647480__	2043	215,000	._ %	._ %	647480__
2034	215,000	._ %	._ %	647480__	2044	215,000	._ %	._ %	647480__
2035	215,000	._ %	._ %	647480__	2045	215,000	._ %	._ %	647480__
2036	215,000	._ %	._ %	647480__	2046	215,000	._ %	._ %	647480__

\$4,650,000
General Obligation Bond Anticipation Notes
(Bank Qualified)

Dated: **July 17, 2026**

Due: **July 16, 2027**

Rate: **._ %**

CUSIP ¹: **647480__**

Yield: **._ %**

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds and the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds 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.

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

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

The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Neither the Town, 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.

Set forth in Appendix A – "2025 Financial Statements Excerpted from the Town's Annual Financial Report" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than as to matters expressly set forth in Appendices B-1 and B-2 to this Official Statement, 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 Bonds and the Notes have not been registered under the Securities Act of 1933, as amended, nor have the Bonds and the Notes been registered under any state securities laws.

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

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

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

Table of Contents

	<u>Page</u>		<u>Page</u>
Bond Issue Summary	1	IV. Tax Base Data	33
Note Issue Summary	2	Property Tax & Assessments.....	33
I. Bond Information	3	Levy.....	34
Introduction.....	3	Comparative Assessed Valuations.....	34
Public Health Considerations.....	3	Property Tax Levies and Collections.....	35
Climate Change.....	4	Ten Largest Taxpayers.....	35
Cybersecurity.....	4	V. Debt Summary	36
Municipal Advisor.....	4	Principal Amount of Indebtedness.....	36
Description of the Bonds.....	5	Short Term Debt.....	36
Redemption Provisions.....	5	Annual Bonded Debt Maturity Schedule.....	37
Description of the Notes.....	6	Overlapping Debt.....	37
Authorization and Use of Proceeds.....	6	Underlying Debt.....	37
Book-Entry-Only Transfer System.....	7	Debt Statement.....	38
DTC Practices.....	8	Current Debt Ratios.....	38
Replacement Bonds and Notes.....	8	Budget Procedure.....	39
Security and Remedies.....	9	Temporary Financing.....	39
Qualification for Financial Institutions.....	9	Limitation of Indebtedness.....	40
Availability of Continuing Disclosure Information.....	10	Statement of Debt Limitation.....	41
Ratings.....	10	Authorized But Unissued Debt.....	41
Insurance.....	10	Principal Amount of Outstanding Debt.....	42
Tax Matters.....	10	Ratios of Net Long-Term Debt to Valuation	
II. The Issuer	13	Population and Income.....	42
Description of the Municipality.....	13	Ratio of Total General Fund Debt Service	
Form of Government.....	17	Expenditures To Total General Fund Expenditures.....	42
Organizational Chart.....	17	VI. Financial Administration	43
Town Officials.....	18	Fiscal Year.....	43
Municipal Services.....	18	Basis of Accounting.....	43
Educational Services.....	25	Capital Improvement Plan.....	43
School Enrollment.....	25	Audit.....	43
School Facilities.....	25	Pensions.....	44
Employee Relations and Collective Bargaining.....	26	Funding Status and Progress.....	44
Municipal Employees.....	26	Total Pension Liability.....	44
Employee Relations.....	26	Pension Contributions.....	45
Binding Arbitration.....	26	Other Post Employment Benefits.....	46
III. Economic and Demographic Information	27	Net OPEB Liability.....	47
Population and Density.....	27	Schedule of Contributions.....	47
Age Distribution of the Population.....	27	Investment Policy.....	48
Income Distribution.....	27	General Fund Revenues and Expenditures.....	49
Income Levels.....	28	Intergovernmental Revenues.....	49
Educational Attainment.....	28	Comparative General Fund Balance Sheet.....	51
Major Employers.....	28	VII. Legal and Other Information	52
Employment by Industry.....	29	Litigation.....	52
Employment Data.....	29	Documents Furnished at Delivery.....	52
Commuter to Work.....	29	Concluding Statement.....	53
Age Distribution of Housing.....	30	Appendix A: 2025 Financial Statements Excerpted from	
Housing Inventory.....	30	the Town's Annual Financial Report	
Housing Vacancy Rates.....	30	Appendix B-1: Form of Opinion of Bond Counsel - The Bonds	
Owner Occupied Housing Values.....	31	Appendix B-2: Form of Opinion of Bond Counsel - The Notes	
Building Permits.....	31	Appendix C-1: Form of Continuing Disclosure	
Land Use Breakdown.....	32	Agreement - The Bonds	
Plan of Conservation and Development.....	32	Appendix C-2: Form of Continuing Disclosure	
		Agreement - The Notes	
		Appendix D-1: Notice of Sale - The Bonds	
		Appendix D-2: Notice of Sale - The Notes	

Bond Issue Summary

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

Date of Sale:	Tuesday, July 7, 2026 at 11:30 A.M. (Eastern Time).
Location of Sale:	Via Parity® only. (See “Appendix D-1 – Notice of Sale – The Bonds” to this Official Statement)
Issuer:	Town of New Milford, Connecticut (the “Town”).
Issue:	\$4,300,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	January 15, 2027 and semiannually thereafter on July 15 and January 15, in each year until maturity.
Principal Due:	Principal due serially July 15, 2027 through July 15, 2046.
Purpose:	The Bond proceeds will be used to fund road and capital improvement projects. See “Authorization and Use of Proceeds” herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See “Redemption Provisions” herein.
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated “AAA” by S&P Global Ratings.
Bond Insurance:	The Town does <u>not</u> expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., of Milford, Connecticut will act as Municipal Advisor. Telephone: (203) 283-1110.
Legal Opinion:	Pullman & Comley, LLC, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about July 17, 2026. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Olga Alizarchyk, Director of Finance, New Milford Town Hall, 10 Main Street, New Milford, Connecticut 06776. Telephone (860) 355-6060 x4.

Note Issue Summary

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

Date of Sale:	Tuesday, July 7, 2026 at 11:00 A.M. (Eastern Time).
Location of Sale:	Via Parity [®] only. (See “Appendix D-2 – Notice of Sale – The Notes” to this Official Statement)
Issuer:	Town of New Milford, Connecticut (the “Town”).
Issue:	\$4,650,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of Delivery.
Principal and Interest Due:	At maturity: July 16, 2027.
Purpose:	The Note proceeds will be used to finance various road and capital improvement projects. See “Authorization and Use of Proceeds” herein.
Redemption:	The Notes are not subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Notes are rated “SP-1+” by S&P Global Ratings.
Bond Insurance:	The Town does <u>not</u> expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Notes <u>shall be</u> designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of certain events not in excess of 10 business days of the occurrence of such events as specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., of Milford, Connecticut will act as Municipal Advisor. Telephone: (203) 283-1110.
Legal Opinion:	Pullman & Comley, LLC, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about July 17, 2026. Delivery of the Notes will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Olga Alizarchyk, Director of Finance, New Milford Town Hall, 10 Main Street, New Milford, Connecticut 06776. Telephone (860) 355-6060 x4.

I. Bond & 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 Town of New Milford, Connecticut (the “Town”), in connection with the original issuance and sale of \$4,300,000 General Obligation Bonds, Issue of 2026 (the “Bonds”) and \$4,650,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Bonds and the Notes are being offered for sale through public bidding. Notices of Sale for the Bonds and the Notes each dated June 29, 2026 have been furnished to prospective bidders. Reference is made to the Notices of Sale, attached as Appendices D-1 and D-2, for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds or 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. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

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

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

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A – 2025 Financial Statements excerpted from the Town’s Annual Financial Report), and they make no representation that they have independently verified the same. The Auditors have not been engaged nor performed audit procedures regarding the past audit period nor reviewed the Official Statement. The Auditors have not provided their written consent to use their Independent Auditors Report.

Bond Counsel is not passing on and does not assume any responsibility for the sufficiency, accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth as its opinions in Appendices B-1 and B-2 hereto) and makes no representation that it has independently verified the same.

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

Public Health Considerations

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

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

The Town received \$7,932,955 from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

Climate Change

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

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has and continues to invest in its cyber security infrastructure. In addition, the Town contracts with a cybersecurity vendors/company to conduct assessments and tests of Town’s IT systems. These security protection systems are continually evaluated for upgrades or replacements.

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

Municipal Advisor

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the Town in connection with the issuance of the Bonds and the Notes (the “Municipal Advisor”) and has assisted 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.

(Remainder of page intentionally left blank)

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on July 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest will be payable semiannually on January 15 and July 15 in each year until maturity, commencing January 15, 2027. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of June and December 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, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank Trust Company, National Association. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds are subject to redemption prior to maturity. See “Redemption Provisions” herein.

Redemption Provisions

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after July 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 Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
July 15, 2034 and thereafter	100%

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

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

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

Description of the Notes

The Notes will be dated the date of delivery and will be due and payable as to both principal and interest at maturity, as set forth on the inside cover page to this Official Statement. The Notes are not subject to redemption prior to maturity and will bear interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, at the rate or rates per annum specified by the successful bidder or bidders. A book-entry system will be employed, evidencing ownership of Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership affected 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” herein.

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

The legal opinion for the Bonds and the Notes will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B-1 and B-2 to this Official Statement.

Authorization and Use of Proceeds

The Bonds and Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the charter of the Town and bond resolutions approved at Special Town Meetings. The proceeds of the Bonds and the Notes will finance the following projects:

Project	Amount Authorized	Maturing Notes Due: 7/17/26	This Issue:	
			The Bonds	The Notes: Due: 7/16/27
2023 Road Improvements.....	\$ 10,000,000	\$ 2,500,000	\$ 2,500,000	\$ -
Lanesville Fire Station.....	5,000,000	1,800,000	1,800,000	2,450,000
2026 Road Improvements.....	10,000,000	-	-	2,200,000
Total	\$ 25,000,000	\$ 4,300,000	\$ 4,300,000	\$ 4,650,000

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Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered Bonds and Notes 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. For the Bonds, one fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC. For the Notes, one fully-registered Note certificate will be issued for each interest rate of the Notes, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond and Note (“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 Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; 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 Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

DTC Practices

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

Neither the Town nor the Paying Agent will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, or (iii) any other actions taken by DTC or its partnership nominees as owner of the Bonds.

Replacement Bonds and Notes

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds or Notes, and the Town fails to identify another qualified securities depository for the Bonds or the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds or the Notes, the Town is authorized to issue fully registered Bond or Note certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds or 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 Town and the Town 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 of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

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

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

The Town 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 Town. A court of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Bonds and Notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, 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 of Connecticut having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

The Bonds and the Notes shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions of interest expense allocable to the Bonds and the Notes.

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Availability of Continuing Disclosure Information

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the Annual Financial Report, Recommended and Adopted Budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into Continuing Disclosure Agreements (the “Continuing Disclosure Agreements”) with respect to the Bonds and to the Notes in the forms attached as Appendices C-1 and C-2 to this Official Statement. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) with respect to the Bonds, annual financial information and operating, (ii) with respect to the Bonds and the Notes, timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) with respect to the Bonds, timely notice of a failure by the Town to provide the required annual financial information and operating data before the date specified in the Continuing Disclosure Agreement. The winning bidders’ obligation to purchase the Bonds or the Notes shall be conditioned upon their receiving, at or prior to the delivery of the Bonds and the Notes, an executed copy of the respective Continuing Disclosure Agreement.

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

Ratings

The Bonds received a rating of “AAA” from S&P Global Ratings (“S&P”). The Notes received a rating of “SP-1+” from S&P. The Town furnished S&P with certain information and materials, some of which may not have been included in this Official Statement.

The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds and Notes.

Insurance

The Town does not expect to direct purchase any credit enhancement facility.

Tax Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and the Notes. Prospective owners 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, state and local tax consequences of owning and disposing of the Bonds and the Notes.

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II. The Issuer



Connecticut

Description of the Municipality

The Town of New Milford (the “Town” or “New Milford”) is located in the southwestern section of Litchfield County, approximately ten miles north of Danbury. A network of highways including Interstates 84 and 684, U.S. Route 7 and Connecticut Routes 25, 202 and 67 make major urban centers, including New York City, Boston, Stamford, Hartford and New Haven accessible.

New Milford was first settled in 1707 and was incorporated as a town in 1712. At 64.4 square miles, it is Connecticut’s largest municipality. Agriculture was once the mainstay of New Milford’s economy, but has since declined in importance relative to industry, commerce and tourism. Completion of the Housatonic Bridge in 1837 and the introduction of rail service in 1840 helped New Milford integrate industry and technology into a diverse, dynamic commercial base. The more recent expansion of U.S. Route 7 has contributed to the growth of the local population and the retail/service sectors that serves them. It has also made New Milford more readily accessible to the nearby centers of commerce, and thereby more desirable as an office/industrial location.

In addition to providing a home to almost 30,000 full-time residents, New Milford contains a significant number of weekend and seasonal homes. Candlewood Lake, Lake Lillinonah and the Housatonic River provide freshwater recreational activities, causing New Milford’s population to increase during the summer months. Candlewood Lake is a manmade lake located in Fairfield and Litchfield counties of western Connecticut. At 8.4 square miles (22 km²), it is the largest lake in Connecticut. The lake is bordered by five towns: Brookfield, Danbury, New Fairfield, New Milford, and Sherman. Some of the most expensive real estate in Connecticut is located on the shores of the lake. Candlewood Lake is a popular tourist destination, and the area is home to many second homes of New York City residents. The lake is used for recreation year-round, although tourists primarily come during the summer months for swimming, fishing, boating, and golfing. Along its approximately 60-mile (97 km) shoreline are tourist resorts and recreational facilities, including golf courses, beaches, and marinas.

New Milford has long been the retail market center for its smaller neighboring communities, such as Washington, Kent, Bridgewater and New Preston. The steady population growth in the region, fostered by the expansion to U.S. Route 7 in 2009, has encouraged a high rate of retail development for the past decade. The 2 miles of Route 7 currently designated as the primary regional retail corridor by the Economic Development Commission is home to national retailers such as Wal-Mart, Home Depot, Kohl's, TJMaxx, Staples and Stop & Shop.

All along the Route 7 corridor various parcels of land are being prepared for redevelopment. Medical, retail and hospitality continue to be strong sectors for the community, providing robust growth in facilities and equipment purchase and as job creation generators. An additional focus area is entrepreneurship and small business growth in trades, technology and professional services. Data shows strong wage growth in legal and professional fields, technology and growth in utilities and trades.

Private investment in the Downtown Village Center has continued to keep vacancy rates extremely low for retail, office and residential space. The Market Analysis completed in 2020 by Camoin 310, a national consultant based in Saratoga Springs, NY, found that Downtown had little to no vacancy, while New Milford overall had a healthy 9.5% rate. The same study found that New Milford has significant opportunity to add industrial flex space, with a vacancy rate of 2.4% and projected growth in demand for industrial, warehousing, trades and professional services.

The Town of New Milford Transportation and Management Plan was completed in 2013. Execution of the Plan is underway, with some of the projects outlined in the plan completed – such as the 2017 roundabout at the Still River Drive/Pickett District Road intersection, and others are in the design phase, such as the East Street/Elm Street intersection realignment. Sidewalks for the busy Route 7 Corridor will improve pedestrian access and safety from New Milford High School towards the commercial district, passing residential and recreational developments along the way.

New Milford's top employment sectors include Retail (17% of all jobs), Health Care and Social Assistance (12%), Government, including local public schools (11%), and Food Services (9%). These industries primarily serve local and regional residents ("non-traded" sectors), meaning they do not export goods or services outside of the region or bring in significant spending from beyond the region ("traded" sectors).

Major employers in New Milford include:

- Kimberly-Clark – Paper products manufacturer
- Candlewood Valley Health & Rehabilitation – rehabilitation services
- Big Y World Class Market – supermarket
- Town of New Milford – local government including schools
- Village Crest Center for Health – rehabilitation services
- Walmart – discount department store
- Home Depot – home center retailer
- Super Stop and Shop – supermarket
- Canterbury School – private preparatory boarding school
- New Milford Hospital – Northwell Health, 7 hospital system in CT/NY
- Neeltran – transformers manufacturer

The following industry sectors offer growth opportunities for New Milford:

Merchant Wholesalers, Durable Goods – Businesses in this sector are engaged in wholesaling products. New Milford has a cluster of wholesalers that supply the construction industry with hardware, plumbing, machinery, lumber, and a variety of other products (about 200 jobs). These types of businesses occupy industrial/flex space. As these local companies look to grow and expand, New Milford could lose these businesses to other communities because of the lack of available space in-town.

Health Care – This sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners or social workers with the requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry. This sector is growing locally and regionally, creating demand for medical offices, senior living options such as assisted living, long-term health care, and other health-related services.

Professional, Scientific, & Technical Services - Businesses within this sector contribute to the regional business environment by offering services to support the business operations of the region's major employers – essentially selling knowledge and expertise. New Milford has about 700 jobs within this sector, which is projected to grow at about 2% annually. Within this sector, the following sub-sectors are showing strength and may be opportunities for New Milford.

Computer Systems Design and Related Services & Computer and Electronic Product Manufacturing – Together these two-computer system service and manufacturing sectors make up about 230 jobs in New Milford and are projected to grow in the coming years at a rate of 4% annually. These businesses operate out of traditional office spaces, home offices, and flex spaces. Access to broadband internet is a critical locational decision factor.

Research and Development in Life Sciences – New Milford has about 50 jobs in this industry sector currently, with an annual projected growth rate of 12%. This is an emerging opportunity for the Town as there is a plan to redevelop the former Nestle lab building into modern lab space that can house up to five bioscience firms.

New Milford Hospital is an 85-bed full-service hospital, which, along with its affiliated physicians and subsidiaries, provides health care to New Milford and the neighboring communities. It is truly a regional health care center which favorably impacts the overall economy of New Milford. The active medical staff includes more than 100 physicians and medical personnel, encompassing virtually every medical and surgical specialty. The hospital has become part of the Nuvance Health Network, a seven hospital system which includes Danbury Hospital, one of the largest and most comprehensive health care networks in the State of Connecticut. New Milford Hospital has an outpatient Regional Cancer Center that opened in 1999, further expanding the regional draw of this community hospital. This \$7.5 million facility provides radiation and chemotherapy, using state-of-the-art technology and drawing upon the professional resources of the Western Connecticut Health Network. In 2016 the \$12 million, 11,000 square foot, Arnhold Emergency Department at New Milford Hospital was completed. The emergency department represents the largest expansion in the Hospital's history as it has doubled in size and is expected to serve more than 20,000 patients each year from Connecticut and Eastern New York State. In 2019, New Milford Hospital invested nearly one million dollars in renovations, adding a Primary Care Center and specialty physician offices. The Hospital were awarded the Project of the Year by the Corporation for New Milford Economic Development.

The Kimberly-Clark Corporation continues to be an industrial mainstay of New Milford. This global consumer products company, producing paper products such as Kleenex tissue and Scott paper towels has steadily employed 350 people in the New Milford plant. In cooperation with the State of Connecticut and the Town of New Milford, Kimberly-Clark embarked on an energy independence project in 2007, which came to fruition in 2008. Utilizing a grant from the State of Connecticut Department of Public Utility Control, Kimberly-Clark constructed a \$50 million combined heat and power facility that generates electricity on-site, utilizes the excess heat from power generation in the manufacturing process and distributes excess electricity back to the regional power grid. This project allows the company to stabilize its energy costs, affording it the opportunity to remain competitive in the regional marketplace. This is providing additional high-wage jobs for the community, as well as providing a significant expansion to the tax base.

As stated above, land availability, location and improved accessibility are factors in New Milford's considerable growth and the diversification of its economic base. In addition to the major employers mentioned, there are hundreds of small and medium sized businesses that are thriving and growing in New Milford. Neeltran, a global manufacturer of power supplies and transformers with sales in more than thirty-five countries worldwide has expanded several times over the past decades and is poised for an additional expansion which will enable them to retain their approximately 160 employees and hire additional ones. Another medium-sized company that has succeeded in New Milford is Chemical Marketing Concepts, a global leader for outsourced sample fulfillment and logistics services. Chemical Marketing Concepts has also undergone multiple expansions, the latest in 2019. MedInstill Technologies' highly trained team of scientists and R&D personnel, numbering approximately 50, has developed over 600 patents, and seeking FDA approval for a technology with the potential to change how we fight infectious diseases and administer medication, with global implications.

The Town was awarded a \$170,000 Brownfield Area-Wide Revitalization Planning Grant by the Connecticut Department of Economic and Community Development to develop a comprehensive Master Plan for the remediation and redevelopment of New Milford's downtown Housatonic Riverfront Corridor, which is home to multiple brownfield sites, including the Century Enterprise site, and to provide linkages to the historic Downtown Village Center. The goal is to unite the Downtown with the Housatonic Riverfront Corridor and transform 20th-century industrial properties into a 21st-century magnet attracting entrepreneurs, clean industry, businesses and tourists by leveraging underutilized natural resources and remediated brownfields, which in turn will provide the community with new tax revenues and family-wage-earning jobs. This Master Plan will assess remediation needs for brownfield clusters along the River Corridor that inhibit economic growth and detail a redevelopment program to restore public access to the River and serve as a catalyst for economic development. This process and the resulting document(s) will serve to strengthen the function, sense of place, economic vitality, and transportation infrastructure of the study area creating a blueprint for revitalization with a focus on high quality reuse of town-owned and private properties and provide specific recommendation to guide public and private investments and identify economic opportunity.

Taking advantage of the natural resources that New Milford offers residents and visitors is part of the economic development focus for the Town. Private-public partnerships have been formed for just such efforts, such as the New Milford River Trail Association. Aimed at developing a walking and biking trail along the rivers that run through the Town, this project will yield tremendous economic benefits upon completion, such as increased tourism, boosting nearby businesses, increased property values, community events, quality of life and health care savings.

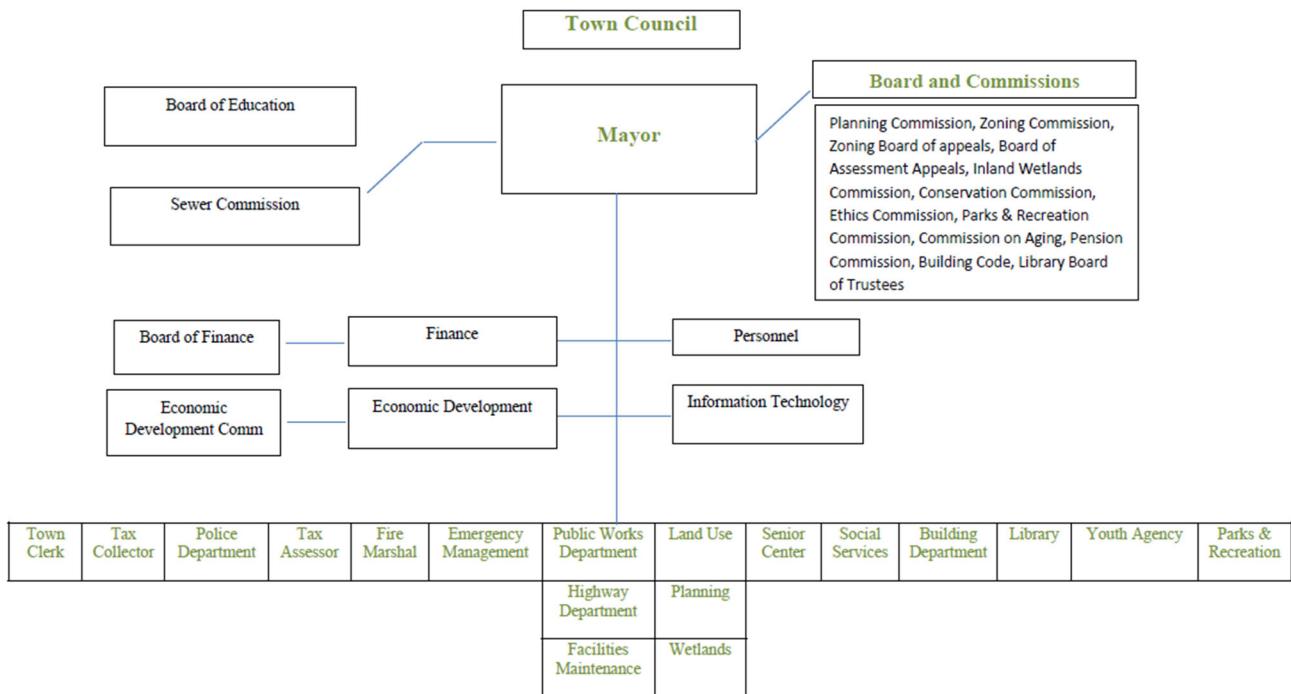
Although no longer the core of the local economy, agriculture still remains a significant economic component in New Milford. There are a number of active working farms, cooperatives and boutique farm operations. The Town, along with private land trusts and foundations, has taken an active role in preserving the Town's farming heritage. One notable project is the Hunt Hill Farm, which was owned by the late Skitch and Ruth Henderson and is being restored. Another major preservation project was the purchase by the Town of 170+ acres at Sullivan Farm, where local youth are encouraged to participate in educational farming programs. Through a series of state and local grants, and a creative trust structure, this 132-acre farm with a retail store, gallery and cooking school was preserved as a part of the community heritage. The preservation of more than 92 acres of the Davenport Farm was successful in early 2010, with an additional 88 acres preserved on the neighboring Harris Hill Farm. This farmland preservation is in the same vicinity of the 170+ acres of property, featuring a 25+- acre pond that was formerly used as a potable reservoir. Responding to the national food shortage and economic crisis of Covid19, the farms are working to expand vegetable and meat production, as well as value added products such as soaps and wool blankets. Farms are represented on the Response Task Force.

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Form of Government

Pursuant to its Town Charter adopted November 4, 1986, and amended November 6, 2018 - effective December 6, 2018, New Milford operates under a Mayor/Town Council/Board of Finance/Town Meeting form of government. The Mayor is the chief executive and administrative officer of the Town, elected biennially in odd-numbered years to a two-year term. The Mayor may cast the tie-breaking vote at Town Council meetings and is an ex-officio member of all Town boards and commissions. The Mayor is assisted in the exercise of fiscal responsibilities by a Director of Finance. The Director of Finance also oversees the tax collection, assessment and purchasing functions. The Town Council, which serves the function equivalent of a Board of Selectmen, consists of nine members elected biennially to two-year terms. The Council is the extension of the legislative body of the Town, charged with enacting ordinances, creating temporary town committees, contracting for services with the federal and state government, fixing charges for town services, and considering Mayoral appointments. Town Meetings authorize budget approval, issuance of bonds/notes, supplemental appropriations, real estate purchases/leases, establishment or abolishment of Town boards/commissions, and may consider overruling the Town Council upon the timely filing of a petition with requisite number of signatures. The Board of Finance serves as the fiduciary body and exercises certain budgetary powers in conjunction with the Town Council. See "Budget and Bond Authorization Procedures."

