

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 8, 2026

NEW MONEY ISSUE: Book-Entry-Only

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

Fitch Ratings: "AA+ / F1+"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the City 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 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.)



City of Milford, Connecticut
\$8,685,000
General Obligation Bonds, Issue of 2026

Dated: Date of Delivery

**Due: Serially on October 15,
As detailed on the inside cover page:**

The \$8,685,000 General Obligation Bonds, Issue of 2026 (the "Bonds") of the City of Milford, Connecticut (the "City") will bear interest payable on April 15, 2027 and semiannually thereafter on October 15 and April 15 in each year until maturity.

The Bonds are subject to redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (Eastern Time) on Thursday, October 15, 2026 at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460. (See Notice of Sale, attached hereto as Appendix D-1).

\$11,170,000
General Obligation Bond Anticipation Notes

Dated: October 27, 2026

Due: October 26, 2027

The \$11,170,000 General Obligation Bond Anticipation Notes (the "Notes") will bear interest payable at maturity. The Notes will be issued in book-entry-only form and will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"). Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. So long as Cede & Co. is the Noteowner, as nominee for DTC, reference herein to the Noteowner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry Only Transfer System" herein.)

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 Thursday, October 15, 2026 at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460. Telephone bids for the Notes will be received by an authorized agent of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., until 11:00 A.M. (Eastern Time) on the sale date at 203-783-3201. (See Notice of Sale, attached hereto as Appendix D-2).

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

The Bonds and 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 respective Notices of Sale, each dated October 8, 2026.

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

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and Notes in book-entry-only form will be made to DTC on or about October 27, 2026. The Registrar, Transfer Agent, Paying Agent and Certifying Agent will be U.S. Bank Trust Company, National Association.



City of Milford, Connecticut
\$8,685,000
General Obligation Bonds, Issue of 2026

Dated: Date of Delivery

Due: Serially, October 15, 2027 – 2046
As detailed below:

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2027	\$ 430,000	_. _ %	_. _ %	599382__	2037	\$ 435,000	_. _ %	_. _ %	599382__
2028	430,000	_. _ %	_. _ %	599382__	2038	435,000	_. _ %	_. _ %	599382__
2029	430,000	_. _ %	_. _ %	599382__	2039	435,000	_. _ %	_. _ %	599382__
2030	430,000	_. _ %	_. _ %	599382__	2040	435,000	_. _ %	_. _ %	599382__
2031	430,000	_. _ %	_. _ %	599382__	2041	435,000	_. _ %	_. _ %	599382__
2032	435,000	_. _ %	_. _ %	599382__	2042	435,000	_. _ %	_. _ %	599382__
2033	435,000	_. _ %	_. _ %	599382__	2043	435,000	_. _ %	_. _ %	599382__
2034	435,000	_. _ %	_. _ %	599382__	2044	435,000	_. _ %	_. _ %	599382__
2035	435,000	_. _ %	_. _ %	599382__	2045	440,000	_. _ %	_. _ %	599382__
2036	435,000	_. _ %	_. _ %	599382__	2046	440,000	_. _ %	_. _ %	599382__

\$11,170,000
General Obligation Bond Anticipation Notes

Dated: October 27, 2026

Rate: . _ %

Due: October 26, 2027

Yield: . _ %

CUSIP:¹ 599382__

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 City, and are included solely for the convenience of the holders of the Bonds and Notes. The City is not responsible for the selection or uses of these CUSIP numbers and does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds and Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds or Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Notes.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations not contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. 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. The information set forth herein has been obtained by the City from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

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

The Bonds and Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds and Notes have not been registered or qualified under the securities laws of any state. The Bonds and Notes have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

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

Other than as to matters expressly set forth herein as the opinions of Bond Counsel in Appendices B-1 and B-2, 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.

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 City 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 City 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 City; (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 City; (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 City; (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 City's technology network and systems, including computer systems and software; and (xii) other factors contained in this Official Statement.

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Issue Summary – The Bonds

The information in this Bond Issue Summary and the 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:	Thursday, October 15, 2026 at 11:30 A.M. (Eastern Time).
Location of Sale:	Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut, 06460.
Issuer:	City of Milford, Connecticut (the “City”).
Issue:	\$8,685,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	Date of delivery.
Interest Due:	Interest due April 15, 2027 and semiannually thereafter on October 15 and April 15 in each year until maturity.
Principal Due:	Principal due serially October 15, 2027 through October 15, 2046 as detailed in this Official Statement.
Authorization and Purpose:	The Bonds are being issued to permanently finance a portion of bond anticipation notes of the City maturing on October 27, 2026 and to provide new money to finance various public improvement, school and sewer projects authorized by certain bond ordinances adopted by the City. (See “Authorization and Purpose” and “Use of Proceeds” herein.)
Redemption:	The Bonds are subject to redemption prior to maturity as herein provided. (See “Optional Redemption” herein.)
Security and Remedies:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal and interest on the Bonds when due.
Credit Rating:	The City received a “AA+” and “AA+” from Fitch Ratings and S&P Global Ratings, respectively, on the Bonds.
Bond Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain 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 City will agree to provide, or cause to be provided with respect to the Bonds: (i) annual financial information and operating data, (ii) notices of certain events, no later than ten (10) business days after the occurrence of such event, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
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 October 27, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the City or this Official Statement should be addressed to Mr. Peter A. Erodici Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460. Telephone (203) 783-3220.

Issue Summary – The Notes

The information in this Note Issue Summary and the 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:	Thursday, October 15, 2026 at 11:00 A.M. (Eastern Time).
Location of Sale:	Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut, 06460.
Issuer:	City of Milford, Connecticut (the “City”).
Issue:	\$11,170,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	October 27, 2026.
Interest Due:	At maturity: October 26, 2027.
Principal Due:	At maturity: October 26, 2027.
Authorization and Purpose:	The Notes are being issued to renew a portion of the bond anticipation notes of the City maturing on October 27, 2026 and to provide new money to finance various public improvement, school and sewer projects authorized by certain bond ordinances adopted by the City. (See “Authorization and Purpose” and “Use of Proceeds” herein.)
Redemption:	The Notes are not subject to redemption prior to maturity.
Security and Remedies:	The Notes will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal and interest on the Notes when due.
Credit Rating:	The City received a “F1+” and “SP-1+” from Fitch Ratings and S&P Global Ratings, respectively, on the Notes.
Bond Insurance:	The City does not expect to 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 NOT</u> be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain 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 City will agree to provide, or cause to be provided with respect to the Notes, notices of certain events, no later than ten (10) business days after the occurrence of such event pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, a division of First Security Municipal Advisors, Inc. of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
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 October 27, 2026 against payment in Federal Funds.
Issuer Official:	Questions concerning the City and this Official Statement should be addressed to Mr. Peter A. Erodici Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460. Telephone (203) 783-3220.

I. Bond and Note Information

Introduction

This Official Statement, including the inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Milford, Connecticut (the “City”), in connection with the original issuance and sale of the City’s \$8,685,000 General Obligation Bonds, Issue of 2026 (the “Bonds”), and \$11,170,000 General Obligation Bond Anticipation Notes (the “Notes”).

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds 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. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the Notes and such proceedings.