Organizational Chart



Town Officials

Office	Name	Manner of Selection	Term Expiration
Mayor.....	Pete Bass	Elected	11/30/27
Tax Collector.....	Nancy E. McGavic	Elected	11/30/27
Town Clerk.....	Caitlin Patterson	Elected	11/30/27
Superintendent of Schools.....	Janet Parlato	Contract	06/30/28
Assessor.....	Brian Lastra	Appointed	-
Director of Finance.....	Olga Alizarchyk	Appointed	-

Source: Town of New Milford.

Municipal Services

Police Protection – The New Milford Police Department (the “NMPD”) serves a community of approximately 28,000 residents. The NMPD is commanded by a Chief of Police and he is assisted by a Deputy Chief of Police. The NMPD is organized into three Bureaus: Field Services Bureau, Detective Bureau and Administrative Services Bureau.

The Office of Field Services is overseen by one Lieutenant and it is responsible for all patrol activity during three shifts per day. The Lieutenant assigned to Field Services also is responsible for oversight of the School Resource Officer program, Parking enforcement, and our Special Services Units which include (3) K-9 Units, a Dive Team, Motor Vehicle Crash Investigation Team and Traffic Safety.

The Detective Bureau is the investigative division of the agency, currently is under the Command of a Detective Lieutenant. The NMPD’s Detective Division consists of a Detective Lieutenant, a Detective Sergeant and four Detectives. Responsibility for the Records Division also falls under the supervision of the Detective Lieutenant.

The Administrative Services Bureau is overseen by one Lieutenant and is responsible for all Fleet operations, Records, Training, Special Projects, Facilities maintenance, Grants, Accreditation management, Payroll and Technology Management. The NMPD also utilizes an Administrative Sergeant who reports directly to the Administrative Commander to coordinate all Community interaction initiatives.

The NMPD operates on an annual budget of approximately 5.5 million dollars. The agency has 49 full-time sworn police officers, 9 Dispatch Personnel, 1 Dispatch Supervisor, 2 Record Clerks, 1 Executive Secretary and 1 Parking Enforcement Officer.

The NMPD operates a centralized Communications Center which dispatches services for police, fire and ambulance calls in New Milford, acting as the E911 public safety answering point for the Town. In addition, the Communications Center oversees information networks such as ‘Reverse 911’ and “Everbridge” systems in New Milford.

The NMPD has increased its commitment to the quality of life issues inherent to the Town. An increased community interaction initiative that reaches beyond the traditional community policing philosophy is constantly reviewed and evaluated by the Chief of Police to meet the ever-changing demands placed upon law enforcement and ever improvement of service deliverability.

The NMPD has also been able to augment various programs and its vehicle fleet under both Federal and State asset forfeiture guidelines to improve delivery of services. The NMPD has equipped all front-line patrol vehicles with a Mobile Video Recording System and Body Camera Recording System in accordance with state law. In 2024, the Department was awarded Tier I State Accreditation for the first time in agency history.

The NMPD is involved in various service programs in cooperation with Town schools at all levels including School Resource Officer programs. Furthermore, the NMPD has increased training and equipment allocations in an effort to provide the highest level of protection to our student population by assigning 2 School Resource Officers to the schools, and 5 Armed School Security Officers to coordinate safety plans within each school and added a Community Outreach Officer.

The NMPD has trained four officers as car safety seat installation technicians as well as one instructor. These individuals run child-safety seat clinics at various locations in New Milford and surrounding areas throughout the year. The NMPD also maintains highly trained specialized units such as the Dive Rescue, Aviation and Crash Reconstruction Investigation teams.

Fire Protection and Ambulance Service – Fire protection is provided from four fire stations operated by three separate fire departments of volunteers, enlisting over 155 firefighters as well as one full-time Fire Marshal, a full-time Deputy Fire Marshal, and one part-time secretary. The Fire Marshal’s office is responsible for the inspection of all buildings and facilities with the exception of 1 & 2 Family dwellings, as well as the investigation into the origin and cause of all fires and explosions. The Fire Marshal and the Deputy Fire Marshal participate in continuing education to stay up to date with current codes, regulations, and new technology by Connecticut State Statute. The Fire Marshal’s Office provides public education and private fire prevention presentations and extinguisher trainings. New Milford Community Ambulance Corp is a volunteer-run ambulance service that was established in 1929. They operate four ambulances and two Paramedic fly cars. Staffing is done primarily with a paid service and supplemented with approximately ten volunteer emergency medical technicians (EMT) who provide additional weekend coverage and standby requests. New Milford Community Ambulance Corp runs two ambulances 24/7 365. During the day that model consists of one Basic Life Support Ambulance (BLS) which is staffed by two EMT’s from 0700-1900, one Advanced Life Support Ambulance (ALS) which a Paramedic and an EMT staff 0600-0600, and lastly there is a Paramedic in a Fly Car providing additional support, acts in a supervisory role and responds to mutual aid requests to the surrounding towns when the regional Paramedic is unavailable. At night, the model changes to two ALS-level ambulances. Most New Milford firefighters participate in 125 hours of training each year for rope rescue, water rescue, vehicle extrication training, hazardous material handling, medical training, driver training, fire prevention, and most importantly, fire suppression and fire safety. Most volunteer firefighters are certified through the State of Connecticut. In addition, members of the department provide fire safety and prevention training within local schools. Water Witch Hose Company #2 visits the town’s public and private schools annually teaching Fire Safety, while also attending events at most preschools and day care facilities. Members of the Fire Department perform annual tours of New Milford’s larger industries and critical infrastructure in town, such as Kimberly-Clark and New Milford Hospital, to familiarize themselves with the companies’ facilities as a preplan exercise. Properties within 1,000 feet of a fire hydrant, within 5 road miles of a responding fire station and with a needed fire flow of 3,500 gallons per minute or less are an ISO Class 3 rating. Properties beyond 1,000 feet of a fire hydrant but within 5 road miles of a responding fire station are ISO Class 3Y rating.

The Local Emergency Planning Committee (“LEPC”) consisting of approximately 21 volunteers prepares for emergencies such as hazardous material releases. The Emergency Management Director oversees planning, mitigation, response, and recovery efforts from natural and manmade disasters to the Town. The (“EMD”) also is the liaison between the Town and State for additional agencies, commodities, or resources through the State Department of Emergency Management Homeland Security.

All of the volunteer firefighters, ambulance personnel and LEPC members partake in the Homeland Security bio-chemical training programs. The Town’s fire apparatus is comprised of one 102’ tower ladder truck, nine engines, five tankers, three rescues, three brush trucks, four utility vehicles, two boats, two UTV’s, two fire marshal vehicles, and a HAZMAT decontamination trailer. The three fire departments can respond with a combined 22,175 gallons of water for the initial fire suppression attack before obtaining a water supply to reload.

Sewage – The New Milford Sewer Commission / Water Pollution Control Authority operates and maintains a Wastewater Treatment Facility at 123 West Street in New Milford, CT. This facility removes over 99% of the regulated pollutants that enter the facility to comply with the NPDES permit guidelines issued by EPA/CT DEEP. The most recent facility upgrade included processes to remove additional nutrient pollutants, Nitrogen and Phosphorus. Nutrients are detrimental to the aquatic life of both the Housatonic River and Long Island Sound. The Facility is designed and permitted to treat a maximum daily total of 2.0 million gallons per day of domestic sewage with actual flows in excess of 265 million gallons per year. The facility also treats over 10 million gallons of septic waste per year and liquid waste streams from local generators of fats, oils and grease such as food preparation establishments. The treatment process will generate over 3,000 wet tons of sludge per year as a waste product which is ultimately incinerated. The Authority and its eleven (11) employees also operate and maintain over 42 miles of sewer line and 14 associated pumping stations that convey the sewage from different ends of Town to the facility.

Public Works –The Public Works Department (the “PWD”) is responsible for the maintenance, repair and plowing of more than 215 miles of Town-maintained roads, 60 bridges (37 over 20 feet), maintenance and replacement of over 100 pieces of rolling stock, the cleaning and repairing of storm sewers, cleaning and upkeep of all Town buildings, maintenance and upkeep of over 200 decorative streetlights, recycling and transfer station operations. Services range from custodial duties to renovation projects including full carpentry, plumbing, and electrical trade services; from paving and drainage operations to snow plowing and ice control; from routine vehicle maintenance to welding and fabrication services; from plan review to full engineering design.

Mission: The PWD strives to provide top quality, professional, effective, and timely services to residents and business customers by focusing on relationships with the community and providing well planned, environmentally sensitive, cost-effective infrastructure and services to promote public health, personal safety, transportation, economic growth and civic vitality.

Administrative: The PWD’s administrative staff includes a director, administrative assistant to the director, and a public works secretary. The administrative staff provides all the support functions, including human resources, budgetary and financial accounting, customer service routing and tracking, grant writing, permit tracking, and other clerical duties as needed, to the various divisions comprising Public Works: Engineering, Highway & Vehicle Maintenance, and Facilities Maintenance. The PWD has also maintained the website pages, including forms and up to date road information for all departments under Public Works.

Engineering: The Engineering Department consists of a Road Engineer, Junior Engineer, Road Construction Supervisor and Engineering/AutoCAD Technician. Engineering staff plan and provide construction design, oversight and administration for various Town construction projects, bridge renovation and replacement projects. They also conduct plan reviews for the various land use departments, oversee driveway and subdivision road construction activities and manage the MS4 program.

Highway & Vehicle Maintenance: The Highway Department is comprised of a Highway Foreman, Assistance Highway Foreman and 31 highway maintenance personnel including a vehicle maintenance supervisor and four vehicle maintenance personnel. The PWD owns 24 dump trucks, five small trucks, two front loaders, two graders, two backhoes, seven pick-up trucks, a van, three excavators, a 10 and 5 ton roller, a catch-basin cleaner, three sweepers, and various other tractors and small equipment. In addition, it maintains more than 15 vehicles and pieces of equipment for other Town departments and agencies.

Recycling and Solid Waste: The Town has outsourced the operation of the Recycling Center in October, 2021.

Facility Maintenance: With a staff of ten, the Building Maintenance Department is responsible for corrective and preventative maintenance to 27 Town Buildings including the Town Hall, Police Station, Library, Railroad Station, Teen Center, Richmond Senior Center, John Pettibone Community Center, and 7 Public Works Buildings and the maintenance to all downtown decorative street lights. This staff consists of a trade licensed manager, a senior technician, three skilled technicians, and five semi-skilled technicians.

Utilities – Water is supplied by Aquarion Water Company of Connecticut and individual wells. Electric service and natural gas are provided by Eversource; phone service by Frontier, T-Mobile and others.

Parks and Recreation – The mission of the New Milford Parks and Recreation Department (the “PRD”) is to provide quality leisure opportunities in a safe and healthy atmosphere and to enhance the quality of life of the community through the responsible management of parks, recreation activities and natural resources. To meet these ends, the PRD attempts to provide safe and wholesome recreational services of both a passive and active nature. The goal is to create a balance of activities, special events, and programs that are of use to all segments of the population.

The PRD is responsible for the care, management, maintenance and control of Twenty One town parks facilities totaling over 500 acres. Included in these parks are 10 baseball/softball fields, 2 tennis courts, 2 basketball courts, 1 Cricket Field, 5 playgrounds, 1 GaGa Pit, a paved river trail, an extensive passive trails system, numerous picnic areas, 5 soccer fields, the beach on Candlewood Lake, 2 boat ramps, 83 boat slips, 2 kayak ramps, 5 canoe/kayak racks, swim team docks with lane lines, a bath house, 5 pavilions, 4 freshwater ponds, 2 fishing docks, and access to the Housatonic River at 5 parks.

The PRD staff maintain the lawns, parking lots and sidewalks at the Town Hall, the Probate Court building, New Milford Public Library, Paul S. Richmond Center, the John Pettibone Community Center, the lawns at the Police Department, Historical Society, East Street School, Lanesville Fire Department, DPW Facilities Department, Gaylordsville School House, the Patriots Way and Railroad Street Parking lot grounds, as well as the downtown traffic islands.

In addition, the PRD staff maintains the sidewalks and handles garbage removal around the Village Green, Train Station, around Main, Bank, Church and Railroad Streets, Rotary Park, and the parking lots at 29 Church Street, The Maxx Performance & Event Venue (the “Maxx”), and the sidewalks at the Public Works Department.

The PRD provided over 53 programs and 15 special events last year. These programs served 7,558 participants and included new programs and trips: AI Workshops, Baby Basic class, Community Ice Skating, Fun with Food, Muskrat’s Swim Team, Family Crochet, Group Guitar Lessons, Group Piano Lessons, Introduction to Photography, Outdoor Pickleball Lessons. 185 park reservations (10,747 hours) were accommodated at the following facilities: Carlson’s Grove, Clatter Valley, Helen Marx Park, John Pettibone Park, Lynn Deming Park, Northville Soccer Fields, Emanuel Williamson Park, Pickett District Road Ball Fields, Sarah Noble Soccer Field, Town Green, and Young’s Field. We also participated in numerous events that were put on by other groups. These include: Community Engagement Day, Autism Walk & Resource Fair, Community Messenger Training, Multicultural Fair, Networking Group, Health & Wellness Fair, Movie Nights, and the Walking Project.

The PRD has a staff consisting of 123 individuals which includes a Director, a Program and Special Events Director, an Office Administrator, an Office Secretary, 6 Park Maintainers, 4 Seasonal Maintainers, 2 Park Rangers, a Park Manager at Lynn Deming Park, 36 Camp Staff, 16 Aquatic Personnel, and 48 Program Instructors. A seven-member Commission is responsible for the operation of the department in accordance with the Town ordinance.

Recent accomplishments include:

- Planted a new memorial tree and plaque on the Town Green
- Installed three new memorial benches and plaques on the Town Green
- Replacement of two security light poles at Young’s Field Park
- Replacement of privacy/shower partition at Lynn Deming Park
- Purchased two new park grills for Lynn Deming and Clatter Valley Parks
- Purchase and installation of a new playground at Carlson’s Grove Park
- Replaced the triple net climber at John Pettibone playground
- Purchased a new zero turn mower
- The IT Department is in the process of installing Wi-Fi at John Pettibone Community Center, Young’s Field and Clatter Valley Park.

The Parks & Recreation Commission is looking to expand park amenities, refurbish existing properties, and update equipment in the future. These expansions, refurbishments, and equipment upgrades include:

- Repair and painting on the bathhouse siding at Lynn Deming Park
- Replacement of the bathhouse roof and gutters at Lynn Deming Park
- The Facilities Department will upgrade the electrical and install three air conditioning units at the John Pettibone Community Center
- Installation of three pickleball Courts at the John Pettibone Community Center
- Installation of a peddle park at the John Pettibone Community Center
- Replacement of park entrance signage at seventeen parks
- Purchase of park amenities such as picnic tables, park grills, ash/coal bins, trash receptacles, and accessible matting from the sidewalk to the water’s edge at Lynn Deming Park
- Purchase and installation of a new water fountain/bottle fill at Lynn Deming Park
- Upgrade and add additional security cameras at Lynn Deming Park.

Public Library – The New Milford Public Library is a leader in promoting reading and basic literacy, which contributes to the community’s long-term success. The library supports lifelong learning by providing quality materials, services, and programs that meet the individual and community’s diverse informational and recreational needs.

The library offers information services and digital literacy training to all New Milford residents. All community members have the opportunity and ability to locate, evaluate, and use information effectively. The library staff aids in locating relevant information and using digital applications. Programs promote digital literacy and lifelong learning while building community connections.

The library’s collections comprise over 72,000 physical items, including print books and magazines, music CDs, DVDs, CD audiobooks, puzzles, and Wi-Fi hotspots. The collection includes world language resources, local history, and citizen kits. The physical library offers a Library of Things containing valuable items such as technology equipment, games, and tools that library cardholders can check out. Community members have access to additional resources through the Bibliomation consortia and the borrowIT CT program.

Museum and Cultural passes are available for checkout and offer free or discounted access to local Museums. The library offers thousands of items electronically: e-books, e-audiobooks, digital magazines, and streaming video and music. Curated, high-quality research information is available through several subscription databases.

A high-speed network is available on public computers, and patrons can access Wi-Fi all over the library. All online resources, including the internet are free. Online databases and selected web resources are available to patrons in the library and through remote access. Patrons have access to the New Milford Public Library catalog digitally and additional catalogs are available through Bibliomation and the State of Connecticut.

The library website is updated regularly. Social media, including Facebook and Instagram, provide up-to-date information about library programs and resources. Electronic newsletters and program updates are available through subscription and on the website.

A variety of children’s programs and young adult programs continue to attract large numbers of participants. Adults are offered an array of instructional and cultural programs. The library completed an extensive renovation and expansion project that provides a unique teen area, more small study rooms, patio space, meeting spaces, and additional children’s space, all requested by residents. Programs and library spaces offer opportunities for STEM learning, collaborative project development, quiet study space, and co-working. Services available to the community include printing, scanning, copying and notarization.

Social and Human Services – Citizens of New Milford are provided with a variety of social services through the Town’s Social Services Department, Commission on Aging, and Youth Agency.

The Social Services Department assists residents under the age of 60 with social, emotional, and economic needs. The department’s mission is to offer resources and programs to enhance the well-being and self-sustainability of New Milford residents experiencing financial hardship by addressing basic needs including food and household self-sufficiency. Staffing consists of a Director/Licensed Social Worker, one full-time Licensed Social Worker/Post Crisis Navigator, one full-time Licensed Social Worker/Diverse Community Advocate, one full-time Program and Volunteer Coordinator, and one full-time office coordinator.

The department provides advocacy, referral, and intercession services with utility companies, landlords, health-care providers, school systems, and other State, Federal, and local agencies. Additionally, the department provides extended service management and guidance to people experiencing a higher risk of crisis and vulnerability.

Among its programs are the New Milford Food Bank and SNAP @ the NMF, energy assistance, Renter’s Rebate, financial literacy, emergency assistance, camperships and various seasonal programs including Back to School, Bike Day and Holiday food and gifts for children. The department assisted over 1200 households of diverse characteristics including working families with children, persons with disabilities and mixed generation households in fiscal year 2025, connecting them to 14,569 units of program participation and financial services including \$234,255 in Federal and local heating assistance benefits, \$43,504 in housing assistance, local and State rebate benefits, and \$23,756 in other emergency assistance. Additionally, this department helped 197 households with \$251,156 in ARPA Assistance (cumulative) towards housing and household sustainability. The food bank provided over 102,000 meals to 2444 registered people; a total of 11,342 visits for nutritious choices of fresh, frozen, and shelf stable foods. Registration increased this year by 4% with an average household participation of 385 families each month.

Social Services also collaborates with New Milford Parks and Recreation and Youth Agency as the agent providing financial means-testing for scholarship awardees for their programs. In addition, the Youth Agency staff and youth volunteers are partners for holiday family events, summer lunch program and the food bank composting program. Collaboration also occurs with the Senior Center for fuel assistance programs, elder participation at the food bank, and other local shared resources. Social Services continues to be active in advocating for affordable housing in New Milford, currently participating on the Housing Partnership Committee and Housing Solutions Team of Community Access Network, and on the Executive Council for Open Doors of Fairfield County as well as the Southern Litchfield Council of United Way of Coast and Western CT. Social Services also participates on the local substance use and prevention council (NMCAN), Addressing Opioids Task Force, New Milford SPIN (Suicide Postvention Information Network), New Milford's Community Response Team (NMCRT), and New Milford Safety Committee.

Social Services partners with numerous community groups, such as local Scout troops, churches, civic organizations, youth groups, schools, businesses, and others to accomplish its work and provide a meaningful site for volunteerism. In fiscal year 2025, Social Services saw 453 volunteers log 1575 visits and 7398 volunteer hours. Volunteers continue to be essential to our response to the needs of the Community and long-term impact of the variability of the national economy. The department's emergency aid and food programs are funded entirely by grants and donations raised independently of the Town budget. Efforts are focused upon both assistance for individuals and families in need, and working toward wider system changes that can positively influence the social and economic environment of the community.

New Milford's Youth Agency's mission statement is to study the local needs of youth and their families and to create, coordinate and foster programs to promote the protection, health, education, welfare and well-being of the youth of the Town.

The agency is staffed by eleven full-time professionals and one part-time contract specialist. In addition, the agency provided employment for a seasonal/part time staff of 89, many of them New Milford teens and young adults. These employees receive job training and ongoing leadership opportunities as childcare counselors, video programmers, Teen Center staff, and other roles. An eight-member Board of Directors is responsible for the advisory of the Agency in accordance with the Town ordinance that created the agency and Connecticut Youth Service Bureau State Statute. The Agency offered 30 different programs serving over 600 individual youth who registered and an additional 1,400 youth and parents. Many of these participants engage in more than one event or program throughout the year, allowing staff to build lasting supportive relationships and positive youth development.

The following programs highlight successful services offered during the 2024-2025 fiscal year: crisis intervention and referral services (at no cost to the clients), no-cost counseling services for youth, support groups and workshops addressing anger management, self-esteem, bullying. Workshops and presentations were offered to help teens and parents learn about internet safety, healthy relationships, vaping and substance use, grief and support, career and college planning, support/advocacy and programming for neurodivergent children and youth special needs and their families and more. The agency participates in community networking such as the Substance Use Prevention Council (NMCAN) and Connecticut Youth Services Association (CYSA) (serving as Vice President for the Association), NM Wellness committee, Region 5 Problem Gambling, Regional Vaping/THC workgroups, Regional Suicide Advisory Boards (Community Led Suicide Prevention, Postvention Suicide Workgroup), local child care center group and others. The agency involves children and teens with other local organizations and assists on projects such as Bike Day, Health and Career Fairs, SNIS Walking Project, NMKIND, Pride Picnic, Women's Club events, PTO, VFW, Senior and Social Services events and many more. NMYA continues its work with New Milford Schools on various collaborative efforts including peer support groups, internet safety, school climate and bullying, data collection regarding current youth behaviors and beliefs, and data sharing. The Youth Agency has expanded and increased programming for local neurodivergent youth and youth with special needs and their families building on our biweekly support groups with social events, workshops, and now regional get-togethers with other neighboring youth services.

The Youth Agency operates New Milford's Youth Diversion Team (YDT), formally known as the Juvenile Review Board (JRB) for youth involved in the criminal justice system. Following Juvenile Justice Policy & Oversight Committee (JJPOC) best practices, we work closely with the New Milford Police Department, NMPS, Department of Children & Families, Regional Juvenile Courts, mental health providers, youth serving organizations, and other local services to provide each youth with appropriate and individualized services. Last year, the YDT closed 52 cases successfully after youth completed restorative intervention plans (over 90% of referrals). This high success rate keeps young people out of court system. Additionally and following Connecticut State Department of Education Guidelines, NMYA offered services and support to individual youth and families who are referred by the New Milford Public School Administration for truancy issues that could not be resolved through school interventions including mentoring and resources for students to improve school attendance and performance.

The Youth Agency's Childcare Program is the largest child care provider in New Milford and offers year-round care including many holidays and snow days throughout the school year. The Childcare Program was responsible for the care of over 146 children during the 2024-2025 school year. Over summer 2025, the full-day summer camp (June 26–Aug 11) was enrolled with 111 children for nine weeks. Campers enjoyed weekly field trips to local aquariums, amusement parks, museums, sports events, and other attractions totaling forty-three field trips for the summer. The Childcare Program employs over twenty-five staff at any given time throughout the year, many of whom are local high school and college students.

Youth Leadership opportunities are offered to students on the Student Advisory Board (SAB) and through teen mentors who help children within our mentoring program, after school and summer programs, and within the community. Our SAB now has over twenty high school members and meets regularly throughout the year and represents youth at Town Council meetings, YA Board of Directors, and helps plan community-based teen events. Last fiscal year, over fifty youth leaders participated in programming and volunteer opportunities with various groups including the Senior Center, Town Council and Board of Directors leadership, Social Services, VFW, and other local organizations and non-profits.

The Agency maintains and operates New Milford Teen Center, The Maxx. The Maxx holds a variety of activities for school-aged youth, including teen groups, middle school dances, and provides rentals for private parties. Weekly events ranged from game and craft nights for middle-schoolers to pop-up career and college workshops for teens. The Maxx holds popular monthly dance parties and private rentals reinforcing it as a safe teen gathering space. Additionally, the Maxx is used during the school year as the site location for NMPS transitional school, Litchfield Hills Transition Center.

Health Services – The Town no longer has an internal governed Health Department, but has joined the Health Distribution Network of Housatonic Valley Health District (HVHD) as of February 1, 2022. All health services are now provided to New Milford through HVHD. Cost of participation is currently \$9.68 per Capita annually.

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Educational Services

The Town's school system services grades kindergarten through twelve and is governed by the local Board of Education. New Milford has a nine-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which policies are set include curriculum, budget requests and submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has five schools for grades kindergarten through twelve. Enrollment in grades kindergarten through twelve as of October 1, 2025 was 3,467. The rated capacity of the system facilities is 5,590.

School Enrollment

School Year	Historical				Special	Total
	K-2	3 - 5	6 - 8	9 - 12	Education	
2016-2017	891	903	1,025	1,367	31	4,217
2017-2018	865	876	1,007	1,354	32	4,134
2018-2019	834	816	990	1,328	32	4,000
2019-2020	851	804	940	1,330	28	3,953
2020-2021	875	760	932	1,305	33	3,905
2021-2022	804	751	812	1,323	33	3,723
2022-2023	825	755	814	1,269	33	3,696
2023-2024	828	758	777	1,231	33	3,627
2024-2025	798	757	793	1,169	33	3,550
2025-2026	762	764	779	1,129	33	3,467
School Year	Projected ¹				Special	Total
	K-2	3 - 5	6 - 8	9 - 12	Education	
2026-2027	695	784	772	1,088	33	3,372
2027-2028	837	817	850	1,017	33	3,554
2028-2029	892	761	879	1,007	33	3,572

¹ Projected data for the 2026-2027 school year is provided by Town of New Milford, Board of Education. SLR enrollment study provided the 2027-2028 and 2028-2029 school year data which continues to trend higher than actual. SPED outplacement students total 33.

Source: Town of New Milford, Board of Education.

School Facilities

School	Grades	Date of Construction (Additions, Remodeling)	Number of Classrooms	10/1/2025 Enrollment ¹	Rated Capacity ²
Hill and Plain.....	K-2	1967 (1986, 1993)	34	363	720
Northville.....	K-2	1982 (1993)	34	399	720
Sarah Noble Middle.....	3-5	1962 (2001)	63	764	1,350
Schaghticoke Middle....	6-8	1973 (1993)	58	779	1,200
New Milford High.....	9-12	2000 (2022)	84	1,129	1,600
Total.....			273	3,434	5,590

¹ Does not include special education outplacements nor Vo-Ag and Vocational students but does include LHTC.

² Original design capacity. Does not reflect modified educational objectives and State-mandated programs.

Source: Town of New Milford, Board of Education.

Employee Relations and Collective Bargaining Municipal Employees ¹

The following table reflects total Town employment for the past five fiscal years:

	2025	2024	2023	2022	2021
General Government.....	203	200	202	197	194
Board of Education.....	633	637	649	635	631
Total.....	836	837	851	832	825

¹ Full-time equivalent.

Source: Town of New Milford.

Employee Relations

Board of Education Groups	Positions Covered	Current Contract Expiration Date
New Milford Education Association, CEA-NEA.....	361	6/30/2029
New Milford School Administrators Association.....	17	6/30/2029
New Milford Educational Secretaries Association, Chapter of Local 136, I.F.P.T.E.....	47	6/30/2027
American Federation of State, County and Municipal Employees, AFL-CIO, Local 1303-154 of Council #4.....	9	6/30/2027
Teamsters Local 677, Food and Nutrition Services Employees...	33	6/30/2026 ¹
New Milford Paraeducators Union Chapter 136-09, Local 136, I.F.P.T.E., AFL-CIO.....	94	6/30/2028
International Brotherhood of Teamsters, Local 677.....	44	6/30/2026 ¹
Total Unionized Board of Education Employees.....	605	
General Government		
American Federation of State, County and Municipal Employees, AFL-CIO, Local 1303 and 818.....	39	6/30/2027
United Public Service Employees Union, C.O.P.S. Local 47.....	44	6/30/2026
United Public Service Employees Union, Local Unit 911.....	9	6/30/2026
International Brotherhood of Teamsters, Local 677.....	38	6/30/2027
Total Unionized General Government Employees.....	130	
Non-Union Employees.....	73	
Total Union/Non-Union Employees.....	808	

¹ In negotiations.

Source: Town of New Milford.

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State 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 contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to Teachers' contracts and (ii) 15% or less with respect to municipal employees is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. Economic and Demographic Information

Population and Density

Year	Actual		
	Population ¹	% Increase	Density ²
2024 ³	28,334	0.8%	440.0
2020	28,115	-0.1%	436.6
2010	28,142	3.8%	437.0
2000	27,121	14.8%	421.1
1990	23,629	21.7%	366.9
1980	19,420	33.0%	301.6

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

² Per square mile: 64.4 square miles.

³ American Community Survey 2020-2024.

Age Distribution of the Population

Age	Town of New Milford		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,657	5.8%	181,691	5.0%
5 to 9 years	1,399	4.9	195,164	5.4%
10 to 14 years	1,635	5.8	214,972	5.9%
15 to 19 years	2,168	7.7	239,710	6.6%
20 to 24 years	1,800	6.4	238,387	6.6%
25 to 34 years	3,009	10.6	454,892	12.6%
35 to 44 years	3,476	12.3	460,916	12.7%
45 to 54 years	3,283	11.6	453,917	12.5%
55 to 59 years	1,891	6.7	256,068	7.1%
60 to 64 years	2,998	10.6	258,234	7.1%
65 to 74 years	3,568	12.6	386,232	10.7%
75 to 84 years	916	3.2	196,373	5.4%
85 years and over	534	1.9	87,952	2.4%
Total.....	28,334	100%	3,624,508	100%
Median Age (Years) 2024.....	42.1		41.1	

Source: American Community Survey 2020-2024.

Income Distribution

Income	Town of New Milford		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	110	1.4%	24,004	2.6%
10,000 - 14,999.....	5	0.1	12,584	1.4%
15,000 - 24,999.....	320	4.2	27,285	3.0%
25,000 - 34,999.....	64	0.8	33,429	3.6%
35,000 - 49,999.....	416	5.4	59,826	6.5%
50,000 - 74,999.....	634	8.3	106,611	11.6%
75,000 - 99,999.....	1,375	18.0	106,893	11.6%
100,000 - 149,999.....	1,968	25.7	182,785	19.8%
150,000 - 199,999.....	1,193	15.6	131,310	14.3%
200,000 and over.....	1,559	20.4	236,661	25.7%
Total.....	7,644	100.0%	921,388	100.0%

Source: American Community Survey 2020-2024.

Income Levels

	Town of New Milford	State of Connecticut
Per Capita Income, 2024.....	\$ 52,292	\$ 55,915
Median Family Income, 2024.....	\$ 120,872	\$ 122,706
Percent Below Poverty (Families), 2024.....	5.80%	6.90%

Source: American Community Survey 2020-2024.

Educational Attainment Years of School Completed Age 25 and Over

	Town of New Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	291	1.5%	101,458	4.0%
9th to 12th grade.....	829	4.2	114,887	4.5
High School graduate.....	5,218	26.5	647,192	25.3
Some college, no degree.....	3,716	18.9	410,903	16.1
Associate's degree	1,513	7.7	195,081	7.6
Bachelor's degree.....	5,056	25.7	595,631	23.3
Graduate or professional degree.....	3,052	15.5	489,432	19.2
Total.....	19,675	100.0%	2,554,584	100.0%
Total high school graduate or higher (%),....	94.3%		91.5%	
Total bachelor's degree or higher (%),.....	41.2%		42.5%	

Source: American Community Survey 2020-2024.

Major Employers As of June 2026

Employer	Type of Business	Approximate Number of Employees
Town of New Milford	Municipality / BOE	808
New Milford Hospital/Northwell Health	Hospital	600-749
Kimberly-Clark Corporation	Manufacturing	600-749
Wal-Mart.....	Retail Store	100-249
Big Y.....	Supermarket	100-249
Candlewood Valley Care Center.....	Health Care Facility	100-249
Village Crest Center for Health.....	Convalescent Home	100-249
Super Stop & Shop.....	Supermarket	100-249
Canterbury School Inc	Private School	100-249
Home Depot.....	Home Improvement	100-249
Chemical Marketing Concepts	Packaging	50-99
Buck's Rock Performing Arts Center.....	Education	50-99
Farrell Precision Metalcraft.....	Welding	50-99
Ferguson Electric.....	Electric Components	50-99
Odyssey Logistics & Technology	Logistics Technology	25-49
Family & Children Aid.....	Social Aid Services	25-49
TJ Maxx.....	Retail	25-49
Aqsh Electric.....	Electric Components	25-49
Auto Experts	Automobile Repair	25-49
Ski-Haus, Inc.....	Skiing Equipment	25-49

Source: Town of New Milford Finance Department.

Employment by Industry
Employed Persons 16 Years and Over

Sector	Town of New Milford		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	15	0.1%	7,132	0.4%
Construction.....	1,277	8.5	113,006	6.1
Manufacturing.....	1,525	10.2	198,526	10.7
Wholesale trade.....	455	3.0	35,592	1.9
Retail trade.....	2,265	15.1	192,698	10.4
Transportation warehousing, and utilities...	846	5.6	87,076	4.7
Information.....	237	1.6	37,488	2.0
Finance, insurance, real estate, and leasing.	513	3.4	161,226	8.7
Professional, scientific, management, administrative, and waste management....	1,988	13.2	228,229	12.3
Education, health and social services.....	3,292	21.9	496,559	26.8
Arts, entertainment, recreation, accommodation and food services.....	1,122	7.5	143,851	7.8
Other services (except public admin.).....	970	6.5	80,617	4.4
Public Administration.....	500	3.3	67,864	3.7
Total Labor Force, Employed.....	15,005	100%	1,849,864	100.0%

Source: American Community Survey 2020-2024.

Employment Data

Period	Percentage Unemployed				
	Town of New Milford		Bridgeport / Stamford		
	Employed	Unemployed	Town of New Milford	Danbury Labor Market	State of Connecticut
April 2026	14,232	782	5.2	4.9	5.2
Annual Average					
2025.....	15,187	602	3.8	3.8	3.9
2024.....	14,624	473	3.1	3.1	3.5
2023.....	14,419	498	3.3	3.4	3.7
2022.....	14,380	528	3.5	3.5	4.1
2021.....	13,253	850	6.0	5.6	6.6
2020.....	13,879	1,008	6.8	6.5	7.3
2019.....	14,777	489	3.2	3.1	3.7
2018.....	14,637	547	3.6	3.4	4.1
2017.....	15,005	630	4.0	3.9	4.7
2016.....	14,894	696	4.5	4.4	5.3

Source: State of Connecticut, Department of Labor.

Commute to Work

	Town of New Milford		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	10,169	69.6%	1,247,615	68.8%
Car pools	1,647	11.3	142,552	7.9
Used public transportation	170	1.2	60,136	3.3
Walked	287	2.0	44,871	2.5
Used other means	135	0.9	28,498	1.6
Worked at home	2,205	15.1	291,021	16.0
Total	14,613	100.0%	1,814,693	100.0%
Mean travel to work (minutes)		30.3		26.5

Source: American Community Survey 2020-2024.

Age Distribution of Housing

Year Built	Town of New Milford		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,433	12.3%	311,584	20.2%
1940 to 1969.....	3,440	29.6	514,365	33.4
1970 to 1979.....	1,960	16.8	210,797	13.7
1980 to 1989.....	1,687	14.5	199,083	12.9
1990 to 1999.....	1,215	10.4	115,803	7.5
2000 or 2009.....	1,348	11.6	109,783	7.1
2010 or later.....	558	4.8	80,407	5.2
Total Housing Units.....	11,641	100.0%	1,541,822	100.0%

Source: American Community Survey 2020-2024.

Housing Inventory

Housing Units	Town of New Milford		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	8,792	75.5%	902,771	58.6%
1-unit, attached.....	515	4.4	99,493	6.5
2 units.....	99	0.9	115,211	7.5
3 or 4 units.....	489	4.2	125,486	8.1
5 to 9 units.....	548	4.7	76,014	4.9
10 to 19 units.....	581	5.0	54,675	3.5
20 or more units.....	484	4.2	156,730	10.2
Mobile home.....	133	1.1	10,890	0.7
Boat, RV, van, etc.....	-	-	552	0.0
Total Inventory.....	11,641	100.0%	1,541,822	100.0%

Source: American Community Survey 2020-2024.

Housing Vacancy Rates

Housing Units	Town of New Milford		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units	10,667	91.6%	1,434,007	93.0%
Vacant housing units	974	8.4%	107,815	7.0%
Total units	11,641	100.0%	1,541,822	100.0%
Homeowner vacancy rate		2.3		0.8
Rental vacancy rate		0.0		4.3

Source: American Community Survey 2020-2024.

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of New Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	162	1.9%	23,262	2.4%
\$50,000 to \$99,000.....	44	0.5	14,209	1.5
\$100,000 to \$149,999.....	192	2.2	31,134	3.3
\$150,000 to \$199,000.....	286	3.3	65,851	6.9
\$200,000 to \$299,999.....	949	11.1	205,349	21.5
\$300,000 to \$499,999.....	4,523	52.8	350,277	36.8
\$500,000 to \$999,999.....	2,069	24.1	197,853	20.8
\$1,000,000 or more.....	346	4.0	65,054	6.8
Total.....	8,571	100.0%	952,989	100.0%
Median Value.....	\$391,500		\$366,900	

Source: American Community Survey 2020-2024.

Building Permits

The following is a schedule of building permits and their estimated values over the last ten years:

Fiscal Year	Permits	Total Value
2026 ¹	2,402	\$ 55,468,426
2025	2,970	52,829,572
2024	2,715	57,038,053
2023	1,606	42,575,294
2022	2,684	58,003,077
2021	1,930	41,100,500
2020	1,125	40,000,932
2019	722	13,681,568
2018	1,512	28,093,835
2017	931	16,904,414

¹ Represents July 1, 2025 through March 31, 2026.

Source: Town of New Milford, Building Official.

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Land Use Breakdown

Land Use Category	Acreage	Percent
Agriculture.....	3,454	8.6%
Cemetery.....	142	0.4
Commercial.....	925	2.3
Conservation.....	4,956	12.3
Industrial.....	607	1.5
Institutional.....	243	0.6
Park.....	1,066	2.7
Utility.....	1,417	3.5
Private Recreation.....	264	0.7
Residential.....	15,947	39.7
Semi-public.....	246	0.6
Vacant.....	9,166	22.8
Water Company Lands.....	360	0.9
Water.....	1,358	3.4
Subtotal.....	40,151	96.8
Roads.....	1,321	3.2
Total.....	41,472	100.0%

Source: Town of New Milford Assessor's Office

Plan of Conservation and Development

Section 8-23 of the Connecticut General Statutes requires municipalities to update a Plan of Conservation and Development (POCD) at least once every 10 years. The purpose of this plan is to provide a framework of needs, policies, actions, and priorities that will guide community decision-makers on land-use management, community facilities development, parks and recreation, open space and environmental conservation, transportation and traffic improvement, utilities services, and economic development.

In 2018, a 13-member 2020 POCD Update Subcommittee was appointed to spearhead the plan update process. Due to the COVID-19 Global Pandemic, the process took longer than expected, but the New Milford Planning Commission adopted the 2021 POCD in August of 2021. Similar to the 2010 POCD, the prevalent theme throughout the 2021 Plan is the community's desire to maintain New Milford's small town character and rural ambiance, and to protect its natural beauty while allowing development to expand the tax base and accommodate demand for new residences and commercial activity.

Following extensive community outreach and discussion, features identified as being especially important to New Milford's character include the Town Green and scale of the surrounding Village Center, historic barns and homes throughout Town, and the scenic, country roads and vistas, stone walls, and rural landscapes. New Milford's natural water resources such as the Housatonic, Still, East, and West Aspetuck Rivers and Candlewood Lake were also identified as important assets that should be protected for their intrinsic value and aesthetic amenities.

Population and business growth in New Milford is planned and hoped for following several years of flat performance. Expansion of the Route 7 corridor is anticipated as the principal location for new commercial and industrial development. Sanitary sewer service and treatment capacity have been increased to meet state and federal requirements, and will support this future development. Residential growth is also likely, based on the data from Camoin 310 in the Market Analysis of 2020. The housing focus will be on diversifying and expanding New Milford's housing stock for all ages and income levels while also maintaining community character and considering fiscal impacts.

IV. Tax Base Data

Property Tax & Assessments

Section 12-62 et seq. of the Connecticut General Statutes govern real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. The Town's last statistical revaluation of property was completed for the grand list as of October 1, 2025. The Town completed a physical revaluation for the grand list as of October 1, 2020. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. However, the statute permits the phase-in of a real property assessment increase resulting from a revaluation over a period of up to five years. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate, taxable personal property, and motor vehicles located within the Town on October 1. Assessments for real property are computed at 70% of the market value at the time of the last revaluation. Grand list information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy.

Any property owner may seek to appeal its assessment by filing a written appeal to a Town's Board of Assessment Appeals. The Board of Assessment Appeals elects to hear such appeals and determines whether adjustments to the Assessor's list relating to assessments under appeal are warranted. Under Connecticut law, taxpayers who are dissatisfied with a decision by a Town's Board of Assessment Appeals may appeal the decision to the Connecticut Superior Court.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value. All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Motor Vehicle Property Tax Cap: Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 30.96 mills.

The Town has not approved use of Section 12-124a of the Connecticut General Statutes which 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. Public Act 06-176 permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

Levy

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Taxes are payable on July 1 following the levy date, although a 30-day grace period is provided. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State Statutes.

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

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

Comparative Assessed Valuations

The following table sets forth the Town's Taxable Grand List by component:

Grand List As of 10/1	Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List (000's)	Exemptions, Veterans Relief and Disabled (000's)	Net Taxable Grand List (000's)	Percent Growth
2025 ¹	86.9	6.4	6.7	\$ 4,701,518	\$ 304,354	\$ 4,397,164	36.7%
2024	81.4	8.8	9.8	3,325,822	109,047	3,216,775	0.1%
2023	81.7	8.5	9.8	3,313,903	100,831	3,213,072	0.2%
2022	81.7	8.2	10.1	3,296,226	90,262	3,205,964	1.1%
2021	82.3	8.1	9.6	3,258,624	88,629	3,169,995	2.8%
2020 ¹	83.8	8.2	8.0	3,178,758	94,044	3,084,714	4.7%
2019	83.7	8.5	7.8	3,041,448	94,806	2,946,642	1.1%
2018	84.6	7.7	7.7	3,004,083	90,836	2,913,247	0.6%
2017	84.8	7.6	7.6	2,987,699	93,184	2,894,516	0.4%
2016	85.3	7.2	7.5	2,971,119	88,922	2,882,197	0.1%

¹ Revaluation.

Source: Town of New Milford, Assessor's Office.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000's)	Mill Rate	Adjusted Annual Levy (000's)	Percent of Annual Levy	Percent of Annual Levy	Percent of Annual Levy
					Collected at End of Fiscal Year	Uncollected at End of Fiscal Year	Uncollected as of 6/30/2025
2024	2026 ²	\$ 3,216,775	30.96	\$ 98,599	<i>In Collection</i>		
2023	2025	3,213,072	29.77	95,926	98.1%	1.9%	1.9%
2022	2024	3,205,964	28.98	92,809	98.2%	1.8%	0.8%
2021	2023	3,169,995	28.45	90,480	98.0%	2.0%	0.2%
2020 ¹	2022	3,084,714	27.97	86,442	98.4%	1.6%	0.1%
2019	2021	2,946,642	28.68	84,397	98.2%	1.8%	0.0%
2018	2020	2,913,247	28.70	83,509	98.3%	1.7%	0.0%
2017	2019	2,894,516	28.17	79,499	98.1%	1.9%	0.0%
2016	2018	2,882,197	27.25	78,498	98.5%	1.5%	0.0%
2015 ¹	2017	2,877,947	26.77	76,802	98.5%	1.5%	0.0%

¹ Revaluation.

² Subject to audit

Source: Town of New Milford, Tax Collector

Ten Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to most recent Grand List:

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource Energy	Utility	\$ 111,714,050	2.54%
Kimberly-Clark	Manufacturing	31,039,850	0.71%
Aquarion Water Company of CT	Utility	20,794,350	0.47%
Litchfield Crossing LLC.....	Shopping Center	19,422,830	0.44%
UB Litchfield LLC	Shopping Center	17,691,660	0.40%
First Light Hydro Generating Co	Utility	15,488,710	0.35%
Home Depot USA Inc	Retailer	10,317,590	0.23%
UB New Milford LLC.....	Shopping Center	5,944,050	0.14%
SP Housatonic LLC.....	Manufacturing	5,881,540	0.13%
UB NM Fairfield Plaza.....	Shopping Center	5,674,900	0.13%
Total.....		\$ 243,969,530	5.55%

¹ Based on the Net Taxable Grand List of October 1, 2025 of \$4,397,164,000.

Source: Town of New Milford, Assessor's Office.

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V. Debt Summary
Principal Amount of Indebtedness
As of July 17, 2026
(Pro Forma)

<u>Date</u>	<u>Purpose</u>	<u>Interest Rate %</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>	<u>Fiscal Year of Maturity</u>
4/24/2017	General Purpose.....	3.00-5.00	\$ 5,740,000	\$ 1,885,000	2037
4/24/2017	Schools.....	3.00-5.00	6,100,000	1,380,000	2037
4/24/2017	Sewers.....	3.00-5.00	2,100,000	1,135,000	2037
7/25/2019	General Purpose - Series A.....	2.125-2.00	8,835,000	4,705,000	2040
7/25/2019	General Purpose - Series B Refunding....	5.00	2,270,000	690,000	2031
7/24/2020	General Purpose - Series A.....	2.00-5.00	10,000,000	7,350,000	2041
7/31/2020	Sewers - Series B.....	5.00	12,400,000	7,335,000	2033
7/23/2021	General Purpose.....	2.00-5.00	9,000,000	7,100,000	2042
7/22/2022	General Purpose.....	4.00-5.00	9,300,000	7,830,000	2043
7/21/2023	General Purpose.....	4.00-5.00	5,500,000	4,920,000	2044
7/19/2024	General Purpose.....	4.00-5.00	2,500,000	2,365,000	2045
7/18/2025	General Purpose.....	3.00-5.00	6,160,000	6,160,000	2046
Total Outstanding Bonded Debt.....			\$ 79,905,000	\$ 52,855,000	
This Issue					
7/17/2026	General Purpose.....	<i>tbd</i>	\$ 4,300,000	\$ 4,300,000	2047
Total This Issue.....			\$ 4,300,000	\$ 4,300,000	
Grand Total.....			\$ 84,205,000	\$ 57,155,000	

Short-Term Debt
As of July 17, 2026
(Pro Forma)

<u>Project</u>	<u>Amount Authorized</u>	<u>This Issue:</u>
		<u>The Notes:</u> <u>Due: 7/16/27</u>
Lanesville Fire Station.....	\$ 5,000,000	\$ 2,450,000
2026 Road Improvements.....	10,000,000	2,200,000
Total	\$ 15,000,000	\$ 4,650,000

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Annual Bonded Debt Maturity Schedule
As of July 17, 2026
(Pro Forma)

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Debt Service	This Issue: The Bonds	Total Principal	Cumulative Principal Retired %
2027 ¹	\$ 2,045,000	\$ 1,224,656	\$ 3,269,656	\$ -	\$ 2,045,000	3.58%
2028	4,345,000	1,823,463	6,168,463	215,000	4,560,000	11.56%
2029	4,400,000	1,621,438	6,021,438	215,000	4,615,000	19.63%
2030	4,360,000	1,427,709	5,787,709	215,000	4,575,000	27.64%
2031	4,420,000	1,243,653	5,663,653	215,000	4,635,000	35.74%
2032	4,355,000	1,062,875	5,417,875	215,000	4,570,000	43.74%
2033	3,475,000	900,150	4,375,150	215,000	3,690,000	50.20%
2034	2,865,000	782,875	3,647,875	215,000	3,080,000	55.59%
2035	2,720,000	690,575	3,410,575	215,000	2,935,000	60.72%
2036	2,720,000	606,469	3,326,469	215,000	2,935,000	65.86%
2037	2,720,000	522,363	3,242,363	215,000	2,935,000	70.99%
2038	2,590,000	438,150	3,028,150	215,000	2,805,000	75.90%
2039	2,590,000	358,050	2,948,050	215,000	2,805,000	80.81%
2040	2,590,000	277,950	2,867,950	215,000	2,805,000	85.71%
2041	2,230,000	203,250	2,433,250	215,000	2,445,000	89.99%
2042	1,700,000	139,300	1,839,300	215,000	1,915,000	93.34%
2043	1,225,000	85,500	1,310,500	215,000	1,440,000	95.86%
2044	735,000	46,300	781,300	215,000	950,000	97.52%
2045	450,000	22,400	472,400	215,000	665,000	98.69%
2046	320,000	6,600	326,600	215,000	535,000	99.62%
2047	-	-	-	215,000	215,000	100.00%
Total.....	\$ 52,855,000	\$ 13,483,726	\$ 66,338,726	\$ 4,300,000	\$ 57,155,000	

¹ Excludes principal payments of \$2,505,000 and interest payments of \$812,531 made between July 1, 2026 and July 17, 2026.

Overlapping Debt

The Town of New Milford has no overlapping debt.

Underlying Debt

There are twelve Tax Districts within New Milford. As of July 17, 2026, none of these tax districts have any long-term debt outstanding.

THE TOWN OF NEW MILFORD HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

Debt Statement
As of July 17, 2026
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue)	\$ 47,305,000
Schools	1,380,000
Sewers	8,470,000
Total Long-Term Debt	<u>57,155,000</u>
Short-Term Debt (This Issue Notes Due: 7/16/2027)	<u>4,650,000</u>
Direct Debt	61,805,000
Overlapping/Underlying Debt	-
Total Overall Debt	<u>61,805,000</u>
Less: School Construction Grants Receivable (As of June 30, 2026)	-
Total Overall Net Debt	<u>\$ 61,805,000</u>

Current Debt Ratios
As of July 17, 2026
(Pro Forma)

Population (2024) ¹	28,334
Net Taxable Grand List (10/1/25)	\$ 4,397,164,000
Estimated Full Value (70%).....	\$ 6,281,662,857
Equalized Grand List (10/1/23) ²	\$ 6,656,543,875
Money Income per Capita (2024) ¹	\$ 52,292

	Total Direct Debt	Total Overall Debt / Overall Net Debt
Per Capita.....	\$2,181.30	\$2,181.30
Ratio to Net Taxable Grand List.....	1.41%	1.41%
Ratio to Estimated Full Value.....	0.98%	0.98%
Ratio to Equalized Grand List.....	0.93%	0.93%
Debt per Capita to Money Income per Capita (2024).....	4.17%	4.17%

¹ American Community Survey 2020-2024.

² Office of Policy and Management, State of Connecticut.

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Budget Procedure

The Town's operating budget is adopted at the Annual Budget Meeting as follows:

- 1) Departmental estimates are submitted to the Director of Finance no later than the first Tuesday in February.
- 2) The Mayor presents preliminary budget requests to the Town Council and Board of Finance by the third Tuesday in February.
- 3) Joint meetings of the Town Council, Board of Finance and Mayor are held to review budget proposals.
- 4) A budget recommended by the Mayor and Town Council is presented to the Board of Finance by the third Tuesday in March.
- 5) The Board of Finance holds one or more public hearings on the budget by the third Tuesday in April.
- 6) Within 15 days of the last public hearing, the Board of Finance approves the budget for submission to the Annual Budget Meeting.
- 7) The Annual Budget Meeting considers the Budget and shall be held the first Tuesday in May. At the Annual Town Meeting public comment on the budget is received and a date for the Budget Referendum is scheduled which is no earlier than eight nor later than fourteen days after the Annual Town Budget Meeting.
- 8) The majority of those voting in the Budget Referendum vote to approve the proposed budget.
- 9) The Board of Finance establishes the mill rate within five days of budget adoption.

The Town's budget process must also anticipate the impact of the State's budget, which proceeds simultaneously with the Town's budget.

Bonds are authorized pursuant to a bond resolution adopted by the Town Meeting, after approval by the Town Council.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by no later than the end of the third and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). 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 the temporary financing has been outstanding.

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

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

Limitation of Indebtedness

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

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

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

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limitation calculation debt: (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grant for which the town or municipality has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects in order to meet the requirements of an abatement order of the Commissioner of the Department of Energy and Environmental Protection, provided the municipality files a certificate signed by its chief fiscal officer with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness.