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

The Bonds and the Notes are being offered for sale at public bidding. Notices of Sale for the Bonds and the Notes, each dated October 8, 2026, have been furnished to prospective bidders. Reference is made to the Notices of Sale attached hereto as Appendices D-1 and D-2, for the terms and conditions of the bidding on the Bonds and Notes, respectively.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds and timely notice of the occurrence of certain events with respect to the Notes pursuant to Continuing Disclosure Agreements to be executed substantially in the forms set forth in Appendices C-1 and C-2, respectively, to this Official Statement. The successful bidders’ obligation to purchase the Bonds and the Notes shall be conditioned upon their receipt of, at or prior to the delivery of the Bonds and the Notes, an executed copy of the respective Continuing Disclosure Agreement.

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

Municipal Advisor

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

Cybersecurity

The City, like many other public and private entities, relies on technology to conduct its operations. The City and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the City's government networks. The City implemented hardware authentication devices, upgraded firewalls, security patches and updates were installed and other malware prevention software was enhanced. The City also implemented MDR (Managed Detection and Response), ITDR (Identity Threat Detection and Response), as well as SIEM (Security Information and Event Management) to actively respond to threats. The City also follows Microsoft best practices of managing user permissions and controlling anonymous sharing. Phishing, testing and training were also conducted. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City's location in southern Connecticut on the Long Island Sound increases its vulnerability to tidal flooding, including storm water flooding and extreme weather events. In addition, the City faces other threats due to climate change, including aging trees and damaging wind that could become more severe and frequent. The City cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

In 2026 the City was designated a StormReady Community by the National Weather Service, the first in New Haven County and 11th in the State of Connecticut. StormReady is a national preparedness program developed by the National Weather Service to help communities improve their ability to prepare for, respond to and recover from severe weather. To earn the designation, municipalities must meet rigorous requirements related to emergency communication, operations, public outreach and coordination with weather service officials.

To mitigate damage from future hazards, the City maintains a Hazard Mitigation Plan that was developed in coordination with the South Central Regional Council of Governments and adopted in April of 2023 (the "2023 Plan"). The City reviews the plan annually and receives legislative approval for the annual updates. On January 5, 2026, the City's Board of Alderman approved an updated Plan (the "Updated Plan," together with the 2023 Plan, the "Plan"). A new hazard mitigation plan is proposed and adopted every five (5) years. Milford Staff is currently working with the South Central Regional Council of Governments on the 2028 Hazard Mitigation Plan (the "2028 Plan"). The 2028 Plan is proposed to be ready for formal adoption in early 2028.

The Plan provides risk analysis and identifies specific hazard concerns of the City including flooding, hurricanes and snowstorms and other extreme weather events, coastal erosion, fires and aging trees (the "Hazards"). The Plan includes: (i) an assessment of the risks related to each of the Hazards; (ii) a prioritization of the mitigation strategies; and (iii) an action plan that describes the goals and includes an implementation schedule for each goal.

The City has a variety of natural hazard mitigation capabilities and resources to support the implementation of hazard mitigation strategies, including, but not limited to local plans, policies, codes and ordinances, local human resources including the planning commission, floodplain manager, emergency manager and civil engineer and education and outreach capabilities.

The Plan includes specific mitigation action projects identified, planned or in progress, related to flooding, coastal erosion and extreme weather related events including: (i) the implementation of a Microgrid Power System ensuring continuity of governance during electrical grid power outages; (ii) the assessment, pruning and removal of hazardous trees; (iii) upgrading and modernizing thirteen (13) of the City's critical wastewater sanitary pump stations, including Watrous Lane, New Haven Avenue, Old Gate Lane, Sailors Lane, and Live Oaks Road to ensure the infrastructure facilities are more resilient; (iv) replacing generators at the following eight (8) pump stations: Gulf Pond, West Avenue, Adams Avenue, Kurt Volk, White Oaks Terrace, Mathews Street, West Mayflower Place, and Anderson Avenue; and (v) dredging at Milford Harbor and construction, stabilization and drainage work at various beach locations throughout the City.

The Bonds

The Bonds will be dated the date of delivery and will mature on October 15 in each of the years as set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on April 15, 2027 and semiannually thereafter on October 15 and April 15 in each year until maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of March and September in each year, by check, mailed to the registered owner at the address as shown on the registration books of the City kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the City shall agree.

Optional Redemption

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

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
October 15, 2034 and thereafter	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

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

The Notes

The Notes will be dated October 27, 2026 and will be due and payable as to both principal and interest at maturity, October 26, 2027. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Only Transfer System". The Notes are not subject to redemption prior to maturity.

Authorization and Purpose

The Bonds and the Notes are authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City, and certain bond ordinances adopted by the Board of Aldermen of the City.

Use of Proceeds

The proceeds of the Bonds and the Notes are anticipated to be used for the purposes set forth below:

Project	Total Amount of Authorization	This Issue:	
		The Notes Due: 10/26/2027	The Bonds
Various Public Improvements (Feb. 2014).....	\$ 7,668,237	\$ -	\$ 5,000
Various Public Improvements (Feb. 2015).....	12,657,230	90,000	285,000
Various Public Improvements (Feb. 2019).....	10,057,144	-	20,000
Various Public Improvements (Feb. 2020).....	14,088,816	-	17,000
Various Public Improvements (Feb. 2021).....	12,215,196	5,000	23,000
Various Public Improvements (Feb. 2022).....	5,856,000	207,000	28,000
Various Public Improvements (Feb. 2023).....	5,706,763	255,000	2,075,000
Various Public Improvements (Feb. 2024).....	4,592,500	303,000	967,000
Various Public Improvements (Feb. 2025).....	7,700,000	-	2,490,000
Subtotal General Improvement.....	\$ 80,541,885	\$ 860,000	\$ 5,910,000
Various School Improvements (Feb. 2018).....	\$ 4,050,409	\$ -	\$ 3,000
Various School Improvements (Feb. 2020).....	5,460,998	165,000	100,000
Various School Improvements (Feb. 2021).....	2,290,397	-	2,000
Pumpkin Delight School Improvements (May 2021).....	15,511,537	1,725,000	1,470,000
Various School Improvements (Feb. 2022).....	9,988,602	-	85,000
Various School Improvements (Feb. 2023).....	16,787,013	5,445,000	260,000
Various School Improvements (Feb. 2025).....	4,950,000	850,000	-
Subtotal Schools.....	\$ 59,038,956	\$ 8,185,000	\$ 1,920,000
Rogers Ave Sanitary Pump Station Upgrade (Feb. 2022).....	\$ 3,811,500	\$ 1,000,000	\$ 705,000
Sanitary Sewer Pump Station Upgrades No. 1-Various (Feb. 2023).....	2,805,000	120,000	115,000
Sanitary Sewer Pump Station Upgrades No. 1-Various (Feb. 2024).....	2,200,000	30,000	-
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Clarifier.....	900,000	460,000	30,000
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Digester Cleaning...	1,300,000	15,000	5,000
Sanitary Sewer Pump Station Upgrades - Various (Mar. 2026).....	6,050,000	500,000	-
Subtotal Sewers.....	\$ 17,066,500	\$ 2,125,000	\$ 855,000
Totals.....	\$ 156,647,341	\$ 11,170,000	\$ 8,685,000

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 securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. 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 on the Notes.

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

Purchases of Bonds and 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 or 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 Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds 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 the Bonds and the 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 the Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Principal, Interest and redemption payments 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 City or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the City or the Paying 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.

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

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

DTC Practices

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

Replacement Bonds and Notes

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

Security and Remedies

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

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues of the City. The City has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income 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 City, and, under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City 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 City may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

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

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

Enforcement of a claim for payment of principal of or interest on 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 and to provisions of other statutes, if any, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Under the Federal Bankruptcy Code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code 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.

Qualification for Financial Institutions

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

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

Availability of Continuing Disclosure Information

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data with respect to the Bonds and notices of the occurrence of certain events with respect to the Bonds and Notes pursuant to Continuing Disclosure Agreements to be executed by the City substantially in the forms set forth in Appendices C-1 and C-2, to this Official Statement.

The City 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, operating data, and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the City has complied, in all material respects, with its undertakings under such agreements.

Ratings

The City received ratings of “AA+” and “AA+” from Fitch Ratings and S&P Global Ratings, respectively, on the Bonds. The Notes received ratings of “F1+” and “SP-1+” from Fitch Ratings and S&P Global Ratings, respectively. The City furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. Such ratings reflect only the views of the Rating Agencies and will be subject to revision or withdrawal, which could affect the market price of the Bonds and the Notes. The Rating Agencies should be contacted directly for their rating on the Bonds and the Notes and the explanation of such rating.

The City expects to furnish to the Rating Agencies information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not required. The City's Municipal Advisor, Phoenix Advisors, recommends that all bonded debt be submitted for a credit rating.

Bond Insurance

The City does not expect to purchase a credit enhancement facility for the Bonds or the Notes.

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 City 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 Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds and the Notes, the City will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond and the Note 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 City 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 Bonds/Notes”). In general, an owner who purchases an OIP Bond/Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bond/Note for federal income tax purposes. Prospective purchasers of OIP Bonds/Notes 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.

Legal Opinion

The legal opinions 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, respectively, to this Official Statement.

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II. The Issuer



Description of the Municipality

The City of Milford (the “City” or “Milford”), covering 23.5 square miles (15,104 acres) on Long Island Sound at the mouth of the Housatonic River, lies almost equidistant between New Haven and Bridgeport. Contiguous to the Towns of Stratford, Shelton, Orange, and West Haven, Milford is the fifth largest community by population in New Haven County and eighteenth by population of the State's one hundred and sixty-nine cities and towns.

Primarily a residential community, Milford's population has essentially stabilized (52,044 by the 2020 Census). Residences in Milford are mainly single family units and condominiums. Roughly fifty-eight percent of the land (8,810 acres) is developed residential with another twenty-five percent (3,783 acres) undeveloped residential. New single family construction has averaged about 150 units a year for the last ten years in an area where 33% of the housing stock has been built since 1970, 45% between 1940 and 1970, and 22% prior to 1940.

Milford is served by many transportation facilities. Interstate 95 has seven Milford entrances/exits and Connecticut 15 (Merritt/Wilbur Cross Parkway -- cars only) has two entrances/exits. U.S. 1 (open access throughout the City) plus Connecticut Routes 121, 162, and numerous local roads and streets are also available. Fifteen motor freight companies maintain Milford Terminals. Inter-city passenger bus service is provided by Connecticut Transit and interstate service by Greyhound. The New Haven Line, Amtrak, and Metro North (Conrail) provide four east/west passenger/freight rails and two north/south freight rails. Industrial sidings, with one available for general use, provide storage capacity for more than one hundred cars. Passenger trains stop daily going to and coming from New York City's Grand Central Station. Two airports serve Milford: Sikorsky Memorial Airport and Tweed-New Haven Airport. Sikorsky (seven miles east in Stratford) provides domestic passenger, airmail and airfreight service with two 4,700 foot runways as well as charter and complete fuel services. Tweed-New Haven's single 5,600 foot runway furnishes similar services. International air service is available at Bradley International (Windsor Locks) or the New York airports, all approximately one and one-half hours driving time.

The Milford Transit District (the “District”) provides intra-city bus service over four fixed routes in Milford covering more than fifty-two miles. Special commuter buses run during peak hours serving the City's major office and industrial parks to the rail station and from commuter lots to the station. The District also operates a Federal Transit Administration Jobs Access bus service providing seamless transportation from Milford to Norwalk, a demand responsive door to door service offers transportation to the elderly and disabled with a fleet of twelve vehicles. A Micro Transit service has been added that provides an on-demand service to the general public operating evenings and weekends that is also accessible. In addition to public transportation, the District operates two train stations at the Metro-North commuter stop in Milford along with 500 parking spaces for commuter use. Since 1979, the publicly funded District has received annual City support in excess of \$10,510,000, federal grants in excess of \$49,500,000 and State grants in the amount of \$39,500,000.

Media choices in Milford include two morning and two weekly newspapers that cover the City. Three radio stations are located in Milford, and over 50 AM and FM signals are received including those from New York City. Television stations in Connecticut that cover Milford include WTNH, WFSB, WVIT, and Channel 12. Cablevision and satellite services provide access to hundreds of channels. “Milford Living”, a quarterly magazine, features positive aspects of the community.

Milford Hospital, acquired by Yale New Haven Health in 2019, is a full-service medical center with state-of-the-art technology. The hospital is a regional leader in many areas, including emergency walk-in services, outpatient surgery, health education and home care services. An off-site walk-in center was completed in early 2007. A staff of approximately 800, including 150 physicians representing all major medical specialties, provides a valued community service at this 106-bed facility.

Form of Government

Milford has a Mayor-Board of Aldermen form of government. The Mayor and fifteen (15) Aldermen are elected biennially each odd numbered year. The City's Charter guarantees representation by more than one political party, with no more than ten (10) Aldermen from the same party. The Board of Aldermen acts as the legislative body of the City. The budgetary process involves sequential recommendations by Department Heads and Boards and Commissions, the Mayor, and the five (5) member Board of Finance, with the final budget set by the Board of Aldermen. A Director of Finance, whose position is included under Civil Service, administers fiscal matters.