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Statement of Debt Limitation
As of July 17, 2026
(Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2025	\$ 96,682,807
Reimbursement For Revenue Loss (Tax relief for elderly).....	-
Base for Debt Limitation Computation.....	\$ 96,682,807

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 217,536,316	-	-	-	-
4 1/2 times base.....	-	\$ 435,072,632	-	-	-
3 3/4 times base.....	-	-	\$ 362,560,526	-	-
3 1/4 times base.....	-	-	-	\$ 314,219,123	-
3 times base.....	-	-	-	-	\$ 290,048,421
Total Debt Limitation.....	\$ 217,536,316	\$ 435,072,632	\$ 362,560,526	\$ 314,219,123	\$ 290,048,421

Indebtedness:					
Bonds Outstanding	\$ 43,005,000	\$ 1,380,000	\$ 8,470,000	\$ -	\$ -
Bonds – This Issue.....	4,300,000	-	-	-	-
Notes – This Issue.....	4,650,000	-	-	-	-
Overlapping/Underlying Debt.....	-	-	-	-	-
Debt Authorized But Unissued.....	23,550,000	-	-	-	-
Total Net Indebtedness.....	75,505,000	1,380,000	8,470,000	-	-

DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS.....	\$ 142,031,316	\$ 433,692,632	\$ 354,090,526	\$ 314,219,123	\$ 290,048,421
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Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$676,779,649

Authorized but Unissued Debt
As of July 17, 2026
(Pro Forma)

Project	Amount Authorized	Previously Bonded	Maturing Notes		This Issue:		Authorized But Unissued Debt
			Due: 7/17/26	New Money	The Bonds	The Notes: Due: 7/16/27	
2023 Roof Repairs & Improvements...	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
2023 Road Improvements.....	10,000,000	7,500,000	2,500,000	-	2,500,000	-	-
Lanesville Fire Station.....	5,000,000	-	1,800,000	2,450,000	1,800,000	2,450,000	750,000
2026 Road Improvements.....	10,000,000	-	-	2,200,000	-	2,200,000	7,800,000
2026 Bridge Improvements.....	10,000,000	-	-	-	-	-	10,000,000
Total	\$ 40,000,000	\$ 7,500,000	\$ 4,300,000	\$ 4,650,000	\$ 4,300,000	\$ 4,650,000	\$ 23,550,000

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**Principal Amount of Outstanding Debt
Last Five Fiscal Years
(in 000's)**

Long-Term Debt ¹	2026	2025	2024	2023	2022
Bonds.....	\$ 55,360	\$ 53,565	\$ 55,090	\$ 53,370	\$ 47,855
CWF.....	-	-	-	-	-
Sub-Total Long-Term Debt.....	55,360	53,565	55,090	53,370	47,855
Short-Term Debt					
Bond Anticipation Notes.....	4,300	6,160	2,500	5,500	9,300
Grand Total.....	\$ 59,660	\$ 59,725	\$ 57,590	\$ 58,870	\$ 57,155

¹ Does not include Water debt, compensated absences or capital lease obligations.

Source: Town of New Milford Audited Financial Reports 2022-2025. 2026 is subject to audit.

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

Fiscal Year Ended 6/30	Net Assessed Value	Net Estimated Full Value	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to		Population ²	Ratio of Net Long-Term Debt per Capita to Income ³	
				Assessed Value (%)	Estimated Full Value (%)		Net Long-Term Debt per Capita	Per Capita Income ³
2026 ⁴	\$ 3,216,775	\$ 4,595,393	\$ 55,360	1.72%	1.20%	28,334	\$ 1,953.84	3.74%
2025	3,213,072	4,590,103	53,565	1.67%	1.17%	28,334	1,890.48	3.62%
2024	3,205,964	4,579,949	55,090	1.72%	1.20%	28,334	1,944.31	3.72%
2023	3,169,995	4,528,564	53,370	1.68%	1.18%	28,334	1,883.60	3.60%
2022	3,084,714	4,406,734	47,855	1.55%	1.09%	28,334	1,688.96	3.23%

¹ Long-Term debt does not include Water debt, compensated absences, capital lease obligations, or State of Connecticut Clean Water Fund Debt.

² U.S. Bureau of Census, American Community Survey, 2020-2024.

³ American Community Survey (2020-2024), Money Income Per Capita \$52,292.

⁴ Subject to audit.

Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of Total Debt Service To General Fund Expenditures
2026 ²	\$ 6,595,308	\$ 134,320,889	4.91%
2025	5,021,268	147,491,349	3.40%
2024	4,644,546	130,675,789	3.55%
2023	5,136,486	125,858,823	4.08%
2022	3,627,793	120,444,514	3.01%
2021	3,868,771	113,569,866	3.41%
2020	3,360,845	110,399,821	3.04%
2019	6,604,215	102,069,902	6.47%
2018	4,995,845	106,586,718	4.69%
2017	5,412,121	105,580,863	5.13%

¹ Includes transfers out.

² Subject to audit.

Source: Town of New Milford Finance Department.

VI. Financial Administration

Fiscal Year

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

Basis of Accounting

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

Capital Improvement Plan

The Town Charter mandates the annual compilation of a five-year Capital Improvement Budget. A summary of the plan, and the implementation procedure, as specified in the Town Charter, are as follows:

- 1) Departmental requests for the ensuing fiscal year and four additional years are submitted to the Mayor by February first.
- 2) The Town Council reviews and recommends to the Board of Finance projects for the ensuing fiscal year and four additional years and the means of financing.

<i>Purpose</i>	<i>Fiscal 2026-27</i>	<i>Fiscal 2027-28</i>	<i>Fiscal 2028-29</i>	<i>Fiscal 2029-30</i>	<i>Fiscal 2030-31</i>	<i>Total</i>
Administration.....	\$ 593,775	\$ 1,252,208	\$ 1,152,833	\$ 1,285,640	\$ 1,308,686	\$ 5,593,142
Public Works.....	7,475,958	18,789,250	23,662,600	19,228,000	14,115,500	83,271,308
Library.....	-	20,000	40,000	20,000	-	80,000
Parks & Recreation.....	6,100	436,844	1,314,680	719,000	220,000	2,696,624
Public Safety.....	124,490	325,400	459,400	218,000	218,000	1,345,290
Total	\$ 8,200,323	\$ 20,823,702	\$ 26,629,513	\$ 21,470,640	\$ 15,862,186	\$ 92,986,364

<i>Funding</i>	<i>Fiscal 2026-27</i>	<i>Fiscal 2027-28</i>	<i>Fiscal 2028-29</i>	<i>Fiscal 2029-30</i>	<i>Fiscal 2030-31</i>	<i>Total</i>
General Fund Expenditures...	\$ 1,280,238	\$ 11,515,994	\$ 19,166,455	\$ 11,439,182	\$ 7,896,228	\$ 51,298,097
Borrowings.....	3,921,729	4,732,625	3,934,600	6,200,000	5,197,250	23,986,204
Grants.....	1,646,729	3,406,625	2,335,000	2,638,000	1,550,250	11,576,604
Other.....	1,351,627	1,168,458	1,193,458	1,193,458	1,218,458	6,125,459
Total	\$ 8,200,323	\$ 20,823,702	\$ 26,629,513	\$ 21,470,640	\$ 15,862,186	\$ 92,986,364

Audit

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act No. 77-611 and contain the financial statements of the Town and the auditor’s opinion thereon, in addition to specific comments and recommendations.

Pensions

Plan Administration - The Town sponsors and administers the Town of New Milford Pension Plan (the “Plan”) which is a single employer, contributory, defined benefit plan. The Plan covers substantially all full time employees of the Town and Board of Education personnel other than certified teachers, who are covered under the State Teachers’ Retirement System. The Plan is administered by the Town Director of Finance. Plan benefits and contribution requirements are established by the plan document.

Plan membership - All full time employees eligible to participate in the plan become a Plan participant with their date of hire. Non-Union employees of the Town hired on or after July 1, 2022 as well as Teamsters and Nutmeg employees hired on or after July 1, 2023 are enrolled in the Town 401(a) contribution plan. Membership of the Plan consisted of the following as of July 1, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	344
Terminated plan members entitled to but not yet receiving benefits	115
Active plan members	<u>372</u>
Total	831

Benefits provided - The Plan provides retirement, death and disability benefits to all eligible members. Benefit provisions are established and may be amended by the Town Council and vary by class of employees covered, per terms of the Plan agreement.

Contributions - The contribution requirements of plan members and the Town are established and may be amended by the Town Council. The employer’s contributions were based on normal cost and an amortization of the unfunded actuarial accrued liability. The Town’s actuary determines annual employer contributions to the plan. Employee contribution requirements vary by class of employees covered, per terms of the Plan agreement.

Funding Status and Progress

The “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Plan’s funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers.

Discount rate - The discount rate used to measure the total pension liability of the Town Plan was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town 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.

Total Pension Liability

Total Pension Liability	\$	101,534,384
Plan Fiduciary Net Position		78,805,880
Total Net Pension Liability	<u>\$</u>	<u>22,728,504</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		77.61%

Pension Contributions

	2026¹	2025	2024	2023	2022
Actuarially Determined Contribution.....	\$ 4,094,396	\$ 4,210,581	\$ 3,686,338	\$ 3,137,030	\$ 2,978,580
Contributions in Relation to the Actuarially Determined Contribution.....	4,140,477	4,236,827	3,786,338	3,290,169	3,071,517
Contribution Deficiency (Excess).....	\$ (46,081)	\$ (26,246)	\$ (100,000)	\$ (153,139)	\$ (92,937)
Contributions as a Percentage of ADC.....	101.13%	100.62%	102.71%	104.88%	103.12%
Covered Payroll.....	\$ 21,324,179	\$ 21,256,769	\$ 21,543,275	\$ 21,198,731	\$ 19,939,227
Contributions as a Percentage of Covered Payroll.....	19.42%	19.93%	17.58%	15.52%	15.40%

¹ Budgeted amounts.

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

The following presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current	1% Increase
	(5.75%)	Discount Rate	(7.75%)
		(6.75%)	
Net Pension Liability	\$ 34,096,875	\$ 22,728,504	\$ 13,164,890

State of Connecticut Teachers' Retirement System

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes as presently written, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. For the year ended June 30, 2025, plan members of the Town contributed \$0 to the plan and covered payroll for the year was \$32,990,000.

The Town has recognized on-behalf payments of \$9.7 million made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State. The total estimated net pension liability of the TRS as of June 30, 2025 was \$15.8 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$107.6 million or approximately 0.682% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined 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.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. In addition, the Town has no liability for losses under the plan. Therefore, the accounts of the deferred compensation plan are not reported in the basic financial statements of the Town.

For more information regarding the Town's Pension Plans, including statistics, assumptions and funding levels see "Note 10 – Employee Retirement Plans".

Other Post-Employment Benefits

Plan Description - The Town administers an Other Post-Employment Benefits Plan (the "Plan"), which is a single-employer defined benefit healthcare plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Contribution requirements of the plan members and the Town are established in the Plan document and may be amended through negotiations between the Town and the unions. Retired program members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums. Currently, the Town contributes the following for various classes of employees covered:

Board of Education Teachers: Teachers retiring under the Connecticut State Teachers Retirement system are eligible to receive health benefits for self and spouse. Normal retirement for teachers is the earlier of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Individuals receiving benefits contribute 100% of their premium costs.

Police: Police Officers who retire under the Town's pension plan with at least 25 years of service, shall be eligible to continue receiving health benefits for self and spouse. All retirees under the age of 65 are required to contribute 100% of their premium costs. Individuals receiving benefits contribute 10% of their premium costs. OPEB participation for Police is not available to new hires commencing July 1, 2018.

The Town has complied with the requirements of Governmental Accounting Standards Board ("GASB") Statement Nos. 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their Other Post-Employment Benefits ("OPEB") plans and include information concerning the valuation of such plans in their financial statements.

The Town's net OPEB liability reported as of June 30, 2025 totaled \$14,421,067. The total OPEB liability was measured as of June 30, 2025 using an actuarial valuation performed as of July 1, 2023. The valuation determined that for the fiscal year ending June 30, 2025 the actuarially determined contribution would be \$1,430,512 and the Town contributed \$182,257, or 12.74%. The balance in the trust fund as of June 30, 2025 was \$904,887.

Net OPEB Liability

Total OPEB Liability	\$	15,325,954
Plan Fiduciary Net Position		904,887
Total Net OPEB Liability	\$	<u>14,421,067</u>
Plan Fiduciary Net Position as a		
Percentage of the Total OPEB Liability		5.90%

Schedule of Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution.....	\$ 1,430,512	\$ 1,398,605	\$ 1,738,844	\$ 1,954,981	\$ 1,982,049
Contributions in Relation to the Actuarially Determined Contribution:					
Contributions to Trust.....	-	-	-	-	-
Contributions by Internal Service Fund...	182,257	142,075	120,217	111,413	519,830
Contribution Deficiency (Excess).....	\$ 1,248,255	\$ 1,256,530	\$ 1,618,627	\$ 1,843,568	\$ 1,462,219
Contributions as a Percentage of ADC.....	12.74%	10.16%	6.91%	5.70%	26.23%
Covered Payroll.....	\$ 35,263,676	\$ 34,579,000	\$ 33,089,000	\$ 31,078,000	\$ 29,740,050
Contributions as a Percentage of Covered Payroll.....	0.52%	0.41%	0.36%	0.36%	1.75%

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

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

	1% Decrease	Current	1% Increase
	(3.81%)	Discount Rate	(4.81%)
	(3.81%)	(4.81%)	(5.81%)
Town Plan Net OPEB Liability.....	\$ 16,220,837	\$ 14,421,067	\$ 12,899,217

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

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

	1% Decrease	Current	1% Increase
	Trend Rate	Trend Rate	Trend Rate
	(1.00%)	(1.00%)	(1.00%)
Town Plan Net OPEB Liability.....	\$ 11,391,249	\$ 14,421,067	\$ 18,101,809

For more information regarding the Town's OPEB including statistics, assumptions and funding levels see "Note M – Other Post-Employment Benefits (OPEB)".

Investment Policy

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan. The Pension Trust Fund operates under a trust agreement, and investments are allowed in fixed-income securities; e.g., notes, bills, bonds and insurance contracts. Investments in the Deferred Compensation Plan held by ICMA are in various mutual funds.

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

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**General Fund Revenues and Expenditures
and Adopted Budgets (Budgetary Basis)**

Revenues:	Adopted	Estimated	Actual	Actual	Actual	Actual
	Budget ¹	Actual ¹				
	2026-2027	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022
Property Taxes	\$ 103,911,916	\$ 100,244,632	\$ 96,102,431	\$ 94,293,375	\$ 91,317,046	\$ 87,441,183
Intergovernmental	15,240,037	14,388,697	27,456,360	28,765,546	26,350,771	24,496,756
Charges for Services.....	5,079,186	5,540,647	5,444,700	5,332,023	5,103,938	5,287,831
Income on Investments.....	1,285,000	1,817,894	2,339,988	2,570,298	1,698,833	115,852
Other Revenues.....	100,000	131,935	70,942	113,115	147,443	252,221
Total Revenues	125,616,139	122,123,805	131,414,421	131,074,357	124,618,031	117,593,843
Expenditures:						
General government	16,852,091	14,719,978	14,441,522	13,325,189	12,414,999	11,634,468
Public Safety	10,538,018	10,452,909	13,664,083	9,581,352	8,876,466	8,483,937
Public Works	6,817,782	6,862,746	6,216,183	5,977,622	5,819,328	5,542,239
Health and Welfare	2,831,527	2,574,604	2,885,309	2,796,493	2,726,777	2,611,676
Culture & Recreation.....	3,239,589	3,022,667	1,745,731	1,586,079	1,519,450	1,552,679
Education	78,673,658	76,099,681	84,410,636	82,662,550	77,659,782	72,775,031
Debt Service	6,907,864	6,595,308	5,021,268	4,644,546	5,136,486	3,627,793
Capital Outlays	2,344,365	1,654,350	1,561,643	1,888,434	2,987,608	2,781,512
Total Expenditures	128,204,894	121,982,243	129,946,375	122,462,265	117,140,896	109,009,335
Revenues over (under) expenditures	(2,588,755)	141,562	1,468,046	8,612,092	7,477,135	8,584,508
Other Financing Sources Uses:						
Refunding Bonds Issued.....	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent.....	-	-	-	-	-	-
Capital Lease Financing.....	-	-	-	-	268,603	-
Rebates.....	-	1,038,454	-	-	989,150	-
Subscriptions.....	-	-	-	-	149,711	-
Premium on Bonds.....	-	272,024	140,486	359,314	780,561	1,001,499
Premium on Bond Anticipation Notes.....	-	43,645	44,968	15,850	5,748	78,864
Transfers In	2,588,755	-	75,564	850,000	50,000	-
Transfers (Out)	-	-	(5,206,328)	(8,213,524)	(8,717,927)	(11,435,179)
Total other Financing Sources (uses)	2,588,755	1,354,123	(4,945,310)	(6,988,360)	(6,474,154)	(10,354,816)
Revenues and other financing sources over (under) expenditures and other financing (uses)	-	1,495,685	(3,477,264)	1,623,732	1,002,981	(1,770,308)
Fund Balance, Beginning of Year.....	29,321,892	27,826,207	31,303,471	29,679,739	28,676,758	30,447,066
Adjustments to Fund Balance.....	-	-	-	-	-	-
Fund Balance, End of Year.....	\$ 29,321,892	\$ 29,321,892	\$ 27,826,207	\$ 31,303,471	\$ 29,679,739	\$ 28,676,758

¹ Budgeted numbers. Subject to audit.

Intergovernmental Revenues

Fiscal Year	Intergovernmental	Total	
Ended 6/30	Revenues	Revenues	Percent
2026 ¹	\$ 26,727,343	\$ 134,462,451	19.88%
2025	39,795,006	131,414,421	30.28%
2024	28,765,546	131,074,357	21.95%
2023	26,350,771	124,618,031	21.15%
2022	24,496,756	117,593,843	20.83%
2021	23,580,780	113,713,767	20.74%
2020	23,789,741	113,126,787	21.03%
2019	23,165,202	110,121,396	21.04%
2018	19,793,890	104,487,447	18.94%
2017	22,095,965	103,652,352	21.32%

¹ Budgeted numbers, subject to audit. Includes a State TRB estimate.

Source: Annual Audited Financial Statements.

Municipal General Budget Expenditures Cap: Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

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Comparative General Fund Balance Sheet

Assets:	Actual 2024-25	Actual 2023-24	Actual 2022-23	Actual 2021-22	Actual 2020-21
Cash and cash equivalents.....	\$ 31,810,362	\$ 35,878,119	\$ 37,775,976	\$ 37,537,055	\$ 35,968,163
Receivables:					
Property Taxes & Interest.....	3,560,019	3,928,932	3,931,549	3,765,351	3,853,824
Intergovernmental.....	-	-	-	-	-
Other Receivables.....	771,286	960,428	830,808	269,992	579,914
Inventories.....	-	-	-	-	-
Due from other funds.....	4,208,749	2,286,209	559,860	482,342	321,063
Other Assets.....	-	-	925	-	33,396
Advance to other funds.....	1,176,650	1,275,243	1,373,836	1,472,429	1,571,022
Total Assets	41,527,066	44,328,931	44,472,954	43,527,169	42,327,382
Liabilities:					
Accounts and Other Payables.....	1,739,794	1,705,526	2,008,141	2,135,344	1,921,248
Due to other funds.....	2,224,319	5,897,421	6,186,900	5,715,589	3,154,048
Deferred Revenues.....	-	-	-	-	-
Deposits Payable.....	1,970,649	1,910,022	2,002,046	2,177,595	1,966,625
Other Liabilities.....	-	-	-	-	-
Unearned Revenue.....	388,359	434,696	542,775	532,922	427,474
Accrued Liabilities.....	4,210,875	391,055	506,998	708,125	913,610
Total Liabilities	10,533,996	10,338,720	11,246,860	11,269,575	8,383,005
Deferred Inflows of Resources:					
Unavailable Revenue - Property Tax & Int.	3,017,571	2,518,243	3,359,851	3,376,545	3,497,311
Lease Related	149,292	168,177	186,504	-	-
Advance Property Tax Collections.....	-	-	-	204,391	-
Total Deferred Inflows of Resources...	3,166,863	2,686,420	3,546,355	3,580,936	3,497,311
Fund Balances:					
Nonspendable.....	1,176,650	1,275,243	1,374,761	1,472,429	1,604,418
Restricted.....	-	-	-	-	-
Committed.....	1,655,306	2,063,596	1,501,590	2,302,504	437,698
Assigned.....	3,685,544	3,782,205	3,299,758	2,432,213	6,998,578
Unassigned.....	21,308,707	24,182,427	23,503,630	22,469,612	21,406,372
Total Fund Balances	\$ 27,826,207	\$ 31,303,471	\$ 29,679,739	\$ 28,676,758	\$ 30,447,066
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 41,527,066	\$ 44,328,611	\$ 44,472,954	\$ 43,527,269	\$ 42,327,382
Analysis of General Fund Balance					
Operating Revenues.....	\$ 131,414,421	\$ 131,074,357	\$ 124,618,031	\$ 117,593,843	\$ 113,713,767
Fund balance as a percent of operating revenues.....	21.17%	23.88%	23.82%	24.39%	26.78%
Unassigned fund balance as a percent of operating revenues.....	16.21%	18.45%	18.86%	19.11%	18.82%

VII. Legal and Other Information

Litigation

The Town of New Milford, its officers, employees, boards and commissions are named defendants in very few lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in uninsured final judgments against the Town which would have a material adverse effect on the Town's financial position.

To the Town Attorney's knowledge, no lawsuits, administrative proceedings or other claims have been threatened or instituted against the Town of New Milford which, together with the matters referred to in the previous paragraph, would, in the Town Attorney's opinion, have a material adverse effect on the Town's financial position.

Similarly, there is no litigation or other threatened or pending proceeding of which the Town Attorney is aware seeking to enjoin the issuance of the obligations or challenging their validity, due authorization or the authority to levy taxes to pay them.

Documents Furnished at Delivery

The winning purchasers of the Bonds and the Notes will be furnished the following documentation when the Bonds and the Notes are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the Mayor 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, that at the time bids on the Bonds and the Notes were accepted the descriptions and statements contained in the Official Statement (with such supplemental information concerning ratings, insurance, interest rates and corrections) relating to the Town and its finances were and are true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that no view is expressed with respect to any information furnished to the Town by or on behalf of the purchaser or any insurer specifically for inclusion in the Official Statement, and that there has been no material adverse change in the financial condition of the Town from that set forth in or as contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and the Notes.
4. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut, substantially in the forms of Appendices B-1 and B-2 attached hereto.
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms of Appendices C-1 and C-2 attached hereto.
6. The Town will provide to the winning purchaser of the Bonds a reasonable number of copies of the Official Statement and to the winning purchaser(s) of the Notes a reasonable number of copies of the Official Statement, prepared for this Bond and Note issue at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning purchaser at their own expense by arrangement with the printer. If the Town's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds and the Notes.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

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

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and 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.

TOWN OF NEW MILFORD, CONNECTICUT

By: _____
PETE BASS, *Mayor*

By: _____
OLGA ALIZARCHYK, *Director of Finance*

Dated: July __, 2026

Appendix A

2025 Financial Statements Excerpted from the Town's Annual Financial Report

The following includes excerpts from the General Purpose Financial Statements & Internal Control Letter of the Town of New Milford, Connecticut for the fiscal year ended June 30, 2025. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Finance
Town of New Milford, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Milford, Connecticut, (the Town) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of New Milford, Connecticut, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the information on pages 71 through 81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

The management of the Town of New Milford, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$166,986,897 (net position). Of this amount, \$12,911,949 represents the Town's unrestricted net position.
- The Town's total net position decreased by \$3,480,251 during the current fiscal year, which consisted of a decrease of \$4,184,370 relating to the Town's governmental activities and an increase of \$704,119 relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$69,943,049, a current year decrease of \$7,641,450 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$21,308,707 or 17.1% of the Town's fiscal year 2026 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 2.1 months of General Fund operating expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these other elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Overview of the Financial Statements (Continued)

Government-wide Financial Statements (Continued)

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public safety, public works, health and welfare, library, culture and recreation, and education. The business-type activities of the Town include the activities of the Water Pollution Control Authority.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds 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 Town'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 Town maintains several 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, the Waste Management Ordinance Fund, the Bridge Rehabilitation Program Fund, the Special Grants Fund and the Capital Reserve Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 23 of this report.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Town's Water Pollution Control Authority. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules which can be found on pages 71 through 81 and 82 through 100 of this report, respectively. Other supplementary information can be found on pages 101 through 105 of this report.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis

Net Position

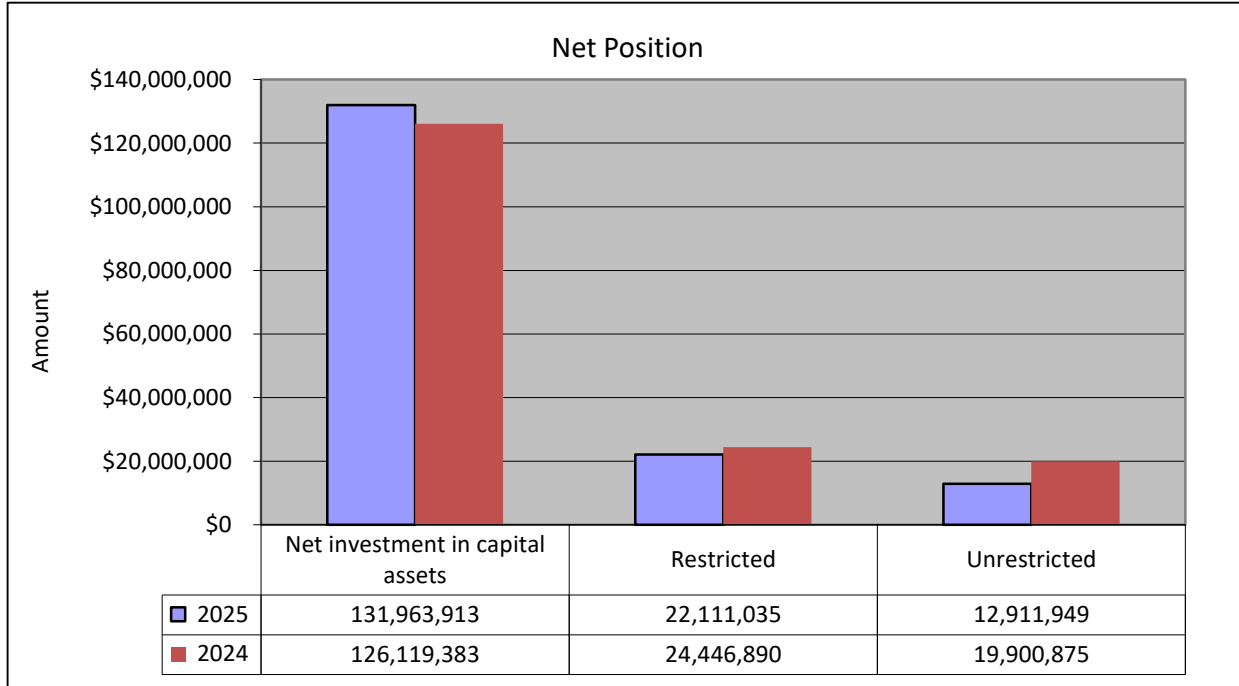
Over time, net position may serve as one measure of a government's financial position. The Town's total net position (governmental and business-type activities combined) totaled \$166,986,897 as of June 30, 2025 and \$170,828,119 as of June 30, 2024 and are summarized as follows. As disclosed in Note 15 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The net position of the Town as of June 30, 2024 has been restated for the implementation of this statement.