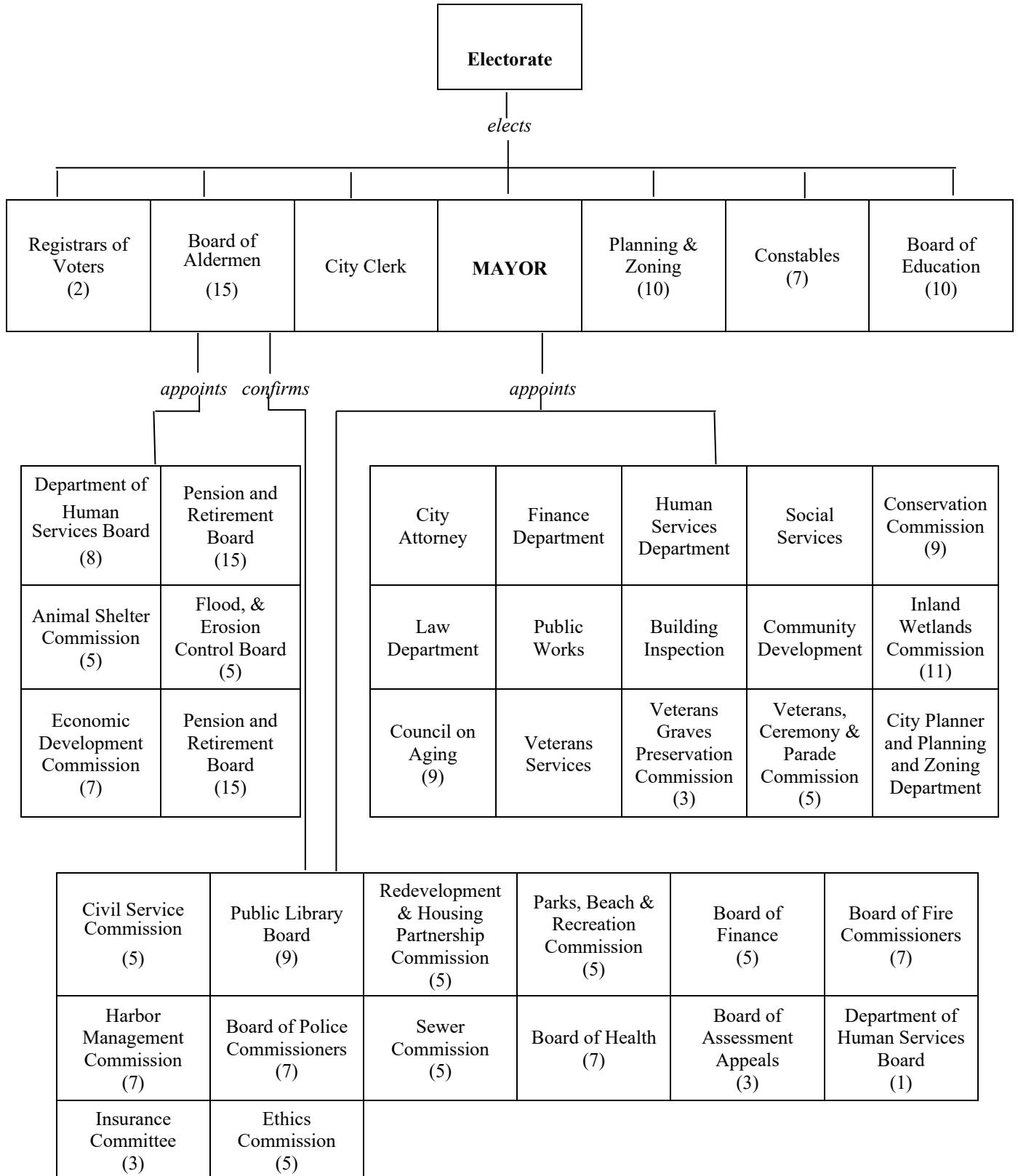
Principal Municipal Officials

Office	Name	Manner of Selection	Current Term	Length of Service
Mayor	Richard M. Smith ¹	Elected	11/25-11/27	1st term
Chairman, Board of Aldermen.....	Philip J. Vetro	Elected	11/25-11/27	8th term
Town/City Clerk.....	Peter Smith	Elected	11/25-11/27	1st term
Director of Finance.....	Peter A. Erodici, Jr.	Appointed	Indefinite	16 Years
Treasurer.....	Lucia Branco	Appointed	Indefinite	4 Years
Superintendent of Schools.....	Dr. Anna Cutaia	Appointed	Indefinite	9 Years
Asst. Super. of Business & Operations ...	Sean Brennan	Appointed	Indefinite	3 Years
Director of Public Health.....	Deepa D. Joseph, MPH	Appointed	Contract	12 Years
City Attorney.....	Jonathan D. Berchem	Appointed	N/A	16 Years
Chairman, Board of Education.....	Susan Glennon	Elected	11/25-11/27	8th term

¹ Mr. Smith previously acted as Interim Mayor in 2023.

Sources: Finance Director's Office, City of Milford.

ORGANIZATION CHART



Municipal Services

Police

The Milford Police Department (the “Milford PD”) is housed in a facility built in 1979. There are currently 120 budgeted officers, 24 civilian personnel, 2 Social Workers, 6 Part Time Civilians, and 4 Part Time Special Officers employed by the police department. The police department recently completed a recruitment drive and hired 12 new recruits who began training at the MPD Regional Police Academy. The police department offers services provided by three divisions: Patrol, Detective, and Administrative. Specialized units in the Milford PD consist of a Special Response Team (SRT), Marine/Scuba Team, Training Unit, K-9 Unit, Community Engagement Unit, Motorcycle Unit, Bicycle Patrol, Computer Crimes Unit, Special Investigations Unit, Traffic Unit and a Community Action Team. The police department maintains a fleet of sixty-five vehicles including marked patrol vehicles, unmarked vehicles, a prisoner van, scuba van, motorcycles, mobile command vehicle, crime scene van and an SRT vehicle.

On an annual basis, the Milford PD receives nearly 60,000 calls for service and/or complaints that are logged and tracked via a computer-aided dispatch system. These calls are received by dispatchers in a combined public safety dispatch center, wherein they are categorized and dispatched based upon need (police, fire and/or emergency medical services). The Communications Center is located in police headquarters.

The Milford PD maintains and manages its own State (P.O.S.T.) Certified Regional Police Academy, training police officers for other municipalities in the state, as well as its own. The regional facility is located at the former Simon Lake School. It houses a state of the art simulator that trains officers to de-escalate tense situations and apply force only when necessary. It is one of only two of its kind to be utilized in the northeast. Additionally, the training staff maintains the certifications of all of the sworn personnel through tracking and scheduling mandatory and elective in-service training.

Our Real-Time Information Center (RTIC) became officially operational beginning in April 2026 and will be staffed by trained Milford PD Officers. The Real-Time Information Center (RTIC) serves as a technology-driven command center and virtual partner for officers in the field. The RTIC provides immediate overwatch and critical intelligence before units even arrive on scene. Ultimately, this center is designed to eliminate blind spots, maximize officer safety during high-stress calls, and rapidly accelerate criminal investigations by turning hours of traditional fieldwork into minutes of digital analysis.

The Community Engagement Unit employs community policing practices, solving quality of life and crime issues around the City. The Unit works in partnership with City residents, business owners, and the various other City departments to accomplish its goals.

The Community Oriented Police Sub Station (COPSS) Unit continues to be an integral part of the Milford PD’s community outreach efforts and has been very successful in addressing quality of life issues both downtown and at the City’s very popular beaches.

Fire

The Milford Fire Department (“Milford FD”) is made up of 112 fire personnel and four civilian staff. The Milford FD is led by Fire Chief Christopher Waiksnoris and two Assistant Chiefs, Assistant Chief of Administration/Fire Marshal Stephen Rabel and the Assistant Chief of Operations Adam Hansen. Assistant Chief Rabel oversees the fire investigation and code enforcement division as well as plan review and permitting. Assistant Chief Hansen provides oversight to the 911 emergency operations center for fire and EMS communications as well as the daily operations of the Milford FD, such as emergency responses, training, and readiness.

Administrative staff, which include two Battalion Chiefs and two Captains, have responsibilities that include planning for all the logistical situations for Milford FD, formulating and executing long-term goals, and forecasting future budgeting to satisfy the needs of Milford FD. They also help maintain the sustainable operations of the department by maintaining inventories of supplies and equipment, updating policies and procedures, and coordinating training.

Milford FD remains a Class 1 fire department through the Insurance Services Office (ISO). Only three departments in Connecticut and approximately 475 nationwide have this distinction. All personnel are trained in not only fire suppression, but a multitude of skills, (including but not limited to) hazardous materials, confined space, rope rescues, all water emergency responses, high angle, trench collapse, vehicle and machinery extrication and much more.

The Marine Division is one of Milford FD's busiest and most successful ventures. Especially in the summer months, the Marine Division is responsible for several rescues in the local waters. The marine division consists of a 27-foot vessel docked in the harbor all season long. The department has two rigid hull inflatable boats which we launch from the boat ramp. One is centrally located at headquarters; the other is located at the West Side station. They are strategically placed for emergencies out of Milford Harbor and the Housatonic River. The Fire Department also has a rapid response jet ski which gets launched right at Walnut Beach.

One of the most important components of the Milford FD is the fire prevention and investigation division. Commonly known as the "Fire Marshal's Office", it is under the direction of Assistant Chief / Fire Marshal Stephen Rabel. Additionally, Timothy T. Suden is the Deputy Fire Marshal. A new fee structure was recently implemented more in-line with the typical fees throughout the surrounding communities.

The Emergency Medical Service or (EMS) division of the Milford FD believes that its number one focus is patient care whether the patient is a resident or a visitor to Milford. EMS provides the best possible care from the point of the 911 call until transfer of care at the emergency room. The Milford FD provides an ambulance service to the City. This service gives the Fire Department oversight into the EMS system as well as a revenue stream to offset some of the cost to provide emergency services. Milford FD currently staffs three full-time ambulances, 24/7. Nelson Ambulance continues to provide a backup ambulance in the City as well.

The City is covered by four zones, otherwise known as First Due areas. The North, Central, East, and West stations provide the City with an optimal response plan. Each station backs up the others, providing a tiered response to get the right response at the right time for the best outcome possible. Each First Due area is poised to provide a first responder to the scene of an emergency within 4 minutes, with the backup being no further than 6 minutes. As an example, a 911 call for a heart attack will get the closest fire engine to the scene with oxygen and an AED within just a couple of minutes of the call. Also dispatched will be a Milford FD ambulance and FD paramedics with training and equipment to provide a mobile emergency room.

The East and West stations each have two response units. A fire engine, which is a rescue-pumper with water supply and attack hoses, is equipped to arrive first and get to work. The other unit is a Quint, which is a fire engine with a rescue ladder and specialized rescue equipment, designed to bring that equipment into the tighter neighborhoods by the beaches. The North and Central stations each have a rescue pumper as well. Milford FD always has staffed paramedic units, specialized medical responders with advanced skills and equipment, capable of caring for patients all the way to the hospital. All response units are equipped with emergency medical equipment including cardiac monitors, medications for ALS care, oxygen, defibrillators, and first aid gear.

The Milford FD is a system of procedures, equipment, and technology. This system is completed only by the dedicated men and women of the Milford FD, who work, train, and prepare tirelessly to keep our community safe from the effects of all kinds of fires, disasters - manmade or natural, accidents, and medical emergencies. All the men and women of the Milford FD are initially trained at the Connecticut State Fire Academy or similar program and receive thorough ongoing training in all disciplines of public safety response and preparedness every day on duty. All personnel are certified EMT's while some have advanced training as paramedics.

Public Works

The Public Works Department is comprised of seven divisions, has 132 positions, and currently employs 113 people. The department operates with an annual budget in excess of 20 million dollars, making it the largest personnel and budgetary agency with the exception of the Board of Education. The Office Division performs customer service, dispatch, clerical, reporting, accounting, payroll, and a number of other administrative duties. The DPW office manages the Microgrid system installed with permission to operate in September 2021. This provides resilient power to the Parsons Government Center, City Hall, Harborside Middle School, Milford Senior Center, and emergency back up to River Park Apartments, if needed during a power outage. The Public Works Construction/Project Manager headed up projects such as the Milford Point Road Reconstruction/Walkway, Paving, Bridge Repairs (as needed), Fire Department and Police Department Drone Room. All divisions were utilized at various stages throughout these projects to ensure cost-effectiveness and staying on schedule. The remaining divisions are as follows:

Highway/Parks Division

The Highway/Parks Division is responsible for the repair and maintenance of all city streets; including plowing, patching and catch basin repairs/installs. The division is also responsible for stormwater drainage, sidewalks, trees, parks/playgrounds, municipal buildings' grounds, beaches, tennis courts, ball fields, and greens. The division assists numerous civic organizations with various functions held throughout the year as well as working very closely with our Recreation Department to ensure the City's recreational areas are kept usable/playable. The division is also tasked with responding to requests from the residents of Milford and assists the Fire and Police Departments as needed. Additionally, the division is responsible for the annual, award-winning holiday light display on the Milford Green.

Building Maintenance Division

This division maintains all City buildings through a preventive maintenance program which runs the gamut from floor care to managing all of the heating, cooling, plumbing and electrical systems. This division is also responsible for custodial services in all city buildings and outdoor spaces (restrooms). The division handles all of the security, repairs, renovations and maintenance for 28 municipal buildings as well as all City parks, greens and recreational areas. Additionally, they maintain over 40 traffic lights and pedestrian walk lights located throughout the city. The division is relied upon for operational support by most City departments for tasks such as the delivery and set up of chairs and/or tables for events. The division was also responsible for the upgrades to the Highway/Parks and Public Works Office buildings, with much of the work being done in-house.

Engineering Division

The division provides engineering plan reviews and routinely interacts with local surveyors assisting them in properly completing (FEMA) elevation certificates (as required by FEMA to retain the City's participation in the CRS program). This division manages sanitary sewer Call Before You Dig and inspections. Engineering continues to update infrastructure in AutoCad.

Garage Division

The Garage Division utilizes the knowledge and experience of its employees to help keep the fleet running safely. The Garage Division is responsible for the repair and maintenance of 350-plus vehicles and pieces of equipment in the following departments: Police, Council on Aging, Highway, Parks, Solid Waste, Building Maintenance, Wastewater, and municipal office vehicles. The Garage Division is responsible for various types of vehicles and equipment such as: cars, light duty vans and trucks, trailers, dump trucks, backhoes, loaders, mowers and tractors. The division is also responsible for various types of specialty equipment including: street sweepers, bucket trucks, paving rollers, the asphalt recycling machine, wood chippers, stump grinders, the beach rake machine, catch basin vacuum truck, solid waste trucks and various snow fighting equipment. This highly skilled team also manages the fueling station and its DEEP compliance.

Solid Waste Division

The Solid Waste Division manages the Transfer Station and is responsible for the curbside collection of garbage and single stream recyclables from residences. Additionally, the division is responsible for the removal of garbage and recyclables from public buildings and schools. It also is responsible for collecting garbage from our many beaches and recreational areas. The division continues to promote Milford's green initiative by providing a mattress recycling program at the Transfer Station. This year, the division implemented a voluntary composting program in an effort to cut down on food waste. The Solid Waste Division also sponsors the annual RWA Household hazardous waste drop-off for Milford residents at 83 Ford Street in September.