	Governmental Activities				Business-type Activities			
	2025	2024, Restated	Variance		2025	2024	Variance	
Current and other assets	\$ 90,818,611	\$ 97,569,458	\$ (6,750,847)	-6.9%	\$ 7,859,413	\$ 7,254,006	\$ 605,407	8.3%
Capital assets	178,339,497	171,613,389	6,726,108	3.9%	31,780,297	32,987,895	(1,207,598)	-3.7%
Total assets	269,158,108	269,182,847	(24,739)	0.0%	39,639,710	40,241,901	(602,191)	-1.5%
Deferred outflows of resources	7,688,821	10,098,962	(2,410,141)	-23.9%	41,617	147,062	(105,445)	-71.7%
Other liabilities	23,560,687	18,847,891	4,712,796	25.0%	416,541	437,461	(20,920)	-4.8%
Long-term liabilities	99,500,745	103,381,010	(3,880,265)	-3.8%	11,548,009	12,968,083	(1,420,074)	-11.0%
Total liabilities	123,061,432	122,228,901	832,531	0.7%	11,964,550	13,405,544	(1,440,994)	-10.7%
Deferred inflows of resources	14,482,360	13,565,401	916,959	6.8%	33,017	3,778	29,239	773.9%
Net position:								
Net investment in capital assets	111,013,789	105,308,454	5,705,335	5.4%	20,950,124	20,810,929	139,195	0.7%
Restricted	22,111,035	24,446,890	(2,335,855)	-9.6%	-	-	-	-
Unrestricted	6,178,313	13,732,163	(7,553,850)	-55.0%	6,733,636	6,168,712	564,924	9.2%
Total net position	\$ 139,303,137	\$ 143,487,507	\$ (4,184,370)	-2.9%	\$ 27,683,760	\$ 26,979,641	\$ 704,119	2.6%
	Total							
	2025	2024, Restated	Variance					
Current and other assets	\$ 98,678,024	\$ 104,823,464	\$ (6,145,440)	-5.9%				
Capital assets	210,119,794	204,601,284	5,518,510	2.7%				
Total assets	308,797,818	309,424,748	(626,930)	-0.2%				
Deferred outflows of resources	7,730,438	10,246,024	(2,515,586)	-24.6%				
Other liabilities	23,977,228	19,285,352	4,691,876	24.3%				
Long-term liabilities	111,048,754	116,349,093	(5,300,339)	-4.6%				
Total liabilities	135,025,982	135,634,445	(608,463)	-0.4%				
Deferred inflows of resources	14,515,377	13,569,179	946,198	7.0%				
Net position:								
Net investment in capital assets	131,963,913	126,119,383	5,844,530	4.6%				
Restricted	22,111,035	24,446,890	(2,335,855)	-9.6%				
Unrestricted	12,911,949	19,900,875	(6,988,926)	-35.1%				
Total net position	\$ 166,986,897	\$ 170,467,148	\$ (3,480,251)	-2.0%				

TOWN OF NEW MILFORD, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis (Continued)

Net Position (Continued)



As of June 30, 2025, 79.0% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

13.2% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position. Of this amount, \$19,402,731 represents the portion of the Town's net position relating to a long-term settlement that has been restricted by enabling legislation for the acquisition of land and building for public recreation, public education, or public library facilities.

The remainder of the Town's net position represents an unrestricted net position of \$12,911,949.

Overall, net position decreased by \$3,480,251 in comparison with the prior year.

Changes in Net Position

Changes in net position for the years ended June 30, 2025 and 2024 are as follows. As disclosed in Note 15 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The change in net position of the Town for the year ended June 30, 2024 has not been restated for the implementation of this statement.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis (Continued)

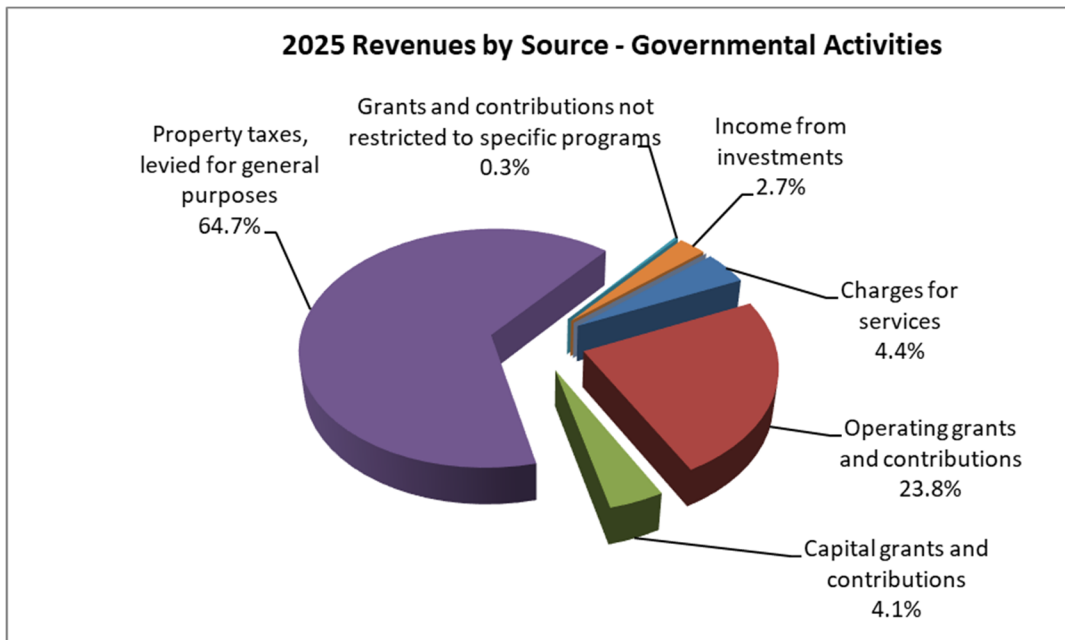
	Governmental Activities			
	2025	2024	Variance	
Revenues				
Program revenues:				
Charges for services	\$ 6,525,075	\$ 6,604,104	\$ (79,029)	-1.2%
Operating grants and contributions	35,543,914	32,220,832	3,323,082	10.3%
Capital grants and contributions	6,104,126	4,201,853	1,902,273	45.3%
General revenues:				
Property taxes, levied for general purposes	96,601,439	93,452,087	3,149,352	3.4%
Grants and contributions not restricted to specific programs	493,508	1,197,985	(704,477)	-58.8%
Investment earnings	3,956,048	4,267,713	(311,665)	-7.3%
Capital contribution	-	200,000	(200,000)	-100.0%
Total revenues	<u>149,224,110</u>	<u>142,144,574</u>	<u>7,079,536</u>	5.0%
Expenses				
General government	15,733,634	15,533,697	199,937	1.3%
Public safety	18,100,200	13,866,042	4,234,158	30.5%
Public works	12,792,972	11,080,354	1,712,618	15.5%
Health and welfare	4,468,715	3,716,165	752,550	20.3%
Library	1,270,140	1,149,713	120,427	10.5%
Culture and recreation	2,060,280	2,031,732	28,548	1.4%
Education	96,030,671	92,966,567	3,064,104	3.3%
Interest expense	1,676,725	1,607,986	68,739	4.3%
Total expenses	<u>152,133,337</u>	<u>141,952,256</u>	<u>10,181,081</u>	7.2%
Change in net position before transfers	(2,909,227)	192,318	(3,101,545)	-1612.7%
Transfers	(1,275,143)	(1,465,396)	190,253	-13.0%
Change in net position	<u>\$ (4,184,370)</u>	<u>\$ (1,273,078)</u>	<u>\$ (2,911,292)</u>	228.7%
Business-type Activities				
	2025	2024	Variance	
Revenues				
Program revenues:				
Charges for services	\$ 3,448,531	\$ 3,469,700	\$ (21,169)	-0.6%
Operating grants and contributions	-	172,595	(172,595)	-100.0%
Investment earnings	12,974	8,623	4,351	50.5%
Total revenues	<u>3,461,505</u>	<u>3,650,918</u>	<u>(189,413)</u>	-0.1%
Expenses				
Sewer	4,032,529	3,820,834	211,695	5.5%
Total expenses	<u>4,032,529</u>	<u>3,820,834</u>	<u>211,695</u>	5.5%
Change in net position before transfers	(571,024)	(169,916)	(401,108)	236.1%
Transfers	1,275,143	1,465,396	(190,253)	-13.0%
Change in net position	<u>\$ 704,119</u>	<u>\$ 1,295,480</u>	<u>\$ (591,361)</u>	-45.6%

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis (Continued)

Change in Net Position (Continued)

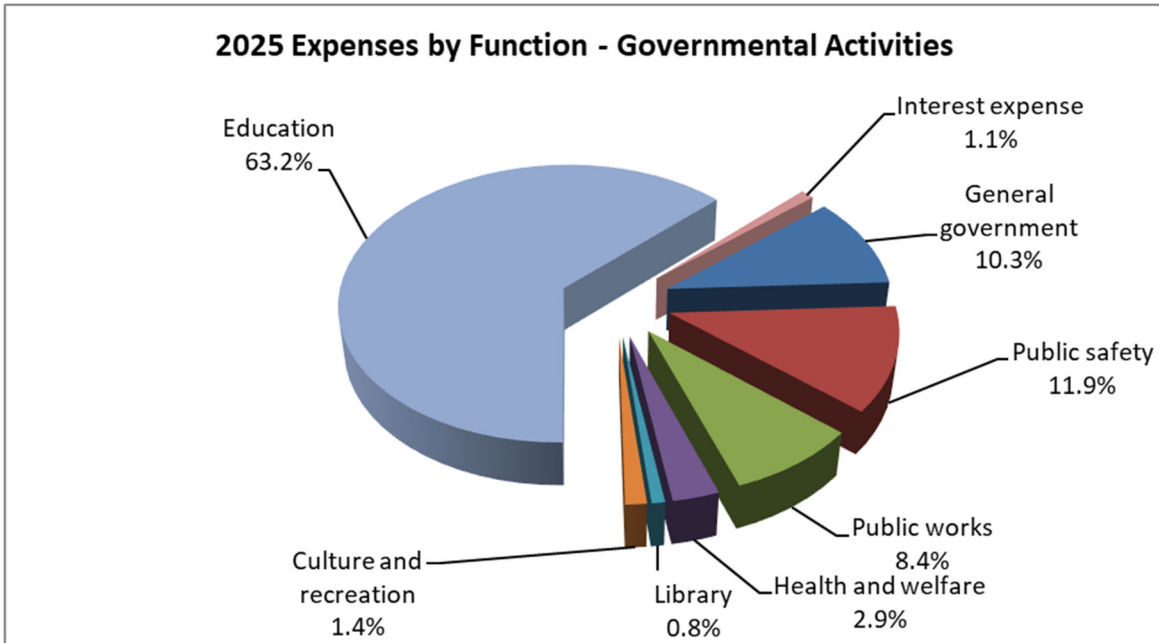
	Total			
	2025	2024	Variance	
Revenues				
Program revenues:				
Charges for services	\$ 9,973,606	\$ 10,073,804	\$ (100,198)	-1.0%
Operating grants and contributions	35,543,914	32,393,427	3,150,487	9.7%
Capital grants and contributions	6,104,126	4,201,853	1,902,273	45.3%
General revenues:				
Property taxes, levied for general purposes	96,601,439	93,452,087	3,149,352	3.4%
Grants and contributions not restricted to specific programs	493,508	1,197,985	(704,477)	-58.8%
Investment earnings	3,969,022	4,276,336	(307,314)	-7.2%
Total revenues	152,685,615	145,595,492	7,090,123	4.9%
Expenses				
General government	15,733,634	15,533,697	199,937	1.3%
Public safety	18,100,200	13,866,042	4,234,158	30.5%
Public works	12,792,972	11,080,354	1,712,618	15.5%
Health and welfare	4,468,715	3,716,165	752,550	20.3%
Library	1,270,140	1,149,713	120,427	10.5%
Culture and recreation	2,060,280	2,031,732	28,548	1.4%
Education	96,030,671	92,966,567	3,064,104	3.3%
Interest expense	1,676,725	1,607,986	68,739	4.3%
Sewer	4,032,529	3,820,834	211,695	5.5%
Total expenses	156,165,866	145,773,090	10,392,776	
Change in net position	\$ (3,480,251)	\$ 22,402	\$ (3,502,653)	-15635.4%



TOWN OF NEW MILFORD, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis (Continued)

Change in Net Position (Continued)



Governmental Activities

Governmental activities decreased the Town's net position by a current year change of \$4,184,370 compared to a prior year decrease of \$1,273,078. Revenues increased over the prior year by \$7,079,536 or 5.0%. Expenses increased by \$10,181,081 or 7.2% and transfers out to business-type activities decreased by \$190,253 or 13.0% over the prior year.

Significant fluctuations over the prior year consisted of the following:

- An increase in operating grants and contributions of \$3.3 million or 10.3%. This increase was driven by a \$2.7 million increase in the amount recognized by the Town for non-cash pension and OPEB revenues relating to the Town's participation in the Connecticut State Teachers' Retirement System.
- An increase in capital grants and contributions of \$1.9 million or 45.3%. These grants and contributions are used to fund the acquisition, construction, or improvement of capital assets (such as infrastructure, buildings, or equipment), and their variability can result from changes in funding availability and project timelines. Significant capital funded projects in the current year consisted of reconstruction of two local bridges and the installation of sidewalks to improve pedestrian safety.
- An increase in property taxes levied of \$3.1 million or 3.4% to fund an increase in the Town's General Fund budgetary appropriations.
- An increase in public safety expenses of \$4.2 million or 30.5% driven by the recognition of a \$7.459 million legal judgement, including statutory interest, related to a wrongful conviction case.
- An increase in public works expenses of \$1.7 million or 15.5% driven by an increase in noncapitalized repairs and maintenance of roads and storm drainage infrastructure.
- An increase in education expenses of \$3.0 million or 3.3%. This increase was driven by the increase in education expenses of \$2.7 million in the amount of pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Financial Analysis (Continued)

Change in Net Position (Continued)

Business-type Activities

Business-type activities increased the Town's net position by a current year change of \$704,119 compared to a prior year increase of \$1,295,480. Revenues decreased over the prior year by \$189,413 or 0.1%. Expenses increased over the prior year by \$211,695 or 5.5%. Transfers in from the Town's General Fund primarily for the purpose of paying debt service decreased by \$190,253 or 13% over the prior year.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$69,943,049, a decrease of \$7,641,450 over the prior year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,308,707. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. At the close of the current fiscal year, unassigned fund balance of the General Fund represented 17.1% of the Town's fiscal year 2026 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 2.1 months of General Fund operating expenditures. The General Fund's overall fund balance decreased by \$3,477,264 and the unassigned fund balance decreased by \$2,873,720 during the current fiscal year. This decrease was driven by the authorization to use approximately \$3.8 million of the Town's fund balance toward paying the previously discussed legal judgment against the Town, offset by otherwise overall favorable budgetary results.

Waste Management Ordinance Fund

The fund balance of the Waste Management Ordinance Fund decreased by \$1,568,501. This decrease was primarily due to the authorization to use approximately \$2.6 million of the reserve funds toward paying the previously discussed legal judgment against the Town. This expenditure was offset by current year interest earned on short-term investments of approximately \$1.1 million.

Bridge Rehabilitation Program Fund

The fund balance reported in the Bridge Rehabilitation Program Fund increased by \$56,649. Significant activity consisted of bridge reconstruction offset by the issuance of long-term debt and grant proceeds to fund these improvements.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Financial Analysis of the Town's Funds (Continued)

Special Grants Fund

The fund balance reported in the Special Grants Fund decreased by \$219,691. This fund primarily accounts for cost reimbursement grants and related matching requirements by the Town. During the current fiscal year, the Town expended approximately \$1.9 million in grant funds provided by the American Rescue Plan Act (ARPA) and approximately \$1.7 million in grant funds toward a sidewalk improvement project to increase pedestrian safety. As of June 30, 2025, \$2,080,184 in unexpended APRA grant proceeds reported as unearned revenue is expected to be recognized as revenue in future periods as allowable expenditures on committed projects are incurred.

Capital Reserve Fund

The fund balance reported in the Capital Reserve Fund decreased by \$2,857,637. The decrease in fund balance included the authorization to use \$1.0 million of the reserve funds toward paying the previously discussed legal judgment against the Town.

General Fund Budgetary Highlights

The original budget for the General Fund planned for the use of fund balance in the amount of \$2,288,755. Supplemental appropriations totaled \$4,384,493, including \$3,800,000 from unassigned fund balance and \$584,493 from amounts carried forward for capital and other purposes. The actual net change in fund balance on a budgetary basis was a decrease of \$3,800,066.

Revenues and other financing sources were \$1,408,957 more than budgeted. The revenue surplus was driven by favorable collections on investment earnings. Expenditures and other financing uses were \$3,295,842 less than budgeted, resulting in an overall favorable budgetary variance of \$4,704,799. A portion of the Town's unexpended appropriations totaling \$256,740 was subsequently transferred to the Debt Service Fund and the entire unexpended appropriation of the Board of Education totaling \$1,831,617 was subsequently transferred to the Debt Service Fund and the Board of Education Capital Reserve Fund.

The overall favorable budgetary results partially offset the \$3,800,000 use of unassigned fund balance, resulting in a net decrease in unassigned fund balance of \$2,873,720 for the year.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2025 totaled \$210,119,794 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, land improvements, and machinery and equipment. The total increase in the Town's investment in capital assets for the current fiscal year was \$5,518,510 or 2.7%.

The Town continues to invest significantly in its capital infrastructure, with improvements made to land and buildings, purchases of machinery and equipment, and numerous ongoing construction projects. The Town added over \$1.1 million in machinery and equipment, highlighted by public works vehicle replacements, public safety equipment, and technology and security improvements. In addition, the Town invested over \$13.8 in infrastructure including improvements to roads, bridges, drainage, and sidewalks.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

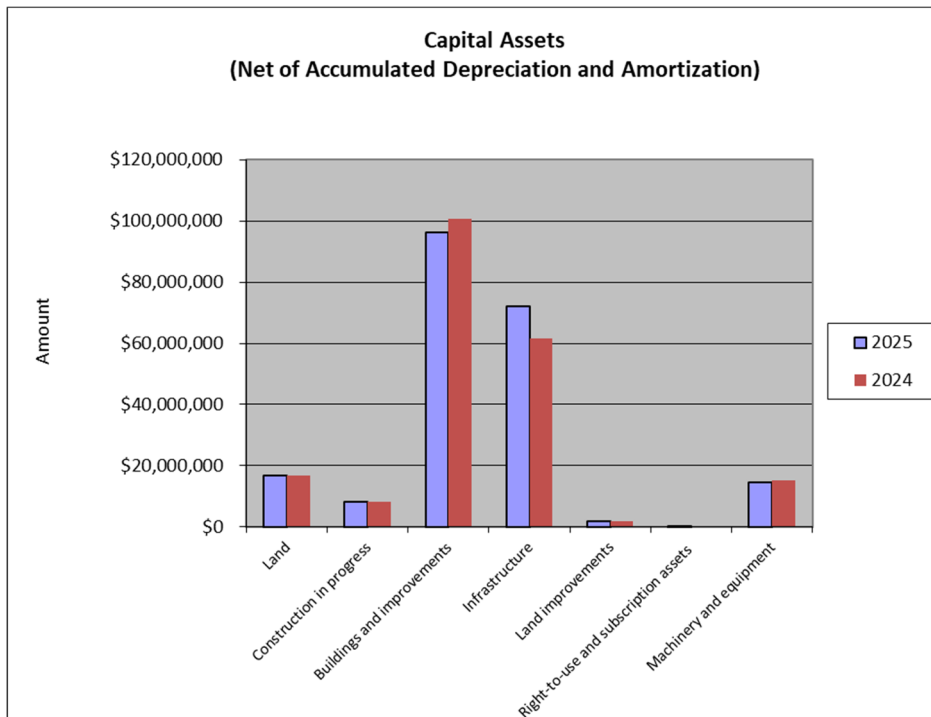
Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

As of June 30, 2025					
	Governmental Activities	Business-type Activities	Total	2025 vs 2024 Variances	
Land	\$ 16,857,135	\$ 5,000	\$ 16,862,135	\$ (49,100)	-0.3%
Construction in progress	8,048,981	79,655	8,128,636	(100,126)	-1.2%
Buildings and improvements	74,499,847	21,853,576	96,353,423	(4,207,545)	-4.2%
Infrastructure	66,305,210	5,815,488	72,120,698	10,423,873	16.9%
Land improvements	1,855,608	-	1,855,608	110,591	6.3%
Right-to-use and subscription assets	161,162	-	161,162	(103,624)	-39.1%
Machinery and equipment	10,611,554	4,026,578	14,638,132	(555,559)	-3.7%
Totals	\$ 178,339,497	\$ 31,780,297	\$ 210,119,794	\$ 5,518,510	2.7%

As of June 30, 2024			
	Governmental Activities	Business-type Activities	Total
Land	\$ 16,906,235	\$ 5,000	\$ 16,911,235
Construction in progress	8,142,871	85,891	8,228,762
Buildings and improvements	78,064,145	22,496,823	100,560,968
Infrastructure	55,645,817	6,051,008	61,696,825
Land improvements	1,745,017	-	1,745,017
Right-to-use and subscription assets	264,786	-	264,786
Machinery and equipment	10,844,518	4,349,173	15,193,691
Totals	\$ 171,613,389	\$ 32,987,895	\$ 204,601,284



Additional information on the Town's capital assets can be found in Note 4 of this report.

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Capital Asset and Debt Administration (Continued)

Debt Administration

At the end of the current fiscal year, the Town had debt outstanding of \$73,736,530 consisting of general obligation bonds, bond anticipation notes, financed purchases and leases. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt increased by \$1,559,159 or 2.2% during the current fiscal year. Current year debt activity included the issuance of \$2,500,000 in general obligation bonds, the proceeds of which were used to retire previously outstanding bond anticipation notes. In addition, the Town issued \$6,160,000 in new bond anticipation notes for the purposes of funding authorized capital projects.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt. The following are tables of debt outstanding as of June 30, 2025 and 2024:

As of June 30, 2025

	Governmental	Business-type	Total	2025 vs 2024	Variances
	Activities	Activities			
General obligation bonds	\$ 44,045,000	\$ 9,520,000	\$ 53,565,000	\$ (1,525,000)	-2.8%
Bond anticipation notes	6,160,000	-	6,160,000	3,660,000	146.4%
Financed purchases	13,876,455	-	13,876,455	(523,375)	-3.6%
Leases	135,075	-	135,075	(52,466)	-28.0%
Totals	<u>\$ 64,216,530</u>	<u>\$ 9,520,000</u>	<u>\$ 73,736,530</u>	<u>\$ 1,559,159</u>	<u>2.2%</u>

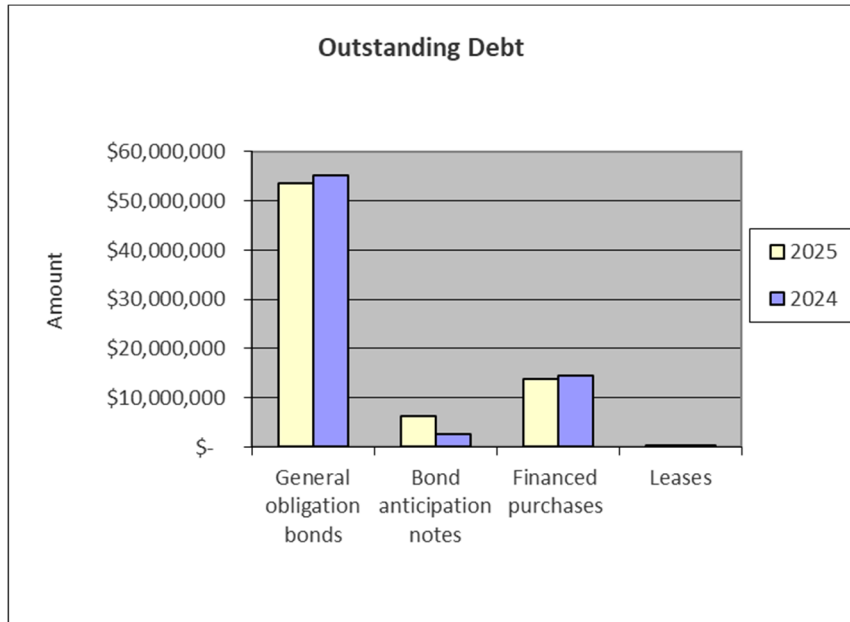
As of June 30, 2024

	Governmental	Business-type	Total
	Activities	Activities	
General obligation bonds	\$ 44,570,000	\$ 10,520,000	\$ 55,090,000
Bond anticipation notes	2,500,000	-	2,500,000
Financed purchases	14,399,830	-	14,399,830
Leases	187,541	-	187,541
Totals	<u>\$ 61,657,371</u>	<u>\$ 10,520,000</u>	<u>\$ 72,177,371</u>

TOWN OF NEW MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

Capital Asset and Debt Administration (Continued)

Debt Administration (Continued)



Additional information on the Town's bonded debt can be found in Note 8 and Note 9 of this report.

Economic Factors and Next Year's Budget and Rates

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

- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2026, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2026 and thereafter.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

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

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, New Milford Town Hall, 10 Main Street, New Milford, Connecticut 06776.