Service Contract - Solid Waste Disposal

In 2014, Milford joined the Greater Bridgeport Regional Solid Waste Interlocal Committee ("GBRSW"). The GBRSW is comprised of several municipalities which bundle their solid waste tonnage in an effort to obtain the most economical disposal agreement. GBRSW has a long-term disposal agreement with Wheelabrator Bridgeport, L.P. Milford's tipping fee per ton for fiscal year 2027 is 92.21. When the City took over the direct transport of City trash to the Wheelabrator Plant in 2020, it eliminated the monthly flat fee that had been paid to an outside vendor.

Recent year's fee structures are listed below:

<i>Current Contract</i>			
<i>Fiscal Year</i>	<i>Monthly Flat Fee</i>	<i>Hauling Fee (Per Ton)</i>	<i>Tipping Fee (Per Ton)</i>
2027	<i>run by City</i>	\$367.72 per haul	\$ 92.21
2026	<i>run by City</i>	\$358.75 per haul	88.68 ¹
2025	<i>run by City</i>	\$350 per haul	85.25
2024	<i>run by City</i>	\$350 per haul	68.03
2023	<i>run by City</i>	\$280 per haul	65.75

¹ Increase attributable to the higher cost of disposal as negotiated by the interlocal committee.

Private firms have direct contracts with condominiums for the collection of commercial and residential solid waste.

Sewers

Wastewater Division

The Wastewater Division consists of two treatment plants, the Housatonic Treatment Plant and the Beaverbrook Treatment Plant. The Housatonic Plant treats approximately 2 billion gallons of wastewater per year while the Beaverbrook Plant treats approximately 730 million gallons per year. Additionally, there are 43 pump stations and 260 miles of sewer lines, all maintained and operated by the division's employees. The Rock Street and Welch's Point Road pump stations have undergone major upgrades. The Sailors Lane generator replacement project and the Viscount Drive Force Main Replacement have been substantially completed.

The Wastewater Division has the ability to televise sewers for new acceptance and troubleshoot old ones. Approximately 3,000 feet of sewer line are treated for root control each year. Additionally, several hundred feet of sewer line are treated at the property lines each year.

Milford Redevelopment & Housing Partnership

The Milford Redevelopment & Housing Partnership located in the City was created in November of 1948. There are currently 465 units of public housing, 403 elderly and mixed population (elderly and nonelderly-disabled), and 62 family units. Of the 465 public housing units, 330 are federally funded units (HUD), and 135 are state-sponsored units (DECD) of which forty-nine (49) units have project-based vouchers. Budget permitting, the Milford Redevelopment Housing Partnership is authorized to issue up to 266 federal Section 8 Housing Choice Vouchers to support safe, decent, and sanitary housing opportunities in the City.

Milford Council on Aging

The Milford Council on Aging/Milford Senior Center has been serving the community since it was founded in 1970 and is now in its 56th year of operation. The Milford Senior Center has a membership of approximately 2,200 and provides a wide range of services and programs for Milford residents aged 55 and above. These services include transportation, a mini-lunch program, the Milford Food Bank, the Ahrens Respite Program, social services, Meals-on-Wheels program, insurance assistance and a notary public. The Milford Senior Center provides activities six days a week (closed on Saturdays). Various exercise and fitness classes are offered, including several types of yoga, arts and culture, self-directed activities and educational presentations.

The Milford Senior Center also offers several unique programs and classes such as theater dance, improv class, two choir groups, health fairs, a flu shot clinic, a low vision and caregivers support groups, a memory café, memory screenings, mental health first aid training, local trips and travel, live entertainment, a model train group, Wii bowling, pickle ball, book clubs, in-house session band, language classes as well as many other special events such as speed friendship, music bingo and more.

Milford Department of Human Services / Milford Youth & Family Services

The Milford Department of Human Services (“Human Services”), along with The Milford Youth and Family Services Department, has been providing services to the Milford Community since July of 1976. Human Services is responsible for providing all aspects of human and social services, community outreach, assessment and referral, and positive focused prevention-oriented programming for youth and their families. Samples of services include assessment and evaluation, case management, emergency assistance, food insecurity evaluations and referrals, outreach evaluations, fuel assistance, program development, and youth and family programming.

Utilities

Water service is provided to virtually all of Milford by the South Central Connecticut Regional Water Authority, a regional quasi-municipal water company serving the southern New Haven county area. Total storage capacity is in excess of nineteen billion gallons and annual consumption is about twenty billion gallons.

Electricity is available from The United Illuminating Company. Natural gas is provided by Southern Connecticut Gas Company which maintains a 1.2 billion cubic foot LNG facility in Milford.

Recreational Facilities

The Milford Recreation Department (the “Department”) continues its annual mission of providing safe, fun, and meaningful activities to the Milford community. Each year, the goal is to provide the City with a well-rounded program of active and passive leisure services that meets the needs of all population groups. The Department is continually adding new programs or re-inventing old ones to meet the desires of the community. New cultural programs, science and art camps are added each year to enrich the lives of the City’s youths as well as adults. The core activities and facilities operate at or near capacity, as the Department discovers creative ways to expand opportunities within those programs. The Department has continued to upgrade and refurbish the City’s recreational assets. The Department has four full-sized turf fields – Orange Avenue Turf field which is lined for lacrosse, soccer, and football as well as Kelley, Martin, and Tighe Field which have lines for lacrosse, soccer, and baseball/softball. The City also has premium outdoor basketball courts at Fowler Field and Point Beach. The Orchards Golf Course continues to prosper as people golf and socialize while the McCann Natatorium is home to the City’s very popular Learn to Swim program. The Department also has partnerships at the natatorium with Sacred Heart University, Rapids Swim Club and the Aqua Jets. The City maintains 18 dedicated pickleball courts and 15 tennis courts that run at full or near full capacity. The Department currently permits these courts to more than 1,000 residents and approximately 15,000 permits. The Department continues to provide residents the Summer Playground Program, Pre-K Summer Playground Program, Camp Happiness, Adult Softball league, a Beach Volleyball League, the Milford Pickleball Association, and Hoops by the Harbor basketball league featuring more than 1,300 children. The Department also features an incredible number of different activities through the Milford Adaptive Program (MAPs) which was highlighted by the showing of Aladdin at the newly renovated Parsons Auditorium. There have been continued improvements at the Benson-Crump Memorial Community Gardens and the program is running at full capacity. City beaches continue to be a popular attraction. Beachgoers continue to benefit from the improvements made at Walnut Beach and enjoy Gulf Beach, Anchor Beach and Woodmont Beach. The Department also permits gyms, classrooms, and fields across the City to assist in community exercise and enjoying activities year-round. The professional staff of the Department is an essential service which promotes healthy and active lifestyles, making Milford a great place to live, work and play.

Economic and Community Development

In 2026, the City continues to build on a strong and diverse economic foundation. With its strategic location along the I-95 corridor and Metro-North rail line, 17 miles of coastline, and a vibrant downtown and commercial districts, the City remains well positioned to attract investment, support local businesses, and create new opportunities for residents.

The Department of Economic and Community Development (ECD), in partnership with the Economic Development Commission and the City's business community, continues to focus on business retention and attraction, redevelopment, workforce development, housing, tourism, and strengthening the City's commercial districts. The City's economic development strategy emphasizes sustainable growth while preserving the character and quality of life that make the City an attractive place to live, work, visit, and invest.