BASIC FINANCIAL STATEMENTS

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 74,942,616	\$ 7,418,148	\$ 82,360,764
Investments	3,345,771	-	3,345,771
Receivables:			
Property taxes and interest, net	3,560,019	-	3,560,019
Grants and contracts	6,900,189	-	6,900,189
Assessments and connection fees	-	240,248	240,248
Loans	42,850	-	42,850
Leases	19,459	-	19,459
Other	681,253	467,573	1,148,826
Other assets	19,971	61,241	81,212
Noncurrent assets:			
Receivables:			
Assessments and connection fees	-	848,853	848,853
Leases	129,833	-	129,833
Internal balances	1,176,650	(1,176,650)	-
Capital assets:			
Non-depreciable	24,906,116	84,655	24,990,771
Depreciable, net	153,433,381	31,695,642	185,129,023
Total assets	<u>269,158,108</u>	<u>39,639,710</u>	<u>308,797,818</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	1,276,098	41,617	1,317,715
OPEB related	6,412,723	-	6,412,723
Total deferred outflows of resources	<u>7,688,821</u>	<u>41,617</u>	<u>7,730,438</u>
LIABILITIES			
Accounts payable	3,411,830	39,725	3,451,555
Accrued liabilities	8,946,439	376,816	9,323,255
Bond anticipation notes payable	6,160,000	-	6,160,000
Deposits payable	1,970,649	-	1,970,649
Unearned revenue	3,071,769	-	3,071,769
Noncurrent liabilities:			
Due within one year	4,454,417	1,050,000	5,504,417
Due in more than one year	95,046,328	10,498,009	105,544,337
Total liabilities	<u>123,061,432</u>	<u>11,964,550</u>	<u>135,025,982</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,012,387	33,017	1,045,404
OPEB related	13,320,681	-	13,320,681
Lease related	149,292	-	149,292
Total deferred inflows of resources	<u>14,482,360</u>	<u>33,017</u>	<u>14,515,377</u>
NET POSITION			
Net investment in capital assets	111,013,789	20,950,124	131,963,913
Restricted for:			
Capital purposes - enabling legislation	19,402,731	-	19,402,731
Grant and other programs	2,708,304	-	2,708,304
Unrestricted	6,178,313	6,733,636	12,911,949
Total net position	<u>\$ 139,303,137</u>	<u>\$ 27,683,760</u>	<u>\$ 166,986,897</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF NEW MILFORD, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025

	General Fund	Waste Management Ordinance Fund	Bridge Rehabilitation Program Fund	Special Grants Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 31,810,362	\$ 23,357,444	\$ 20,814	\$ 3,275,596	\$ 8,609,045	\$ 6,664,301	\$ 73,737,562
Investments	-	860,414	-	-	-	2,485,357	3,345,771
Receivables:							
Property taxes, net	2,841,692	-	-	-	-	-	2,841,692
Interest on property taxes, net	718,327	-	-	-	-	-	718,327
Grants and contracts	-	-	4,011,822	2,375,348	-	513,019	6,900,189
Loans	-	-	-	-	-	42,850	42,850
Leases	149,292	-	-	-	-	-	149,292
Other	621,994	-	-	-	-	59,259	681,253
Due from other funds	4,208,749	-	-	-	1,318,617	769,740	6,297,106
Advances to other funds	1,176,650	-	-	-	-	-	1,176,650
Other	-	-	-	-	-	19,971	19,971
Total assets	<u>\$ 41,527,066</u>	<u>\$ 24,217,858</u>	<u>\$ 4,032,636</u>	<u>\$ 5,650,944</u>	<u>\$ 9,927,662</u>	<u>\$ 10,554,497</u>	<u>\$ 95,910,663</u>
LIABILITIES							
Accounts payable	\$ 1,739,794	\$ -	\$ 606,339	\$ 449,302	\$ -	\$ 616,360	\$ 3,411,795
Accrued liabilities	4,210,875	2,659,268	-	477	1,000,000	-	7,870,620
Due to other funds	2,224,319	-	1,567,466	2,380,329	-	260,954	6,433,068
Deposits payable	1,970,649	-	-	-	-	-	1,970,649
Unearned revenue	388,359	-	96,210	2,264,723	-	322,477	3,071,769
Total liabilities	<u>10,533,996</u>	<u>2,659,268</u>	<u>2,270,015</u>	<u>5,094,831</u>	<u>1,000,000</u>	<u>1,199,791</u>	<u>22,757,901</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues:							
Property taxes and interest	3,017,571	-	-	-	-	-	3,017,571
Loans	-	-	-	-	-	42,850	42,850
Lease related	149,292	-	-	-	-	-	149,292
Total deferred inflows of resources	<u>3,166,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,850</u>	<u>3,209,713</u>
FUND BALANCES							
Nonspendable	1,176,650	-	-	-	-	19,971	1,196,621
Restricted	-	19,402,731	-	291,590	-	3,456,807	23,151,128
Committed	1,655,306	-	1,762,621	264,523	8,927,662	6,115,158	18,725,270
Assigned	3,685,544	2,155,859	-	-	-	-	5,841,403
Unassigned	21,308,707	-	-	-	-	(280,080)	21,028,627
Total fund balances	<u>27,826,207</u>	<u>21,558,590</u>	<u>1,762,621</u>	<u>556,113</u>	<u>8,927,662</u>	<u>9,311,856</u>	<u>69,943,049</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,527,066</u>	<u>\$ 24,217,858</u>	<u>\$ 4,032,636</u>	<u>\$ 5,650,944</u>	<u>\$ 9,927,662</u>	<u>\$ 10,554,497</u>	<u>\$ 95,910,663</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

Total fund balances for governmental funds		\$ 69,943,049
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		178,339,497
Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are reported in the statement of net position.		(6,644,247)
Some of the Town's taxes and interest will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		3,017,571
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		42,850
Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.		
Accrued interest	(1,054,808)	
Long-term debt:		
Bonds	(44,045,000)	
Unamortized bond premiums	(3,063,457)	
Bond anticipation notes	(6,160,000)	
Financed purchases	(13,876,455)	
Leases	(135,075)	
Other long-term liabilities:		
Compensated absences	(1,888,787)	
Heart and hypertension liability	(60,236)	
Net pension liability	(22,010,668)	
Net OPEB liability	(14,421,067)	
Total long-term liabilities	(106,715,553)	
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.		1,319,970
Net position of governmental activities		\$ 139,303,137

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Waste Management Ordinance Fund	Bridge Rehabilitation Program Fund	Special Grants Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 96,102,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,102,431
Intergovernmental	27,456,360	-	3,689,281	4,438,622	-	4,002,449	39,586,712
Charges for services	5,444,700	-	-	-	-	1,187,759	6,632,459
Investment earnings	2,339,988	1,106,008	-	-	164,413	345,639	3,956,048
Other	70,942	-	-	10,000	-	509,894	590,836
Total revenues	<u>131,414,421</u>	<u>1,106,008</u>	<u>3,689,281</u>	<u>4,448,622</u>	<u>164,413</u>	<u>6,045,741</u>	<u>146,868,486</u>
EXPENDITURES							
Current:							
General government	14,441,522	-	-	-	-	116,689	14,558,211
Public safety	13,664,083	2,659,269	-	-	1,000,000	1,610	17,324,962
Public works	6,216,183	-	-	-	-	-	6,216,183
Health and welfare	2,885,309	-	-	1,359,536	-	184,524	4,429,369
Library	-	-	-	-	-	1,270,140	1,270,140
Culture and recreation	1,745,731	-	-	-	-	23,068	1,768,799
Education	84,410,636	-	-	-	-	6,017,778	90,428,414
Debt service:							
Principal payments	3,208,683	-	-	-	-	444,338	3,653,021
Interest and fiscal charges	1,812,585	-	-	-	-	284,517	2,097,102
Capital outlays	1,561,643	15,240	5,365,062	3,233,213	1,297,184	6,361,704	17,834,046
Total expenditures	<u>129,946,375</u>	<u>2,674,509</u>	<u>5,365,062</u>	<u>4,592,749</u>	<u>2,297,184</u>	<u>14,704,368</u>	<u>159,580,247</u>
Excess (deficiency) of revenues over expenditures	1,468,046	(1,568,501)	(1,675,781)	(144,127)	(2,132,771)	(8,658,627)	(12,711,761)
OTHER FINANCING SOURCES (USES)							
Bonds issued	-	-	-	-	-	2,500,000	2,500,000
Repayment of bond anticipation notes	-	-	-	-	-	(2,500,000)	(2,500,000)
Premium on bonds issued	140,486	-	-	-	-	-	140,486
Bond anticipation notes issued	-	-	1,160,000	-	-	5,000,000	6,160,000
Premium on bond anticipation notes issued	44,968	-	-	-	-	-	44,968
Transfers in	75,564	-	572,430	-	1,368,617	4,083,621	6,100,232
Transfers out	(5,206,328)	-	-	(75,564)	(2,093,483)	-	(7,375,375)
Total other financing sources (uses)	<u>(4,945,310)</u>	<u>-</u>	<u>1,732,430</u>	<u>(75,564)</u>	<u>(724,866)</u>	<u>9,083,621</u>	<u>5,070,311</u>
Net change in fund balances	(3,477,264)	(1,568,501)	56,649	(219,691)	(2,857,637)	424,994	(7,641,450)
Fund balances - beginning	31,303,471	23,127,091	1,705,972	775,804	11,785,299	8,886,862	77,584,499
Fund balances - ending	<u>\$ 27,826,207</u>	<u>\$ 21,558,590</u>	<u>\$ 1,762,621</u>	<u>\$ 556,113</u>	<u>\$ 8,927,662</u>	<u>\$ 9,311,856</u>	<u>\$ 69,943,049</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds \$ (7,641,450)

Total change in net position reported for governmental activities in the statement of activities is different because:

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. The amount by which capital additions exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 15,633,247	
Depreciation and amortization expense	<u>(8,723,259)</u>	
Net adjustment		6,909,988

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the funds. (183,880)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Bonds	(2,500,000)	
Premium on bonds	(140,486)	
Bond anticipation notes	(6,160,000)	
Principal repayments:		
Bonds	3,025,000	
Bond anticipation notes	2,500,000	
Financed purchases	523,375	
Leases	52,466	
Subscriptions	<u>52,180</u>	
Net adjustment		(2,647,465)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities. (3,345,985)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	(130,754)	
Amortization of bond premiums	506,163	
Compensated absences	(210,365)	
Heart and hypertension liability	806	
Net pension liability	3,947,096	
Net OPEB liability	<u>(1,375,970)</u>	
		<u>2,736,976</u>

(Continued)

The accompanying notes are an integral part of these financial statements .

TOWN OF NEW MILFORD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2025

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in unavailable revenues.	\$ 462,794
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities.	<u>(475,348)</u>
Change in net position of governmental activities	<u>\$ (4,184,370)</u> <i>(Concluded)</i>

The accompanying notes are an integral part of these financial statements .

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
AS OF JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,418,148	\$ 1,205,054
Receivables:		
Assessments	215,795	-
Sewer usage charges	467,573	-
Connection fees	24,453	-
Due from other funds	-	135,962
Inventories	61,241	-
Total current assets	<u>8,187,210</u>	<u>1,341,016</u>
Noncurrent assets:		
Receivables:		
Assessments	755,116	-
Connection fees	93,737	-
Capital assets:		
Non-depreciable	84,655	-
Depreciable, net	31,695,642	-
Total noncurrent assets	<u>32,629,150</u>	<u>-</u>
Total assets	<u>40,816,360</u>	<u>1,341,016</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>41,617</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	39,725	35
Accrued liabilities	376,816	21,011
Bonds payable	1,050,000	-
Total current liabilities	<u>1,466,541</u>	<u>21,046</u>
Noncurrent liabilities:		
Advance from other funds	1,176,650	-
Bonds payable	9,780,173	-
Net pension liability	717,836	-
Total non-current liabilities	<u>11,674,659</u>	<u>-</u>
Total liabilities	<u>13,141,200</u>	<u>21,046</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	<u>33,017</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	20,950,124	-
Unrestricted	6,733,636	1,319,970
Total net position	<u>\$ 27,683,760</u>	<u>\$ 1,319,970</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 3,448,531	\$ 135,962
Total operating revenues	<u>3,448,531</u>	<u>135,962</u>
OPERATING EXPENSES		
Personnel services	850,335	-
Employee benefits	579,637	-
Utilities	327,478	-
Laboratory	42,973	-
Maintenance and repairs	228,193	-
Process expense	376,995	-
Administration, premiums and claims	142,427	644,927
Depreciation and amortization	1,359,224	-
Total operating expenses	<u>3,907,262</u>	<u>644,927</u>
Operating loss	(458,731)	(508,965)
NON-OPERATING INCOME (EXPENSE)		
Interest income	12,974	33,617
Interest expense	(125,267)	-
Total non-operating expense, net	<u>(112,293)</u>	<u>33,617</u>
Change in net position before transfers	(571,024)	(475,348)
Transfer in	<u>1,275,143</u>	<u>-</u>
Change in net position	704,119	(475,348)
Net position - beginning	<u>26,979,641</u>	<u>1,795,318</u>
Net position - ending	<u>\$ 27,683,760</u>	<u>\$ 1,319,970</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for the following:		
Customers and users	\$ 3,611,163	\$ -
Cash paid for the following:		
Operating activities	(2,503,065)	(641,911)
Net cash provided by (used in) operating activities	<u>1,108,098</u>	<u>(641,911)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(151,626)	-
Interest paid on capital debt	(129,757)	-
Principal paid on capital debt	(1,346,793)	-
Interfund activities	1,176,550	-
Net cash used in capital and related financial activities	<u>(451,626)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	12,974	33,617
Net cash provided by investing activities	<u>12,974</u>	<u>33,617</u>
Net increase (decrease) in cash and cash equivalents	669,446	(608,294)
Cash and cash equivalents, beginning of year	6,748,702	1,813,348
Cash and cash equivalents, end of year	<u>\$ 7,418,148</u>	<u>\$ 1,205,054</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating loss	\$ (458,731)	\$ (508,965)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,359,224	-
Changes in assets and liabilities:		
Receivables	162,632	-
Due from other funds	-	(135,962)
Accounts payable	(27,847)	3,016
Accrued liabilities	11,417	-
Net pension and related deferrals	61,403	-
Net cash provided by (used in) operating activities	<u>\$ 1,108,098</u>	<u>\$ (641,911)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2025

	Pension Trust Funds		Custodial Fund
	Pension Trust Fund	Other Post- Employment Benefits Trust Fund	Firefighters Reward Program
	ASSETS		
Cash and cash equivalents	\$ -	\$ 2,550	\$ 18,693
Investments:			
Insurance contracts	78,805,880	-	-
Mutual funds	-	-	1,598,646
U.S. Treasury securities	-	902,337	-
Total assets	78,805,880	904,887	1,617,339
NET POSITION			
Restricted for pension benefits and other purposes	\$ 78,805,880	\$ 904,887	\$ 1,617,339

The accompanying notes are an integral part of these financial statements .

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Pension Trust Funds</u>		<u>Custodial Fund</u>
	<u>Pension Trust Fund</u>	<u>Other Post-Employment Benefits Trust Fund</u>	<u>Firefighters Reward Program</u>
ADDITIONS			
Contributions:			
Employer	\$ 4,236,827	\$ -	\$ 114,300
Plan members	449,947	-	-
Total contributions	<u>4,686,774</u>	<u>-</u>	<u>114,300</u>
Investment earnings:			
Interest and dividends	-	37,722	48,777
Net change in the fair value of investments, net of fees	7,718,412	-	135,686
Total investment earnings	<u>7,718,412</u>	<u>37,722</u>	<u>184,463</u>
Total additions	<u>12,405,186</u>	<u>37,722</u>	<u>298,763</u>
DEDUCTIONS			
Benefit payments	5,383,832	-	65,168
Administrative expenses	30,381	-	-
Total deductions	<u>5,414,213</u>	<u>-</u>	<u>65,168</u>
Change in net position	6,990,973	37,722	233,595
Net position - beginning	<u>71,814,907</u>	<u>867,165</u>	<u>1,383,744</u>
Net position - ending	<u>\$ 78,805,880</u>	<u>\$ 904,887</u>	<u>\$ 1,617,339</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town of New Milford, Connecticut, was originally settled in 1706 and was granted the powers and privileges of a township by the General Assembly of Connecticut in 1712. The current charter in use was approved and has been amended as recently as 2018. The Town operates under a Town Council and Board of Finance form of government and provides the following services as authorized by its charter: general government, public safety, public works, health and welfare, library, culture and recreation, education, and sewers.

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

Blended Component Unit - The New Milford Public Library (NMPL) was established in 1898 for the purposes of circulation of library materials to the public. The Town currently subsidizes a significant portion of the NMPL's operations within its General Fund budget on an annual basis. NMPL activity is reported as part of the Town's financial statements within the Library Memorial Fund, as a nonmajor special revenue fund.

Fiduciary Component Units - The Town has established a single-employer defined benefit pension plan and an other post-employment benefit (OPEB) plan to provide retirement and health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension and OPEB plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Government-wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

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

Waste Management Ordinance Fund - This fund is used to account for monies set aside pursuant to a Town ordinance for the acquisition of land and building for public recreation, public education, or public library facilities. In addition, the Town may apply an amount not to exceed 10.0% of the total fund balance available as of July 1 of each fiscal year towards the Town's annual General Fund budget. As such, \$19,402,731 has been presented as restricted for capital purposes pursuant to enabling legislation enacted by the Town. The major source of revenue for this fund is settlement proceeds from certain zoning violations relating to a municipal solid waste facility.

Bridge Rehabilitation Program Fund - This fund is used to account for the financial activity of bridge improvements financed through State and Federal reimbursement grants and debt proceeds.

Special Grants Fund - This fund is used to account for the financial activity relating to nonrecurring federal and state grants.

Capital Reserve Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital assets. The primary source of revenues for this fund is annual transfers from the General Fund.

In addition, the Town reports the following proprietary and fiduciary fund types:

Water Pollution Control Authority - This fund is used to account for revenues and expenses associated with the sewer collection and processing services for the Town's residences and businesses.

Internal Service Fund - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for medical self-insurance activities.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Pension and Other Post-Employment Benefits Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's pension plan, which is a defined benefit pension plan, and the other post-employment benefits plan.

Firefighters Reward Program (Custodial) – This fund accounts for monies held on behalf of the volunteer firefighters and ambulance organizations that serve the Town, which is related to a defined contribution service award program.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, leases and subscription based information technology arrangements, as well as expenditures related to compensated absences, claims and judgments, and post-employment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription based information technology arrangements are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund consist of charges to customers for services relating to sewer usage. Operating expenses of the Town's enterprise fund include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. Investments in insurance contracts are measured by the Town at contract value. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Donor-restricted Funds

The Town allocates investment income of donor-restricted funds in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method, except for USDA donated commodities, which are recorded at fair value. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance (Continued)

Property Taxes, Sewer Usage Charges and Sewer Assessment Fees

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2025 of \$93,000 and \$92,000, respectively.

Upon completion of projects, sewer assessments are levied to users. Once levied, annual assessments are made to users periodically throughout the year, based on the start date of the levy. Usage charges are billed semi-annually. Assessments and user charges are due and payable within 30 days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessments and usage charges are paid in full. Based on historical collection experience and other factors, an allowance for uncollectible assessments as of June 30, 2025 is not considered necessary.

Leases (as Lessor)

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

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

Capital assets, which include land, buildings and improvements, improvements other than buildings, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance (Continued)

Capital Assets (Continued)

Capital assets of the Town are defined by the following capitalization thresholds:

Asset Category	Capitalization Threshold
Vehicles, Machinery, Equipment	\$ 5,000
Improvements (Examples: Land improvements, Building modifications or additions, parking lot expansion)	20,000
Infrastructure (Examples: New roads, bridges, water lines, etc.)	100,000

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Category	Useful Lives
Computer equipment	5
Equipment	5-20
Vehicles	10-20
Sidewalks	20
Intangible assets (copyrights, patents, etc.)	30-50
Buildings/Major Building & Land Improvements	50-100
Roads, Catch Basins	75

Unearned Revenue

Unearned revenue represents resources that have been received but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time. Deferred outflows and inflows of resources consists of deferred pension and OPEB expenses reported in the government-wide statement of net position. Deferred pension and OPEB expenses resulted from changes in the components of the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expenses on a systematic and rational basis. Deferred inflows of resources also include unavailable revenues from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity (Continued)

Long-term Obligations

Long-term Debt

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

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

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset for noncancellable leases in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities in the government-wide financial statements.

Subscription Based Information Technology

The Town recognizes a subscription liability and a subscription asset for noncancellable subscription based information technology arrangements in the government-wide financial statements. The Town recognizes subscription liabilities with an initial, individual value of \$20,000 or more. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities in the government-wide financial statements.

Compensated Absences

Compensated absences represent leave for which employees are entitled to receive payment. This includes cash payments for leave taken, payouts for unused leave upon termination of employment, and noncash settlements. Liabilities for compensated absences, including salary related payments, are reported in the government-wide financial statements for leave that is more likely than not to be used or otherwise paid or settled, and for leave that has been taken but not yet paid or settled. The Town considers benefits earned in the current year to be used before any benefits carried forward from prior years.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity (Continued)

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity (Continued)

Fund Balance (Continued)

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to use restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Interfund Activity

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2025 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 82,360,764
Statement of fiduciary net position:	
Cash and cash equivalents	21,243
	82,382,007
Plus: Certificates of deposit considered cash for disclosure purposes	54,285
Less: cash equivalents considered investments for disclosure purposes	(46,626,936)
	\$ 35,809,356

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town 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. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2025, \$27,291,486 of the Town's bank balance of \$37,257,246 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 24,562,337
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	2,729,149
	\$ 27,291,486

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

A reconciliation of the Town's investments as of June 30, 2025 is as follows:

Government-wide statement of net position:	
Investments	\$ 3,345,771
Statement of fiduciary net position:	
Investments	81,306,863
	84,652,634
Plus: cash equivalents considered investments for disclosure purposes	46,626,936
Less: Certificates of deposit considered cash for disclosure purposes	(54,285)
	\$ 131,225,285

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

As of June 30, 2025, the Town's investments consist of the following:

<u>Investment type</u>	<u>Valuation Basis</u>	<u>Value</u>	<u>Investment Maturities (In Years)</u> <u>Less Than 1</u>
Debt securities:			
Governmental Activities:			
Short-Term Investment Fund	Amortized cost	\$ 45,632,208	\$ 45,632,208
U.S. Treasury securities	Amortized cost	860,414	860,414
Business-Type Activities:			
Short-Term Investment Fund	Amortized cost	994,728	994,728
Fiduciary:			
U.S. Treasury securities	Amortized cost	902,337	902,337
		<u>48,389,687</u>	<u>\$ 48,389,687</u>
Other investments:			
Governmental Activities:			
Mutual funds	Fair value	2,367,285	
Equity securities	Fair value	63,787	
Fiduciary:			
Mutual Funds	Fair value	1,598,646	
Insurance contracts	Contract value	78,805,880	
		<u>\$ 131,225,285</u>	

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

	<u>AAA</u>	<u>Total</u>
Debt Securities:		
Governmental Activities:		
Short-Term Investment Fund	\$ 45,632,208	\$ 45,632,208
Business Type Activities		
Short-Term Investment Fund	994,728	994,728
	<u>\$ 46,626,936</u>	46,626,936
U.S. Treasury securities		1,762,751
		<u>\$ 48,389,687</u>

Interest Rate Risk

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan. The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as presented above.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools, mutual funds and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's investments in corporate bonds and common stock are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2025, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town's governmental and business-type activities. As of June 30, 2025, 96.9% of the total investments reported for the Town's fiduciary activities are invested in insurance contracts issued by Principal Financial Group. The value and liquidity of these investments are dependent on the financial stability and creditworthiness of Principal Financial Group. Any adverse developments affecting Principal could have a significant impact on the investment values.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2025, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Governmental Activities:				
Mutual funds	\$ 2,367,285	\$ -	\$ -	\$ 2,367,285
Equity securities	63,787	-	-	63,787
Fiduciary Funds:				
Mutual funds	1,598,646	-	-	1,598,646
	<u>\$ 4,029,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,029,718</u>
	Add: Investments reported at contract value			78,805,880
	Add: Investments reported at amortized cost			48,389,687
				<u>\$ 131,225,285</u>

Mutual funds 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.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2025 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 16,906,235	\$ -	\$ (49,100)	\$ -	\$ 16,857,135
Construction in progress	8,142,871	13,821,115	-	(13,915,005)	8,048,981
Total capital assets, not being depreciated	<u>25,049,106</u>	<u>13,821,115</u>	<u>(49,100)</u>	<u>(13,915,005)</u>	<u>24,906,116</u>
Capital assets, being depreciated:					
Buildings and improvements	133,934,788	267,827	(482,053)	-	133,720,562
Infrastructure	144,994,508	130,838	-	13,915,005	159,040,351
Land improvements	3,018,080	302,445	(21,434)	-	3,299,091
Right-to-use and subscription assets	418,314	-	-	-	418,314
Machinery and equipment	27,259,223	1,111,022	(1,282,751)	-	27,087,494
Total capital assets, being depreciated	<u>309,624,913</u>	<u>1,812,132</u>	<u>(1,786,238)</u>	<u>13,915,005</u>	<u>323,565,812</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	55,870,643	3,712,256	(362,184)	-	59,220,715
Infrastructure	89,348,691	3,386,450	-	-	92,735,141
Land improvements	1,273,063	191,325	(20,905)	-	1,443,483
Right-to-use and subscription assets	153,528	103,624	-	-	257,152
Machinery and equipment	16,414,705	1,329,604	(1,268,369)	-	16,475,940
Total accumulated depreciation and amortization	<u>163,060,630</u>	<u>8,723,259</u>	<u>(1,651,458)</u>	<u>-</u>	<u>170,132,431</u>
Total capital assets, being depreciated, net	<u>146,564,283</u>	<u>(6,911,127)</u>	<u>(134,780)</u>	<u>13,915,005</u>	<u>153,433,381</u>
Governmental activities capital assets, net	<u>\$ 171,613,389</u>	<u>\$ 6,909,988</u>	<u>\$ (183,880)</u>	<u>\$ -</u>	<u>\$ 178,339,497</u>

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 612,038
Public safety	349,933
Public works	5,228,108
Health and welfare	17,033
Culture and recreation	236,852
Education	<u>2,279,295</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 8,723,259</u></u>

Capital asset activity for business-type activities for the year ended June 30, 2025 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Construction in progress	85,891	15,654	-	(21,890)	79,655
Total capital assets, not being depreciated	<u>90,891</u>	<u>15,654</u>	<u>-</u>	<u>(21,890)</u>	<u>84,655</u>
Capital assets, being depreciated:					
Buildings and improvements	29,962,567	-	-	-	29,962,567
Infrastructure	10,705,867	-	-	-	10,705,867
Machinery and equipment	10,358,528	135,972	-	21,890	10,516,390
Total capital assets, being depreciated	<u>51,026,962</u>	<u>135,972</u>	<u>-</u>	<u>21,890</u>	<u>51,184,824</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	7,465,744	643,247	-	-	8,108,991
Infrastructure	4,654,859	235,520	-	-	4,890,379
Machinery and equipment	6,009,355	480,457	-	-	6,489,812
Total accumulated depreciation and amortization	<u>18,129,958</u>	<u>1,359,224</u>	<u>-</u>	<u>-</u>	<u>19,489,182</u>
Total capital assets, being depreciated, net	<u>32,897,004</u>	<u>(1,223,252)</u>	<u>-</u>	<u>21,890</u>	<u>31,695,642</u>
Business-type activities capital assets, net	<u><u>\$ 32,987,895</u></u>	<u><u>\$ (1,207,598)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,780,297</u></u>

NOTE 5 - RECEIVABLES

Leases (as Lessor)

The Town is a lessor for a noncancellable lease of a building. The Town recognized \$24,000 in lease related revenue during the current fiscal year. As of June 30, 2025, the Town's receivable for lease payments was \$149,292. In addition, the Town has recognized deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – RECEIVABLES (Continued)

Leases (as Lessor) (Continued)

Future payments to be received on the lease receivable are as follows:

Year ending June 30:	Principal	Interest	Total
2026	\$ 19,459	\$ 4,541	\$ 24,000
2027	20,051	3,949	24,000
2028	20,661	3,339	24,000
2029	21,289	2,711	24,000
2030	21,937	2,063	24,000
Thereafter	45,895	2,104	47,999
	<u>\$ 149,292</u>	<u>\$ 18,707</u>	<u>\$ 167,999</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Water Pollution Control Authority	\$ 1,176,650
	Bridge Rehabilitation Program Fund	1,567,466
	Special Grants Fund	2,380,329
	Other Governmental Funds	260,954
		<u>5,385,399</u>
Capital Reserve Fund	General Fund	<u>1,318,617</u>
Other Governmental Funds	General Fund	<u>769,740</u>
		<u>\$ 7,473,756</u>
Proprietary Funds:		
Internal Service Fund	General Fund	<u>\$ 135,962</u>

Except as disclosed below, the above balances resulted 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.

The General Fund has previously advanced funds to the Water Pollution Control Authority to fund bond principal and interest payments. The Town intends to liquidate the amounts due to the General Fund through future revenues collected by the Water Pollution Control Authority. It is anticipated that a portion of the balance due to the General Fund from the Water Pollution Control Authority will not be repaid within one year and, therefore, an amount of \$1,176,650 has been presented as an advance as of June 30, 2025.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Special Grants Fund	\$ 75,564
Bridge Rehabilitation Program Fund	General Fund	572,430
Capital Reserve Fund	General Fund	1,368,617
Other Governmental Funds	General Fund	1,990,138
	Capital Reserve Fund	2,093,483
		4,083,621
		<u>\$ 6,100,232</u>
Proprietary Funds:		
Water Pollution Control Authority	General Fund	<u>\$ 1,275,143</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 - SHORT-TERM DEBT

The following is a summary of terms and changes in short-term capital borrowings for the year ended June 30, 2025:

	<u>Coupon Rates</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities						
Bond anticipation notes	4.25%	July 2025	\$ -	\$ 6,160,000	\$ -	\$ 6,160,000
Bond anticipation notes	4.25%	July 2024	2,500,000	-	(2,500,000)	-
			<u>\$ 2,500,000</u>	<u>\$ 6,160,000</u>	<u>\$ (2,500,000)</u>	<u>\$ 6,160,000</u>

The purpose of all short-time borrowings is to provide resources for various capital construction and improvement projects. In July 2024, the Town issued \$2,500,000 of general obligation bonds and \$6,160,000 in bond anticipation notes. The general obligation bonds were issued to retire the \$2,500,000 of bond anticipation notes previously outstanding. As discussed more fully in Note 17, the \$6,160,000 in bond anticipation notes outstanding as of June 30, 2025 were subsequently retired through the issuance of general obligation bonds. As such, the Town has accounted for the proceeds from the bond anticipation notes on a long-term basis and recognized the proceeds as other financing sources in the governmental funds statement of revenues, expenditures, and changes in fund balances.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2025 are as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
<i>Long-term debt:</i>					
Bonds payable:					
General obligation bonds	\$ 44,570,000	\$ 2,500,000	\$ (3,025,000)	\$ 44,045,000	\$ 3,315,000
Unamortized premium	3,429,134	140,486	(506,163)	3,063,457	-
Total bonds payable	47,999,134	2,640,486	(3,531,163)	47,108,457	3,315,000
Financed purchases	14,399,830	-	(523,375)	13,876,455	633,715
<i>Other long-term liabilities:</i>					
Leases	187,541	-	(52,466)	135,075	55,702
Subscriptions	52,180	-	(52,180)	-	-
Compensated absences	1,678,422	210,365	-	1,888,787	444,000
Heart and hypertension	61,042	-	(806)	60,236	6,000
Net pension liability (see Note 10)	25,957,764	-	(3,947,096)	22,010,668	-
Net OPEB liability (see Note 12)	13,045,097	1,375,970	-	14,421,067	-
	<u>\$ 103,381,010</u>	<u>\$ 4,226,821</u>	<u>\$ (8,107,086)</u>	<u>\$ 99,500,745</u>	<u>\$ 4,454,417</u>
Business-type Activities					
<i>Long-term debt:</i>					
Bonds payable:					
General obligation bonds	\$ 10,520,000	\$ -	\$ (1,000,000)	\$ 9,520,000	\$ 1,050,000
Unamortized premium	1,656,966	-	(346,793)	1,310,173	-
Total bonds payable	12,176,966	-	(1,346,793)	10,830,173	1,050,000
<i>Other long-term liabilities:</i>					
Net pension liability (see Note 10)	791,117	-	(73,281)	717,836	-
	<u>\$ 12,968,083</u>	<u>\$ -</u>	<u>\$ (1,420,074)</u>	<u>\$ 11,548,009</u>	<u>\$ 1,050,000</u>

Long-term obligations above typically have been liquidated by the General Fund for governmental activities and the Water Pollution Control Authority for business-type activities. The change in compensated absences has been presented net of current year decreases.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2025.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

<u>Purpose of Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Governmental Activities					
Bonds Payable					
General Obligation Bonds	4/2017	11,840,000	3.0% - 5.0%	4/2037	\$ 4,210,000
General Obligation Bonds	7/2019	8,835,000	2.125% - 5.0%	7/2039	5,435,000
General Obligation Bonds	7/2019	2,270,000	5.0%	7/2030	1,130,000
General Obligation Bonds	7/2020	10,000,000	2.0% - 5.0%	7/2040	8,410,000
General Obligation Bonds	7/2021	9,000,000	2.0% - 5.0%	7/2041	8,050,000
General Obligation Bonds	7/2022	9,300,000	4.0% - 5.0%	7/2042	8,810,000
General Obligation Bonds	7/2023	5,500,000	4.0% - 5.0%	7/2043	5,500,000
General Obligation Bonds	7/2024	2,500,000	4.0% - 5.0%	7/2044	2,500,000
					<u>\$ 44,045,000</u>
Business-type Activities					
Bonds Payable					
General Obligation Bonds	4/2017	2,100,000	3.0% - 5.0%	4/2037	\$ 1,250,000
General Obligation Bonds	7/2020	12,400,000	5.0%	12/2032	8,270,000
					<u>\$ 9,520,000</u>

Financed Purchases

The Town has entered into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes periodic principal and interest payments at an interest rates ranging from 2.3% to 4.8% through various maturity dates.

Authorized/Unissued Debt

At June 30, 2025, the Town had authorized unissued debt as follows:

Synthetic Turf Field at High School	\$ 450,000
2023 Roof Repairs & Improvements	5,000,000
2023 Road Improvements	7,500,000
	<u>\$ 12,950,000</u>

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - LONG-TERM LIABILITIES (Continued)

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2026	\$ 3,315,000	\$ 1,547,787	\$ 633,715	\$ 277,320
2027	3,445,000	1,397,564	548,389	264,590
2028	2,840,000	1,246,062	584,593	253,633
2029	2,840,000	1,114,512	622,416	241,953
2030	2,745,000	994,011	661,922	229,517
2031-2035	12,550,000	3,530,882	3,965,846	1,006,907
2036-2040	11,585,000	1,649,480	5,088,112	587,269
2041-2045	4,725,000	268,050	1,771,462	100,959
	<u>\$ 44,045,000</u>	<u>\$ 11,748,348</u>	<u>\$ 13,876,455</u>	<u>\$ 2,962,148</u>

Year ending June 30:	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2026	\$ 1,050,000	\$ 427,625
2027	1,105,000	376,175
2028	1,180,000	322,075
2029	1,235,000	264,600
2030	1,290,000	204,625
2031-2034	3,660,000	244,750
	<u>\$ 9,520,000</u>	<u>\$ 1,839,850</u>

Compensated Absences

Employees may accumulate unused vacation and sick leave in accordance with Board policies, union contracts, and employment agreements. As of June 30, 2025, accumulated benefits totaled approximately \$14,220,000, of which \$1,888,787 has been recorded as a liability for amounts more likely than not to be used or paid. This liability is based on estimates of the amount of vacation and sick leave employees will use in future years. Actual leave usage could differ from those estimates and such differences could be material to the financial statements.

Heart and Hypertension Obligations

The Town's future obligations for heart and hypertension claims as of June 30, 2025 is estimated to be \$60,236. Currently, the beneficiaries receive weekly benefit payments that are subject to annual COLA adjustments. The total liability increased due to cost of living adjustments, offset by current year payouts. The total estimated liability has been established based upon a life expectancy assumption for each individual receiving weekly benefit payments.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - LONG-TERM LIABILITIES (Continued)

Leases

The Town is a lessee for noncancellable leases of equipment. The terms of the leases are 5 years. The Town makes fixed monthly or annual payments with interest rates of 6.00%. The net book value of the right-to-use leased equipment totaled \$161,162 as of the end of June 30, 2025. The amount of the related lease liability was \$135,075 as of June 30, 2025. The future principal and interest lease payments as of June 30, 2025 are as follows:

Year ending June 30:	Principal	Interest	Total
2026	\$ 55,702	\$ 6,590	\$ 62,292
2027	59,138	3,154	62,292
2028	20,235	328	20,563
	<u>\$ 135,075</u>	<u>\$ 10,072</u>	<u>\$ 145,147</u>

NOTE 10 - PENSION PLANS

The Town accounts for activity relating to two defined benefit pension plans, (1) the Town of New Milford Pension Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2025, the two plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On-Behalf Revenues	Pension Expense
Governmental Activities					
Town of New Milford Pension Plan	\$ 22,010,668	\$ 1,276,098	\$ 1,012,387	\$ -	\$ 4,637,544
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	12,338,646	12,338,646
	<u>22,010,668</u>	<u>1,276,098</u>	<u>1,012,387</u>	<u>12,338,646</u>	<u>16,976,190</u>
Business-type Activities					
Town of New Milford Pension Plan	717,836	41,617	33,017	-	151,245
	<u>\$ 22,728,504</u>	<u>\$ 1,317,715</u>	<u>\$ 1,045,404</u>	<u>\$ 12,338,646</u>	<u>\$ 17,127,435</u>

Detailed disclosures for each plan follow.

Town of New Milford Pension Plan

Plan Description

Plan administration - The Town sponsors and administers the Town of New Milford Pension Plan (the Plan) which is a single employer, contributory, defined benefit plan. The Plan covers substantially all full time employees of the Town and Board of Education personnel other than certified teachers, who are covered under the State Teachers' Retirement System. The Plan is administered by the Town Finance Director. Plan benefits and contribution requirements are established by the plan document.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Plan Description (Continued)

Plan membership - All full time employees eligible to participate in the plan become a plan participant with their date of hire. Membership of the Plan consisted of the following as of July 1, 2024:

Retirees and beneficiaries receiving benefits	344
Terminated plan members entitled to but not yet receiving benefits	115
Active plan members	372
	831

Benefits provided - The Plan provides retirement, death and disability benefits to all eligible members. Benefit provisions are established and may be amended by the Town Council and vary by class of employees covered, per terms of the Plan agreement. The following is a summary of the provisions for each type of class covered:

Non-union employees: All full time regular employees are eligible for participation in the Plan and become fully vested in the Plan upon completion of 10 years of service. The normal retirement age is the earlier of age 65 with 5 years of service or the attainment of age 60 and age plus service equals or exceeds 85. Employees are eligible for early retirement (within ten years of the normal retirement date but not earlier than age 55). Benefits are reduced for each month that the early retirement date precedes the normal retirement date.

The normal retirement benefit is calculated as follows:

General Government and Library: 2.0% of average annual compensation multiplied by years of service. Effective July 1, 2017, the maximum annual retirement benefit may not exceed 70% of the employees average annual compensation.

Sewer: 2.0% of average annual compensation multiplied by years of service.

Board of Education: 1.33% of average annual compensation multiplied by years of service for non-teamsters and 1.50% of average annual compensation multiplied by years of service for teamsters.

Teamsters: All full time regular employees are eligible for participation in the Plan and become fully vested in the Plan upon completion of 10 years of service. The normal retirement benefit is calculated as 2.1% of the participant's highest average annual compensation in the three years during the last ten years of service, multiplied by the number of years of service. The normal retirement age is the earlier of age 65 with 5 years of service or age plus service equals or exceeds 84, regardless of age. Employees are eligible for early retirement (within ten years of the normal retirement date but not earlier than age 55). Benefits are reduced for each month that the early retirement date precedes the normal retirement date.

NUTMEG/UPSEU: All full time regular employees are eligible for participation in the Plan and become fully vested in the Plan upon completion of 10 years of service. The normal retirement benefit is calculated as 1.6% of the participant's highest average annual compensation in the three years during the last ten years of service, multiplied by the number of years of service. The normal retirement age is the earlier of age 65 with 5 years of service or the attainment of age 60 and age plus service equals or exceeds 84. Employees are eligible for early retirement (within ten years of the normal retirement date but not earlier than age 55). Benefits are reduced for each month that the early retirement date precedes the normal retirement date.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Plan Description (Continued)

Police: All full time regular employees are eligible for participation in the Plan and become fully vested in the Plan upon the completion of 10 years of service. The normal retirement benefit is calculated as 2.5% of the participant's highest average annual compensation in the three years during the last five years of service, multiplied by the number of years of service for the first 30 years of service, plus 1.0% of the participant's highest average annual compensation in the three years during the last five years of service, multiplied by the number of years of service in excess of 30 years, up to a maximum of 80% of average annual compensation. If hired on or after January 1, 2013, the maximum benefit was reduced to 75% of average annual compensation. If hired on or after July 1, 2018, the maximum benefit was reduced to 70% of average annual compensation. The normal retirement age is the earlier of age 55 with 5 years of service or the completion of 25 years of service. If hired on or after January 1, 2013, the normal retirement age is the later of age 55 or completion of 25 years of service.

Contributions - The contribution requirements of plan members and the Town are established and may be amended by the Town Council. The employer's contributions were based on normal cost and an amortization of the unfunded actuarial accrued liability. The Town's actuary determines annual employer contributions to the plan. Employee contribution requirements vary by class of employees covered, per terms of the Plan agreement. The following is a summary of the contribution requirements for each type of class covered:

Non-union employees: Effective July 1, 2022, employees are required to contribute 2.0% of annual earnings, up to 30 years of service, except those who elected to remain under the prior plan provisions. Prior to July 1, 2022, employees were not required to contribute to the plan.

Teamsters/NUTMEG/UPSEU: Employees are required to contribute 2% of compensation under a salary reduction agreement to the Plan.

Police: Employees are required to contribute 6% of compensation to the Plan, until 35 years of service is attained, at which point, contributions are not required. There are no early retirement provisions.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments consists of insurance contracts and are measured by the Town at contract value.

Concentrations - As of June 30, 2025, 100% of the Plan's investments were invested in insurance contracts with Principal Financial Group.

Rate of return - For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was approximately 10.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Net Pension Liability

The components of the Town's net pension liability of the Plan at June 30, 2025 were as follows:

Total pension liability	\$ 101,534,384
Plan fiduciary net position	78,805,880
Net pension liability	<u>\$ 22,728,504</u>
Plan fiduciary net position as a percentage of the total pension liability	77.61%

The components of the change in the net pension liability of the Plan for the year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2024	\$ 98,563,788	\$ 71,814,907	\$ 26,748,881
Changes for the year:			
Service cost	1,853,721	-	1,853,721
Interest	6,530,019	-	6,530,019
Differences between expected and actual experience	(29,312)	-	(29,312)
Change in assumption	-	-	-
Change in benefit terms	-	-	-
Contributions - employer	-	4,236,827	(4,236,827)
Contributions - employee	-	449,947	(449,947)
Net investment income	-	7,718,412	(7,718,412)
Benefit payments, including refunds	(5,383,832)	(5,383,832)	-
Administrative expense	-	(30,381)	30,381
Net changes	<u>2,970,596</u>	<u>6,990,973</u>	<u>(4,020,377)</u>
Balance as of June 30, 2025	<u>\$ 101,534,384</u>	<u>\$ 78,805,880</u>	<u>\$ 22,728,504</u>

The Town's net pension liability has been allocated between its governmental and business-type activities based on the proportionate share of contributions made to the plan.

Actuarial assumptions - The total pension liability for the Plan was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.50%
Investment rate of return, including inflation	6.75%
Discount rate	6.75%

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Net Pension Liability (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	37.33%	36.40%	8.57%
International Equity	16.01%	15.60%	8.35%
Fixed Income	39.98%	40.00%	5.05%
Real Estate / Other	6.68%	8.00%	6.20%

Discount rate - The discount rate used to measure the total pension liability of the Plan was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the 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 Plan, calculated using the discount rate of 6.75% as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net pension liability	\$ 34,096,875	\$ 22,728,504	\$ 13,164,890

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the Town recognized pension expense related to the Plan of \$4,637,544. At June 30, 2025, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 1,018,483	\$ 108,633	\$ 909,850
Changes of assumptions and demographics	299,232	-	299,232
Difference between projected and actual earnings on plan investments	-	936,771	(936,771)
Total	\$ 1,317,715	\$ 1,045,404	\$ 272,311

Amounts reported as deferred outflows and inflows of resources related to the Plan will be recognized as an increase (decrease) in pension expense in future years as follows:

Year ended June 30,	
2026	\$ 2,578,779
2027	(610,813)
2028	(1,116,685)
2029	(578,970)
	\$ 272,311

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's defined benefit plan as of and for the year ended June 30, 2025.

	Pension Trust Fund
ASSETS	
Investments:	
Insurance contracts	\$ 78,805,880
Total assets	78,805,880
NET POSITION	
Restricted for pension benefits	\$ 78,805,880

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Town of New Milford Pension Plan (Continued)

Plan Financial Statements (Continued)

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 4,236,827
Plan members	449,947
Total contributions	4,686,774
Investment earnings:	
Net change in the fair value of investments, net of fees	7,718,412
Total investment earnings	7,718,412
Total additions	12,405,186
DEDUCTIONS	
Benefit payments	5,383,832
Administrative expenses	30,381
Total deductions	5,414,213
Change in net position	6,990,973
Net position - beginning	71,814,907
Net position - ending	\$ 78,805,880

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan 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.

Benefit Provisions

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

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Connecticut Teachers' Retirement System (Continued)

Benefit Provisions (Continued)

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 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 to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. 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 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% 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.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Each teacher is required to contribute 7.0% of pensionable salary.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Connecticut Teachers' Retirement System (Continued)

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.682% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		\$ 15,771,213,000
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net Pension Liability	0.000%	\$ -
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.682%	\$ 107,571,000

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$10,603,109 or 0.682% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Connecticut Teachers' Retirement System (Continued)

Collective Pension Expense (Continued)

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$12,338,646 or 0.682% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2025.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
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 as 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 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - PENSION PLANS (Continued)

Connecticut Teachers' Retirement System (Continued)

Long-Term Rate of Return (Continued)

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100%</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 plan member contributions will be made at the current contribution rate and that the State 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.

NOTE 11 - OTHER RETIREMENT PLANS

Length of Service Award Program - The Town, in collaboration with the volunteer firefighters and ambulance organizations that serve the Town, has established a revocable trust fund (the Firefighters Reward Program Fund) to accumulate awards for the benefit of the organizations' members. Members generally become eligible to participate in the awards program upon completion of one year of continuous service. The contribution requirements of the Town are established and may be amended by the Boards governing each organization, with approval by the Town Council. The Town contributes \$700 annually to the fund on-behalf of each eligible participant. Participants become fully vested in the awards program upon completion of 10 years of service, upon death or upon becoming disabled, with partial vesting between 6 and 10 years of service. Investment earnings and losses are apportioned to participant accounts at the end of the program year and any forfeitures are reallocated to active participants at the same time contributions are allocated. The Town finance director serves as the administrator of the awards program and the assets of the program are held in a revocable trust and are accessible to the creditors of the participating organizations. Accordingly, the Town has reported the Firefighters Reward Program Fund as a custodial fund in the accompanying financial statements.

During the year ended June 30, 2025, the Town contributed \$114,300 to the fund for awards earned by participants for the fiscal 2025 service year.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 - OTHER RETIREMENT PLANS (Continued)

Defined Contribution Plan - The Town established a defined contribution (401a) plan for all nonunion employees, excluding the board of education, hired after July 1, 2022. The Town has also negotiated with both the Teamsters and Nutmeg Unions to adopt this plan for all new hires after July 1, 2023. The employee contributes 2% pretax and the Town contributes 5% to this plan. The Town contributed \$88,975 to the plan during the year ended June 30, 2025.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town and Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2025, the two plans had the following balances reported in the Town's government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On-Behalf Revenues	OPEB Expense
Governmental Activities					
Town and Board of Education Other Post-employment Benefit Plan	\$ 14,421,067	\$ 6,412,723	\$ 13,320,681	\$ -	\$ 466,557
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	305,746	305,746
	\$ 14,421,067	\$ 6,412,723	\$ 13,320,681	\$ 305,746	\$ 772,303

Detailed disclosures for each plan follow.

Town and Board of Education Other Post-employment Benefit Plan

Plan Description

The Town administers an Other Post-Employment Benefits Plan (the OPEB Plan), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each bargaining period. The OPEB Plan is considered to be part of the Town's financial reporting entity. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Plan Membership

At July 1, 2024, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	46
Active plan members	393
	439

Plan Provisions

Contribution requirements of the plan members and the Town are established through negotiations between the Town and the unions. Retired program members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums. Currently, the Town contributes the following for various classes of employees covered:

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Town and Board of Education Other Post-employment Benefit Plan (Continued)

Plan Provisions (Continued)

Board of Education Teachers: Teachers retiring under the Connecticut State Teachers Retirement system are eligible to receive health benefits for self and spouse. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age. Individuals receiving benefits contribute 100% of their premium costs, net of any subsidies paid by the Connecticut Teachers' Retirement System.

Police: Police Officers who retire under the Town's pension plan with at least 25 years of service, shall be eligible to continue receiving health benefits for self and spouse. All retirees under the age of 65 are required to contribute 100% of their premium costs. Individuals receiving benefits contribute 10% of their premium costs if they retired before July 1, 2013 and 17.5% if they retire after.

Funding Policy

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. The Town is funding these benefits in an Other Post-Employment Benefits Trust Fund.

Net OPEB Liability

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

Total OPEB liability	\$	15,325,954
Plan fiduciary net position		904,887
Town's net OPEB liability		<u>14,421,067</u>
Plan fiduciary net position as a percentage of the total OPEB liability		5.90%

The components of the change in the net pension liability of the Plan for the year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2024	\$ 13,912,262	\$ 867,165	\$ 13,045,097
Changes for the year:			
Service cost	678,858	-	678,858
Interest	541,230	-	541,230
Differences between expected and actual experience	1,948,540	-	1,948,540
Change in assumption	(1,572,679)	-	(1,572,679)
Contributions - employer	-	182,257	(182,257)
Net investment income	-	37,722	(37,722)
Benefit payments, including refunds	(182,257)	(182,257)	-
Net changes	<u>1,413,692</u>	<u>37,722</u>	<u>1,375,970</u>
Balance as of June 30, 2025	<u>\$ 15,325,954</u>	<u>\$ 904,887</u>	<u>\$ 14,421,067</u>

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Town and Board of Education Other Post-employment Benefit Plan (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs - The net OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.50%
Investment rate of return, including inflation	4.00%
Discount rate	4.81%

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on the RP-2014 Mortality Tables for Males and Females projected forward with Scale MP-2021.

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate of 4.81%, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 16,220,837	\$ 14,421,067	\$ 12,899,217

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 11,391,249	\$ 14,421,067	\$ 18,101,809

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the Town recognized OPEB expense of \$466,557. As of June 30, 2025, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 3,154,243	\$ 8,685,063	\$ (5,530,820)
Changes of assumptions and demographics	3,258,480	4,620,165	(1,361,685)
Difference between projected and actual earnings on plan investments	-	15,453	(15,453)
Total	\$ 6,412,723	\$ 13,320,681	\$ (6,907,958)

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Town and Board of Education Other Post-employment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year ended June 30,		
2026	\$	(732,021)
2027		(735,999)
2028		(734,993)
2029		(731,920)
2030		(729,870)
Thereafter		(3,243,155)
		<u>\$ (6,907,958)</u>

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB plan as of and for the year ended June 30, 2025.

	Other Post- Employment Benefits Trust Fund
ASSETS	
Cash and cash equivalents	\$ 2,550
Investments:	
U.S. Treasury securities	902,337
Total assets	<u>904,887</u>
NET POSITION	
Restricted for OPEB benefits	<u>\$ 904,887</u>
ADDITIONS	
Investment earnings:	
Interest and dividends	37,722
Total additions	<u>37,722</u>
Change in net position	37,722
Net position - beginning	<u>867,165</u>
Net position - ending	<u>\$ 904,887</u>

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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 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.

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. 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.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Connecticut Teachers' Retirement System (Continued)

Contributions (Continued)

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

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net OPEB liability has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as of the date of the latest biennial valuation. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.682% as of the most recent measurement date.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Connecticut Teachers' Retirement System (Continued)

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2025, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		\$ 3,235,218,000
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.682%	\$ 22,067,000

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$148,453 or 0.682% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the Town totaled \$305,746 or 0.682% of the total collective OPEB expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2025.

Actuarial Assumptions

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

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

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Connecticut Teachers' Retirement System (Continued)

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing 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 target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	1.26%
Long-Term Inflation Expectation		2.50%
Long-Term Expected Nominal Return		3.76%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate of 3.93% was used in the determination of the single equivalent rate.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 - RISK MANAGEMENT

Risk Management - Insurance

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance, except as disclosed below. There have been no significant reductions in any insurance coverage from amounts in the prior year.

Self-Insurance

The Medical Reserve Account, an internal service fund, was established to account for and finance employee health and dental benefits for eligible full-time employees and qualified retirees of both the Town and the Board of Education. Effective July 1, 2019, the Town transitioned to the Connecticut Partnership 2.0 plan for health insurance. Claims from Partnership 2.0 are pooled with all the State claims and are factored into the yearly renewal rating.

The Town retains the risk of loss under for dental benefits. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2025. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

Liability-Automobile-Property Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities (CCM) for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Workers Compensation

The Town is a member of CIRMA's worker's compensation pool, a risk sharing pool, which commenced operations on July 1, 1980. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The Town has workers compensation coverage at statutory required limits with CIRMA and carries \$1,000,000 employer's liability through CIRMA.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 - FUND BALANCE

As of June 30, 2025, fund balances have been classified based on the following purposes:

	General Fund	Waste Management Ordinance Fund	Bridge Rehabilitation Program Fund	Special Grants Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Advances to other funds	\$ 1,176,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,176,650
Prepays	-	-	-	-	-	1,475	1,475
Inventories	-	-	-	-	-	18,496	18,496
	<u>1,176,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,971</u>	<u>1,196,621</u>
Restricted for:							
Health and Welfare programs	-	-	-	291,590	-	546,180	837,770
Culture and Recreation:							
Senior center activities	-	-	-	-	-	19,088	19,088
Farmers market	-	-	-	-	-	21,407	21,407
Education:							
School lunch program	-	-	-	-	-	980,204	980,204
Student activities	-	-	-	-	-	719,222	719,222
Education programs	-	-	-	-	-	39,335	39,335
Capital purposes:							
Enabling legislation	-	19,402,731	-	-	-	-	19,402,731
Unspent bond proceeds	-	-	-	-	-	1,040,093	1,040,093
Housing rehabilitation loans	-	-	-	-	-	91,278	91,278
	<u>-</u>	<u>19,402,731</u>	<u>-</u>	<u>291,590</u>	<u>-</u>	<u>3,456,807</u>	<u>23,151,128</u>
Committed to:							
Public safety programs	-	-	-	-	-	106,301	106,301
Library programs	-	-	-	-	-	2,631,044	2,631,044
Culture and recreation programs	-	-	-	-	-	43,258	43,258
Education programs	-	-	-	-	-	92,887	92,887
Capital purposes	-	-	1,762,621	264,523	8,927,662	2,464,848	13,419,654
Debt service	-	-	-	-	-	776,820	776,820
Property tax stabilization	1,000,000	-	-	-	-	-	1,000,000
Volunteer fire activities	655,306	-	-	-	-	-	655,306
	<u>1,655,306</u>	<u>-</u>	<u>1,762,621</u>	<u>264,523</u>	<u>8,927,662</u>	<u>6,115,158</u>	<u>18,725,270</u>
Assigned to:							
Use in fiscal year 2026:							
Original appropriation	2,288,755	-	-	-	-	-	2,288,755
Carried in force appropriations	1,103,419	-	-	-	-	-	1,103,419
Capital purposes	69,866	-	-	-	-	-	69,866
Property tax stabilization	-	2,155,859	-	-	-	-	2,155,859
Other purposes	223,504	-	-	-	-	-	223,504
	<u>3,685,544</u>	<u>2,155,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,841,403</u>
Unassigned	21,308,707	-	-	-	-	(280,080)	21,028,627
	<u>\$ 27,826,207</u>	<u>\$ 21,558,590</u>	<u>\$ 1,762,621</u>	<u>\$ 556,113</u>	<u>\$ 8,927,662</u>	<u>\$ 9,311,856</u>	<u>\$ 69,943,049</u>

Fund Balance Deficits

The following funds have unassigned deficit fund balances as of June 30, 2025, which do not constitute a violation of statutory provisions:

Fund	Amount
Capital Projects Fund	\$ (239,103)
Century Brass Clean Up Fund	(39,942)
Special Education Grants Fund	(1,035)

The deficits are expected to be eliminated through future reimbursements or transfers from the General Fund.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 15 - RESTATEMENTS

Changes within the Financial Reporting Entity

The Town reported the Capital Projects Fund as major governmental fund in the prior year. This fund no longer meet the criteria for major fund classification and has been presented as a nonmajor governmental fund in the current year. The Town reported the Bridge Rehabilitation Program Fund as a nonmajor governmental fund in the prior year. This fund meets the criteria for major fund classification in the current year and has been presented as such.