Entrepreneurial activity remains strong. During FY2025-2026, the City recorded 858 new business starts, a significant increase from the previous year. These businesses reflect the diversity of the City's economy, ranging from small independent businesses and professional services to retail, dining, manufacturing, and other enterprises. The ECD continues to assist businesses and entrepreneurs with permitting, regulatory navigation, financing resources, and connections to State and federal programs.

Significant private investment continues throughout the City. New businesses opened along the Boston Post Road and in Downtown Milford, while redevelopment of the former Subway World Headquarters campus has repositioned the property as a multi-tenant corporate campus. Downtown also continues to benefit from new businesses and increased activity, reinforcing its role as a destination for residents and visitors.

Transit-oriented and mixed-use development remain important components of the City's growth strategy. The Metro TOD development at 44 River Street, adjacent to the Metro-North station, has been completed, bringing residential units together with ground-floor retail and office space and approximately 120 public parking spaces. The City continues to encourage redevelopment that integrates housing, transportation, commercial activity, and public amenities.

The City is also responding to changes in the commercial real estate market. Office vacancy decreased to 17.6% in FY2025-2026, but that number reflects continued changes in workplace patterns. The City is evaluating opportunities to reposition underutilized commercial properties through mixed-use development, adaptive reuse, and updated zoning approaches. One such example is the approval of the conversion of an aging office park at 470-488 Wheelers Farm Road into a 514-unit mixed-use development with an affordable housing component. The redevelopment of established commercial corridors, including the Boston Post Road and Connecticut Post Mall area, remains a priority. A new retail development at 1052 Boston Post Road, including Sprouts Farmers Market and other tenants, is expected to open in 2027 and represents another significant investment in the City's commercial base.

Housing continues to be an important component of economic development. The number of housing permits remained steady—from 128 in 2024 to 129 in 2025. Larger residential and mixed-use projects approved or under consideration in 2026 will provide additional housing opportunities and support transit-oriented and corridor redevelopment. The City is also implementing its FY2025–2029 Five-Year Consolidated Plan and continues its efforts to expand housing choice and affordability, including through the City's Fair Rent Commission.

Workforce development remains a key priority as the City's economy evolves. The City's unemployment rate was approximately 3.4% in January 2026, below the State and national rates at that time. The City continues to support connections between businesses, workers, educational institutions, and workforce-development organizations, with particular attention to advanced manufacturing, healthcare, professional services, technology, and other growing sectors.

At the same time, the City is preparing for significant workforce and economic changes. Edgewell Personal Care has announced the closure of its Schick manufacturing facility in the City by the end of 2027, which will result in some anticipated layoffs. The City and State are working with affected employees and other partners on workforce transition and employment opportunities. The future redevelopment and reuse of this strategically located industrial property will also be an important economic development consideration.

Tourism and quality of place remain essential to the City’s economic vitality. The City's beaches, coastline, downtown, harbor, historic Town Green, restaurants, cultural attractions, and recreational resources draw visitors throughout the region. Major community events, including the annual Milford Oyster Festival, the inaugural Milford Regional Lobster Roll Festival in 2025 and the inaugural Jazz’n Downtown in 2026, demonstrate the potential to generate significant economic activity for local businesses while promoting the City as a regional destination.

As the City moves forward, the ECD will continue to prioritize business retention and attraction, redevelopment of underutilized properties, support for entrepreneurs and small businesses, manufacturing and workforce retention, mixed-use and transit-oriented development, housing opportunities, tourism, and investment in established commercial districts.

The City enters the remainder of 2026 with a strong economic base and significant opportunities for continued growth. The City's challenge—and its opportunity—is to embrace economic change while protecting the coastal character, vibrant neighborhoods, and quality of life that make the City a desirable place to live, work, visit, and invest.

Employee Relations and Collective Bargaining Municipal Employees

	2026	2025	2024	2023	2022
General Government.....	525.00	532.00	530.00	532.00	530.00
Board of Education ¹	1,016.65	1,018.65	1,037.95	1,030.55	1,024.35
Total.....	1,541.65	1,550.65	1,567.95	1,562.55	1,554.35

¹ Includes employees funded by grants.

Source: Human Resources Dept., City of Milford

Director of Personnel, City of Milford Public Schools

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Employee Bargaining Groups

	Positions Covered	Current Contract Expiration Date
General Government Unions		
Police Local 899, AFSCME.....	117.00	6/30/2029
International Firefighters Association, IAFF.....	109.00	6/30/2026 ¹
Milford Supervisors Association, NAGE.....	29.00	6/30/2026 ¹
Milford Employees Association.....	61.00	6/30/2028
Registered Professional Nurses Association.....	20.00	6/30/2028
Public Works Local 424, UPSEU.....	115.00	6/30/2027
Police Dispatchers Local 1303-454 AFSCME	10.00	6/30/2029
Dispatchers Local 4260 Prof Telecommunication Assoc., IAFF.....	3.00	6/30/2029
Milford City Hall Employees Association (3322 AFSCME).....	12.00	6/30/2027
Organized.....	476.00	
Non-Union.....	49.00	
Sub-Total.....	525.00	
Board of Education Unions		
Milford Education Association (Teachers).....	604.90	8/31/2029
Local 2018 Maintenance Workers, AFSCME.....	72.50	6/30/2026 ¹
Milford Association of Education Secretaries.....	57.70	6/30/2027
Milford Administrators Association (Principals/Administrators)....	32.00	6/30/2028
Local 217, Cafeteria Workers, Hotel and Bartenders Association....	44.00	6/30/2026 ¹
Milford Federation of Paraprofessionals (Teacher's Aides).....	142.00	8/31/2026 ¹
Local 1303-453 Security Guards, AFSCME.....	4.00	6/30/2026 ¹
Organized.....	957.10	
Non-Union.....	59.55	
Sub-Total.....	1,016.65	
Total.....	1,541.65	

¹ In negotiation.

Source: City Attorney's Office, City of Milford.

Director of Human Resources, City of Milford Public Schools.

Connecticut General Statutes sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject the 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 will then appoint 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 shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational System

The Milford Board of Education is comprised of ten members, two representatives from each of Milford's five voting districts. They are elected for a two-year term and are responsible for maintaining eight public elementary schools grades PreK-5, three middle schools grades 6-8, and two high schools grades 9-12, as well as The Academy, an alternative education high school.

Milford is home to two private educational institutions. Lauralton Hall is a parochial girl's preparatory high school, grades 9-12, and St. Mary's R.C. elementary school, serving grades PreK-8.

The Platt Vocational Technical School, a state facility, serves grades 9-12 in addition to post-graduate. Training is provided in skilled occupations geared to area industrial job opportunities.