Change in Accounting Principle

For the year ended June 30, 2025, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement establishes updated recognition and measurement guidance for compensated absences.

Adjustments to and Restatements of Beginning Balances

During the year ended June 30, 2025, changes within the financial reporting entity and the change in accounting principle resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	<u>6/30/2024 As Previously Reported</u>	<u>Changes within the Financial Reporting Entity</u>	<u>Change in Accounting Principle</u>	<u>6/30/2024 As Restated</u>
Government-Wide				
Governmental Activities	\$ 143,848,478	\$ -	\$ (360,971)	\$ 143,487,507
Governmental Funds				
Major Funds:				
General Fund	\$ 31,303,471	\$ -	\$ -	\$ 31,303,471
Waste Management Ordinance Fund	23,127,091	-	-	23,127,091
Bridge Rehabilitation Program Fund	-	1,705,972	-	1,705,972
Capital Projects Fund	812,610	(812,610)	-	-
Special Grants Fund	775,804	-	-	775,804
Capital Reserve Fund	11,785,299	-	-	11,785,299
Nonmajor Funds	9,780,224	(893,362)	-	8,886,862
Total Governmental Funds	<u>\$ 77,584,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,584,499</u>

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

The Town has received state and federal funding for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 16 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Litigation, Claims and Assessments

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

During the year ended June 30, 2025, the Town received an adverse judgment in a wrongful-imprisonment case related to actions taken by the Town's Police Department in connection with a 1985 criminal conviction. In March 2025, a federal jury rendered a verdict in favor of the plaintiff, awarding damages in the amount of \$5.7 million. Including statutory interest, the total obligation was \$7.659 million, of which \$200 thousand was payable by CIRMA and \$7.459 million was payable by the Town. In June 2025, the Town authorized funding for the payment. The Town has accrued the full amount of the liability as of June 30, 2025 and has reported the cost as a public safety expenditure in the accompanying financial statements. No additional losses related to this matter are expected.

Arbitrage Rebates

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, would not have a material adverse effect on the financial condition of the Town.

NOTE 17 - SUBSEQUENT EVENT

In July 2025, the Town issued \$6,160,000 of general obligation bonds. The proceeds from the issuance were used to retire the \$6,160,000 in bond anticipation notes outstanding as of June 30, 2025. The general obligation bonds bear coupon rates ranging from 4.0% to 5.0% and mature in July 2045. Interest is payable beginning on January 15, 2026 and semiannually thereafter on July 15 and January 15, in each year until maturity. Principal is payable annually beginning on July 15, 2027 through July 15, 2045.

In July 2025, the Town issued \$4,300,000 in bond anticipation notes, which bear a coupon rate of 4.00% and mature on July 17, 2026. The purpose of the notes is to provide interim financing for authorized capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEW MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 95,851,496	\$ 95,851,496	\$ 96,102,431	\$ 250,935
Licenses and permits	631,790	631,790	847,924	216,134
Intergovernmental	14,446,736	14,224,144	14,119,138	(105,006)
Charges for services	4,165,946	4,167,834	4,612,076	444,242
Investment earnings	1,240,000	1,240,000	2,332,186	1,092,186
Other	111,000	117,730	105,438	(12,292)
Total revenues	<u>116,446,968</u>	<u>116,232,994</u>	<u>118,119,193</u>	<u>1,886,199</u>
EXPENDITURES				
Current:				
General government	15,785,516	19,180,869	18,403,716	(777,153)
Public safety	9,888,521	10,024,840	9,900,854	(123,986)
Public works	6,385,845	6,476,677	6,407,126	(69,551)
Health and welfare	2,546,768	2,582,057	2,463,642	(118,415)
Culture and recreation	1,898,056	1,964,870	1,745,731	(219,139)
Education	73,462,509	73,462,509	73,462,509	-
Debt service:				
Principal payments	4,123,593	3,904,760	3,904,760	-
Interest and fiscal charges	2,405,222	2,324,055	2,191,597	(132,458)
Capital outlays	2,188,180	2,368,841	2,359,944	(8,897)
Total expenditures	<u>118,684,210</u>	<u>122,289,478</u>	<u>120,839,879</u>	<u>(1,449,599)</u>
Excess (deficiency) of revenues over expenditures	(2,237,242)	(6,056,484)	(2,720,686)	3,335,798
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	2,288,755	6,673,248	-	(6,673,248)
Premium on debt issued	-	-	185,454	185,454
Transfers in	1,175,000	875,000	212,304	(662,696)
Transfers out	(1,226,513)	(1,491,764)	(1,477,138)	14,626
Total other financing sources (uses)	<u>2,237,242</u>	<u>6,056,484</u>	<u>(1,079,380)</u>	<u>(7,135,864)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,800,066)</u>	<u>\$ (3,800,066)</u>

See accompanying notes to the required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
TOWN OF NEW MILFORD PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability										
Service cost	\$ 1,853,721	\$ 2,000,252	\$ 1,857,558	\$ 1,697,521	\$ 1,626,861	\$ 1,505,473	\$ 1,443,401	\$ 1,432,314	\$ 1,405,712	\$ 1,557,262
Interest	6,530,019	6,331,659	5,956,324	5,715,074	5,458,707	5,339,912	5,211,085	5,164,801	4,850,343	4,914,704
Change in benefit terms	-	260,096	147,006	-	30,622	56,588	-	-	-	-
Differences between expected and actual experience	(29,312)	(145,440)	2,066,581	994,312	1,579,218	(391,717)	(522,191)	(1,127,221)	(1,691,087)	279,655
Changes of assumptions	-	-	-	1,540,868	1,063,021	986,813	954,811	728,554	(728,055)	1,066,294
Benefit payments, including refunds	(5,383,832)	(5,113,099)	(4,609,340)	(4,382,152)	(4,288,596)	(4,210,548)	(3,798,529)	(3,927,776)	(2,936,720)	(2,984,077)
Net change in total pension liability	2,970,596	3,333,468	5,418,129	5,565,623	5,469,833	3,286,521	3,288,577	2,270,672	900,193	4,833,838
Total pension liability - beginning	98,563,788	95,230,320	89,812,191	84,246,568	78,776,735	75,490,214	72,201,637	69,930,965	69,030,772	64,196,934
Total pension liability - ending	101,534,384	98,563,788	95,230,320	89,812,191	84,246,568	78,776,735	75,490,214	72,201,637	69,930,965	69,030,772
Plan fiduciary net position										
Contributions - employer	4,236,827	3,786,338	3,290,169	3,071,507	2,757,783	2,579,871	2,658,146	2,712,258	2,746,760	2,327,020
Contributions - members	449,947	485,681	432,228	358,488	350,882	348,712	336,468	315,114	320,558	317,343
Net investment income	7,718,412	6,985,360	3,611,418	(8,484,308)	11,511,591	2,851,780	3,589,716	3,525,752	4,689,567	1,012,365
Benefit payments, including refunds	(5,383,832)	(5,113,099)	(4,609,340)	(4,382,152)	(4,288,596)	(4,210,548)	(3,798,529)	(3,927,776)	(2,936,720)	(2,984,077)
Administrative expense	(30,381)	(28,241)	(26,995)	(29,615)	(31,877)	(30,012)	(29,508)	(26,930)	(36,090)	(80)
Net change in plan fiduciary net position	6,990,973	6,116,039	2,697,480	(9,466,080)	10,299,783	1,539,803	2,756,293	2,598,418	4,784,075	672,571
Plan fiduciary net position - beginning	71,814,907	65,698,868	63,001,388	72,467,468	62,167,685	60,627,882	57,871,589	55,273,171	50,489,096	49,816,525
Plan fiduciary net position - ending	78,805,880	71,814,907	65,698,868	63,001,388	72,467,468	62,167,685	60,627,882	57,871,589	55,273,171	50,489,096
Town's net pension liability	\$ 22,728,504	\$ 26,748,881	\$ 29,531,452	\$ 26,810,803	\$ 11,779,100	\$ 16,609,050	\$ 14,862,332	\$ 14,330,048	\$ 14,657,794	\$ 18,541,676
Plan fiduciary net position as a percentage of total pension liability	77.61%	72.86%	68.99%	70.15%	86.02%	78.92%	80.31%	80.15%	79.04%	73.14%
Covered payroll	\$ 21,256,769	\$ 21,543,275	\$ 21,198,731	\$ 19,939,227	\$ 19,707,524	\$ 19,232,320	\$ 19,194,757	\$ 19,360,207	\$ 18,714,717	\$ 18,793,828
Town's net pension liability as a percentage of covered payroll	106.92%	124.16%	139.31%	134.46%	59.77%	86.36%	77.43%	74.02%	78.32%	98.66%

See accompanying notes to the required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
TOWN OF NEW MILFORD PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 4,210,581	\$ 3,686,338	\$ 3,137,030	\$ 2,978,580	\$ 2,757,783	\$ 2,579,871	\$ 2,658,146	\$ 2,698,668	\$ 2,746,760	\$ 2,303,221
Contributions in relation to the actuarially determined contribution	<u>4,236,827</u>	<u>3,786,338</u>	<u>3,290,169</u>	<u>3,071,507</u>	<u>2,757,783</u>	<u>2,579,871</u>	<u>2,658,146</u>	<u>2,712,258</u>	<u>2,746,760</u>	<u>2,327,020</u>
Contribution deficiency (excess)	<u>\$ (26,246)</u>	<u>\$ (100,000)</u>	<u>\$ (153,139)</u>	<u>\$ (92,927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,590)</u>	<u>\$ -</u>	<u>\$ (23,799)</u>
Covered payroll	\$ 21,256,769	\$ 21,543,275	\$ 21,198,731	\$ 19,939,227	\$ 19,707,524	\$ 19,232,320	\$ 19,194,757	\$ 19,360,207	\$ 18,714,717	\$ 18,793,828
Contributions as a percentage of covered payroll	19.93%	17.58%	15.52%	15.40%	13.99%	13.41%	13.85%	14.01%	14.68%	12.38%
Annual money-weighted rate of return, net of investment expense	10.50%	10.47%	5.84%	-11.62%	18.38%	4.63%	6.08%	6.28%	9.52%	2.01%

See accompanying notes to the required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY* -
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS
(Rounded to nearest thousand)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	107,571,000	116,711,000	123,468,000	101,376,000	127,998,000	115,909,000	89,373,000	79,457,000	83,828,000	77,952,000
Total	<u>\$ 107,571,000</u>	<u>\$ 116,711,000</u>	<u>\$ 123,468,000</u>	<u>\$ 101,376,000</u>	<u>\$ 127,998,000</u>	<u>\$ 115,909,000</u>	<u>\$ 89,373,000</u>	<u>\$ 79,457,000</u>	<u>\$ 83,828,000</u>	<u>\$ 77,952,000</u>
Town's covered payroll	\$ 32,990,000	\$ 34,291,000	\$ 30,825,000	\$ 30,568,000	\$ 29,564,000	\$ 29,802,000	\$ 29,340,000	\$ 25,165,000	\$ 24,255,000	\$ 28,956,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

See accompanying notes to required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PROGRAM (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability									
Service cost	\$ 678,858	\$ 690,840	\$ 759,182	\$ 1,056,857	\$ 1,007,308	\$ 866,026	\$ 700,934	\$ 563,565	\$ 632,872
Interest	541,230	503,065	664,839	399,125	514,797	576,562	554,832	530,982	452,370
Differences between expected and actual experience	1,948,540	(312,759)	(5,912,480)	(541,402)	(2,297,940)	(49,169)	3,028,469	(128,494)	(4,203,534)
Changes of assumptions	(1,572,679)	(101,674)	(513,975)	(3,543,933)	1,095,703	1,745,204	(655,280)	(99,718)	3,297,846
Benefit payments, including refunds	(182,257)	(142,075)	(120,217)	(111,413)	(519,830)	(530,371)	(490,625)	(463,767)	(729,668)
Net change in total OPEB liability	1,413,692	637,397	(5,122,651)	(2,740,766)	(199,962)	2,608,252	3,138,330	402,568	(550,114)
Total OPEB liability - beginning	13,912,262	13,274,865	18,397,516	21,138,282	21,338,244	18,729,992	15,591,662	15,189,094	15,739,208
Total OPEB liability - ending	<u>15,325,954</u>	<u>13,912,262</u>	<u>13,274,865</u>	<u>18,397,516</u>	<u>21,138,282</u>	<u>21,338,244</u>	<u>18,729,992</u>	<u>15,591,662</u>	<u>15,189,094</u>
Plan fiduciary net position									
Contributions - employer	182,257	142,075	120,217	111,413	519,830	530,371	490,625	563,767	729,668
Net investment income	37,722	41,762	24,477	510	434	8,738	11,703	6,907	3,616
Benefit payments, including refunds	(182,257)	(142,075)	(120,217)	(111,413)	(519,830)	(530,371)	(490,625)	(463,767)	(729,668)
Net change in plan fiduciary net position	37,722	41,762	24,477	510	434	8,738	11,703	106,907	3,616
Plan fiduciary net position - beginning	867,165	825,403	800,926	800,416	799,982	791,244	779,541	672,634	669,018
Plan fiduciary net position - ending	<u>904,887</u>	<u>867,165</u>	<u>825,403</u>	<u>800,926</u>	<u>800,416</u>	<u>799,982</u>	<u>791,244</u>	<u>779,541</u>	<u>672,634</u>
Town's net OPEB liability	<u>\$ 14,421,067</u>	<u>\$ 13,045,097</u>	<u>\$ 12,449,462</u>	<u>\$ 17,596,590</u>	<u>\$ 20,337,866</u>	<u>\$ 20,538,262</u>	<u>\$ 17,938,748</u>	<u>\$ 14,812,121</u>	<u>\$ 14,516,460</u>
Plan fiduciary net position as a percentage of total OPEB liability	5.90%	6.23%	6.22%	4.35%	3.79%	3.75%	4.22%	5.00%	4.43%
Covered payroll	\$ 35,263,676	\$ 34,579,000	\$ 33,089,000	\$ 31,078,000	\$ 29,740,000	\$ 34,605,000	\$ 33,115,000	\$ 27,349,000	\$ 26,171,000
Town's net OPEB liability as a percentage of covered payroll	40.89%	37.73%	37.62%	56.62%	68.39%	59.35%	54.17%	54.16%	55.47%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to the required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
OTHER POST-EMPLOYMENT BENEFITS PROGRAM (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,430,512	\$ 1,398,605	\$ 1,738,844	\$ 1,954,981	\$ 1,982,049	\$ 1,796,696	\$ 1,518,443	\$ 1,359,780	\$ 1,394,802
Contributions in relation to the actuarially determined contribution:									
Contributions to trust	-	-	-	-	-	-	-	100,000	-
Contributions by Internal Service Fund	182,257	142,075	120,217	111,413	519,830	530,371	490,625	463,767	729,668
	<u>182,257</u>	<u>142,075</u>	<u>120,217</u>	<u>111,413</u>	<u>519,830</u>	<u>530,371</u>	<u>490,625</u>	<u>563,767</u>	<u>729,668</u>
Contribution deficiency	<u>\$ 1,248,255</u>	<u>\$ 1,256,530</u>	<u>\$ 1,618,627</u>	<u>\$ 1,843,568</u>	<u>\$ 1,462,219</u>	<u>\$ 1,266,325</u>	<u>\$ 1,027,818</u>	<u>\$ 796,013</u>	<u>\$ 665,134</u>
Covered payroll	\$ 35,263,676	\$ 34,579,000	\$ 33,089,000	\$ 31,078,000	\$ 29,740,000	\$ 34,605,000	\$ 33,114,584	\$ 27,349,000	\$ 26,171,204
Contributions as a percentage of covered payroll	0.52%	0.41%	0.36%	0.36%	1.75%	1.53%	1.48%	2.06%	2.79%
Annual money-weighted rate of return, net of investment expense	4.35%	5.06%	3.06%	0.06%	0.05%	1.10%	1.50%	0.96%	0.54%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to the required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY* -
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS**
(Rounded to Nearest Thousand)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>22,067,000</u>	<u>10,934,000</u>	<u>10,813,000</u>	<u>11,045,000</u>	<u>19,091,000</u>	<u>18,077,000</u>	<u>17,866,000</u>	<u>20,451,000</u>
Total	<u>\$ 22,067,000</u>	<u>\$ 10,934,000</u>	<u>\$ 10,813,000</u>	<u>\$ 11,045,000</u>	<u>\$ 19,091,000</u>	<u>\$ 18,077,000</u>	<u>\$ 17,866,000</u>	<u>\$ 20,451,000</u>
Town's covered payroll	\$ 32,990,000	\$ 34,291,000	\$ 30,825,000	\$ 30,568,000	\$ 29,564,000	\$ 29,802,000	\$ 29,340,000	\$ 25,165,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

** This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provision of its Town Charter.

- The Mayor, with the approval of the Town Council, presents to the Board of Finance an annual budget by the third Tuesday in March. The Board of Finance holds one or more public hearings on the budget by the third Tuesday in April. Within fifteen days of the last public hearing, the Board of Finance approves the budget for submission to the annual Budget Meeting.
- The annual Budget Meeting adopts the budget by the second Tuesday in May, which provides for appropriations by major object of the following categories: personal services, contractual services, materials and supplies, fixed charges, capital outlays and revenues other than property taxes to be collected in the ensuing fiscal year.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level.
- Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed, in the aggregate in any one year, an amount in excess of 1/5th of one mill per each one thousand dollars of the last completed Grand List. Appropriations in excess of the amount which the Board of Finance may approve must be approved by vote of a Town Meeting.
- Any portion of an annual appropriation remaining unexpended and unencumbered at the close of the fiscal year lapses unless continued upon recommendation of the Director of Finance and approved by the Board of Finance, except those for Capital Projects Funds. Appropriations for Capital Projects Funds are continued until completion of the applicable projects, which often last more than one fiscal year, but cannot exceed five years.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental revenues and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and “on-behalf” payments made by the State of Connecticut into the State Teachers’ Retirement System are not recorded for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

BUDGETARY INFORMATION *(Continued)*

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2025:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 118,119,193	\$ 120,839,879	\$ (1,079,380)	\$ (3,800,066)
"On-behalf" payments - State Teachers Retirement Fund	10,751,562	10,751,562	-	-
Reimbursement for certain costs to expenditures recorded as a reduction for budgetary purposes	2,535,864	2,535,864	-	-
Certain items recorded as transfers for budgetary purposes	-	(3,865,930)	(3,865,930)	-
Volunteer Fire Fund	7,802	(315,000)	-	322,802
GAAP basis	<u>\$ 131,414,421</u>	<u>\$ 129,946,375</u>	<u>\$ (4,945,310)</u>	<u>\$ (3,477,264)</u>

NOTE 2 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY - TOWN GENERAL PENSION PLAN

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2024. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the net pension liability reported as of June 30, 2025.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the net pension liability reported as of June 30, 2025.

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN GENERAL PENSION PLAN

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN GENERAL PENSION PLAN
(Continued)

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level percent, open
Remaining amortization period:	10 years
Asset valuation method:	Market value of assets
Investment rate of return:	6.75%
Salary increases:	2.50%
Retirement age:	Ranges from 55 to 70

Mortality rates were based on RP-2014 Blue Collar Employee/Healthy Annuitant Generational with MP-2021 Improvement (M/F).

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2025.

Assumption Changes - There were no changes in assumptions that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2025.

NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2024. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2025.

Assumption Changes - There were no changes in assumptions that have had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2025.

TOWN OF NEW MILFORD, CONNECTICUT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER-POST EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

The July 1, 2023 Actuarial Valuation directly calculated the July 1, 2023 Total OPEB Liability (TOL). The July 1, 2023 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2025.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025:

Valuation date:	July 1, 2023
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level Dollar
Remaining amortization period:	30 years, closed
Asset valuation method:	Fair Market Value
Actuarial assumptions:	
Discount rate	4.81%
Investment rate of return	4.00%
Projected salary increases	4.50%, includes inflation
Healthcare cost trend rate	6.50% per year graded down by the getzen model to an ultimate rate of 4.04% per year in 2075

NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2025.

Assumption Changes - There were no changes in assumptions that have had a significant effect on the measurement of the net collective net OPEB liability reported as of June 30, 2025.

Appendix B-1

Form of Opinion of Bond Counsel – The Bonds

APPENDIX B-1 – FORM OF OPINION OF BOND COUNSEL – THE BONDS

July __, 2026

Town of New Milford
10 Main Street
New Milford, CT 06776

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

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

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

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

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

The Town has designated the Bonds as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

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

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

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

Appendix B-2

Form of Opinion of Bond Counsel – The Notes

APPENDIX B-2 – FORM OF OPINION OF BOND COUNSEL – THE NOTES

July __, 2026

Town of New Milford
10 Main Street
New Milford, CT 06776

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

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

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

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

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

The Town has designated the Notes as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

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

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 excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C-1

Form of Continuing Disclosure Agreement – The Bonds

APPENDIX C-1 - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

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

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of July __, 2026 by the Town of New Milford, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ General Obligation Bonds, Issue of 2026, dated as of July __, 2026 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated June __, 2026 prepared in connection with the Bonds.

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

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

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement. "SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2026) as follows:

(i) Financial statements of the Issuer's general fund and, any special revenue, capital projects, permanent enterprise, internal service and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

(A) amounts of the net taxable grand list applicable to the fiscal year,

- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's applicable net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;

- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is Town Hall, 10 Main Street, New Milford, Connecticut 06776.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF NEW MILFORD, CONNECTICUT

By: _____
PETE BASS
Mayor

By: _____
OLGA ALIZARCHYK
Director of Finance

Appendix C-2

Form of Continuing Disclosure Agreement – The Notes

APPENDIX C-2 - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of July __, 2026 by the Town of New Milford, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ General Obligation Bond Anticipation Notes, dated as of July __, 2026 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

"Final Official Statement" means the official statement of the Issuer dated June __, 2026 prepared in connection with the Notes.

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

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

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement. "SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;

- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 4. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Enforcement.

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Director of Finance is Town Hall, 10 Main Street, New Milford, Connecticut 06776.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF NEW MILFORD, CONNECTICUT

By: _____
PETE BASS
Mayor

By: _____
OLGA ALIZARCHYK
Director of Finance

Appendix D-1

Notice of Sale – The Bonds

APPENDIX D-1 – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

**TOWN OF NEW MILFORD, CONNECTICUT
\$4,300,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF NEW MILFORD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

JULY 7, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$4,300,000 General Obligation Bonds, Issue of 2026, dated July 17, 2026 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on July 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2027	215,000	2037	215,000
2028	215,000	2038	215,000
2029	215,000	2039	215,000
2030	215,000	2040	215,000
2031	215,000	2041	215,000
2032	215,000	2042	215,000
2033	215,000	2043	215,000
2034	215,000	2044	215,000
2035	215,000	2045	215,000
2036	215,000	2046	215,000

The Bonds will bear interest commencing January 15, 2027 and semiannually thereafter on July 15 and January 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before July 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on or after July 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 Issuer may determine, at the respective price or prices (expressed as a percentage of the principal amount of the Bonds to

be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 15, 2034 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the last business day of June and December in each year.

Proposals

Each bid must be for the entire \$4,300,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest TIC to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or**

worksheets supplied by **PARITY®**, the use of **PARITY®** facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.

Disclaimer. Each **PARITY®** prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer ("FAST") on or about July 17, 2026 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-1 to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the "Establishment of Issue Price" section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed "issue price" certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under "Establishment of Issue Price".

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the "Code"), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (the "Initial Offering Price") or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this "Establishment of Issue Price" section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com (the "Municipal Advisor"). Questions related to this "Establishment of Issue Price" section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this "Establishment of Issue Price" section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated June 29, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C-1. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF NEW MILFORD, CONNECTICUT

PETE BASS

Mayor

OLGA ALIZARCHYK

Director of Finance

June 29, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF NEW MILFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026
Dated July 17, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The TOWN OF NEW MILFORD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about July 17, 2026, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of July 7, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of July __, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, July 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			

Schedule B to Issue Price Certificate

Appendix D-2

Notice of Sale – The Notes

APPENDIX D-2 – NOTICE OF SALE – THE NOTES

NOTICE OF SALE

TOWN OF NEW MILFORD, CONNECTICUT \$4,650,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (BANK QUALIFIED) BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF NEW MILFORD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

JULY 7, 2026

(the “Sale Date”) for the purchase of the Issuer’s \$4,650,000 General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated July 17, 2026 and will mature and be payable to the registered owner on July 16, 2027 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the 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 (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Each bid for the purchase of the Notes must be submitted 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 at least \$100,000, or a whole multiple thereof, [except one such proposal for a part may include the odd \$150,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), 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. As between proposals resulting in the same lowest net interest cost to the Issuer, 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 Issuer 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 Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of *PARITY*[®]. Subscription to the BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer 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 Issuer. By submitting a bid for the Notes via *PARITY*[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*[®], or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*[®], the use of *PARITY*[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

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, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@i-deal.com).

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 Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms" above. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Disclaimer. Each *PARITY*[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access *PARITY*[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor *PARITY*[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor *PARITY*[®] shall be responsible for a bidder's failure to make a bid or for proper operation

of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Issuer is using **PARITY**[®] as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. ("Phoenix Advisors"), to obtain CUSIP numbers for the Notes prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder(s). The Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer (“FAST”) on or about July 17, 2026 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B-2 to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated June 29, 2026 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Barry J. Bernabe, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 283-1110, E-mail: bbernabe@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C-2. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF NEW MILFORD, CONNECTICUT

PETE BASS
Mayor

OLGA ALIZARCHYK
Director of Finance

June 29, 2026

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