School Facilities

School	Grades	Date of Construction (Remodeling)	Type of Construction	Number of Classrooms ¹	10/1/2026 Enrollment	Rated Capacity
Calf Pen Meadow.....	K-5	1955 (61)(96)	Brick & Cinder	29	261	460
J.F. Kennedy.....	PreK-5	1967 (97)	Brick & Cinder	26	292	460
Live Oaks.....	PreK-5	1961 (68)(92)(21)	Brick & Cinder	25	287	450
Mathewson.....	K-5	1961 (69)(95)(97)(01)	Brick & Cinder	34	333	610
Meadowside.....	K-5	1955 (93)(20)	Brick & Cinder	29	270	460
Orange Avenue.....	PreK-5	1955 (61)(69)(92)(03)	Brick & Cinder	34	420	550
Orchard Hills.....	K-5	1961 (68)(92)(04)(20)	Brick & Cinder	32	351	500
Pumpkin Delight.....	PreK-5	1950 (56)(92)(23)	Brick & Cinder	27	271	380
Harborside.....	6-8	1969 (92)(94)(98)(99)(20)	Brick & Cinder	40	398	620
West Shore.....	6-8	1950 (56)(72)(91)(94)(99)(17)	Brick & Cinder	36	379	600
East Shore.....	6-8	1952 (56)(68)(93)(94)(95)(99)(14)	Brick & Cinder	46	342	620
Joseph A. Foran.....	9-12	1973 (91)(99)(05)(10)(12)	Brick & Cinder	78	687	1,300
Jonathan Law.....	9-12	1962 (91)(92)(99)(05)(10)	Brick & Cinder	71	723	1,200
The Academy (Alt.)...	9-12	1973 (06)(20)	Brick & Cinder	8	32	150
Spec. Ed Post Grad....	12+	No dedicated facility	n/a	n/a	11	n/a
Sub-Total.....				515	5,057	8,360
Off-site: New Haven, Bridgeport and other Magnet Schools.....					137	
Total.....					5,194	

¹ Classroom space used for media centers is not included in the number of classrooms.

Source: Superintendent's Office, City of Milford Public Schools.

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School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved on or after July 1, 1996. The following projects will be reimbursed at the estimated reimbursement rates shown below:

Projects approved on or after July 1, 2014	Authorized Amount¹	Approximate Reimbursement Rate	Estimated Grant Amount	City's Estimated Share of Project Cost
School Improvements 2015.....	\$ 10,390,000	41.00%	\$ 4,259,900	\$ 6,130,100
School Improvements 2016.....	6,599,500	41.00%	2,705,795	3,893,705
School Improvements 2017.....	23,779,989	41.00%	9,749,795	14,030,194
School Improvements 2018.....	3,828,000	41.00%	1,569,480	2,258,520
School Improvements 2019.....	4,785,000	41.00%	1,961,850	2,823,150
School Improvements 2020.....	5,005,000	41.00%	2,052,050	2,952,950
School Improvements 2021.....	2,750,000	41.00%	1,127,500	1,622,500
Pumpkin Delight School 2021...	13,560,750	37.14%	5,036,463	8,524,287
School Improvements 2022.....	10,290,000	37.14%	3,821,706	6,468,294
School Improvements 2023.....	8,800,000	37.14%	3,268,320	5,531,680
School Improvements 2024.....	7,150,000	37.14%	2,655,510	4,494,490
School Improvements 2025.....	4,950,000	37.14%	1,838,430	3,111,570
School Improvements 2026.....	5,940,000	37.86%	2,248,884	3,691,116
Total.....	\$ 107,828,239		\$ 42,295,683	\$ 65,532,556

¹ The authorized amount for each project listed is the original amount authorized by the Board of Aldermen prior to any grant payments received by the City.

School Enrollment

School Year	K-5	6-8	Senior High 9-12	Pre-School	Total
<u>Historical</u>					
2017-18	2,404	1,343	1,790	212	5,749
2018-19	2,299	1,322	1,776	226	5,623
2019-20	2,302	1,304	1,743	219	5,568
2020-21	2,280	1,279	1,718	225	5,502
2021-22	2,283	1,245	1,683	204	5,415
2022-23	2,242	1,204	1,647	245	5,338
2023-24	2,241	1,180	1,622	224	5,267
2024-25	2,258	1,137	1,574	216	5,185
2025-26	2,236	1,147	1,517	207	5,107
2026-27	2,264	1,119	1,442	220	5,045
<u>Projected¹</u>					
2027-28	2,315	1,163	1,455	214	5,147
2028-29	2,301	1,163	1,463	214	5,141
2029-30	2,295	1,196	1,466	214	5,171
2030-31	2,350	1,181	1,452	214	5,197
2031-32	2,383	1,158	1,475	214	5,230

¹ Projected enrollment from the New England School Development Council.

Note: Special Education students allocated to individual grades.

Source: Superintendent's Office, City of Milford Public Schools.

III. Economic and Demographic Information Population and Density

Year	Actual Population¹	% Increase	Density²
1970	50,858	22.1%	2,164
1980	50,898	0.1%	2,166
1990	49,938	(1.9%)	2,125
2000	52,305	4.7%	2,226
2010	52,759	0.9%	2,245
2020	52,044	-1.4%	2,215
2024 ³	52,684	1.2%	2,242

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

² Per square mile: 23.5 square miles.

³ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

Age Distribution of the Population

Age	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,075	3.9%	181,691	5.0%
5 to 9 years	2,546	4.8	195,164	5.4
10 to 14 years	2,501	4.7	214,972	5.9
15 to 19 years	2,975	5.6	239,710	6.6
20 to 24 years	2,620	5.0	238,387	6.6
25 to 34 years	6,100	11.6	454,892	12.6
35 to 44 years	6,544	12.4	460,916	12.7
45 to 54 years	6,963	13.2	453,917	12.5
55 to 59 years	4,251	8.1	256,068	7.1
60 to 64 years	4,491	8.5	258,234	7.1
65 to 74 years	7,215	13.7	386,232	10.7
75 to 84 years	3,186	6.0	196,373	5.4
85 years and over	1,217	2.3	87,952	2.4
Total.....	52,684	100.0%	3,624,508	100.0%
Median Age (Years).....	46.9		41.2	

Source: American Community Survey, 2020-2024.

Income Distribution

Income	City of Milford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	179	1.3%	24,004	2.6%
\$10,000 to \$14,999.....	111	0.8	12,584	1.4
\$15,000 to \$24,999.....	212	1.5	27,285	3.0
\$25,000 to \$34,999.....	152	1.1	33,429	3.6
\$35,000 to \$49,999.....	811	5.8	59,826	6.5
\$50,000 to \$74,999.....	1,409	10.0	106,611	11.6
\$75,000 to \$99,999.....	1,532	10.9	106,893	11.6
\$100,000 to \$149,999.....	2,817	20.0	182,785	19.8
\$150,000 to \$199,999.....	2,522	17.9	131,310	14.3
\$200,000 or more.....	4,334	30.8	236,661	25.7
Total.....	14,079	100.0%	921,388	100.0%

Source: American Community Survey, 2020-2024.

Income Levels

	City of Milford	State of Connecticut
Per Capita Income, 2024 ¹	\$ 60,925	\$ 55,915
Per Capita Income, 2010.....	\$ 38,351	\$ 35,078
Median Family Income, 2024 ¹	\$ 147,202	\$ 122,706
Percent Below Poverty, 2010.....	2.4%	6.8%

¹American Community Survey, 2020-2024.

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

Educational Attainment Persons 25 Years and Older

	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	570	1.4%	101,458	4.0%
9th to 12th grade.....	835	2.1	114,887	4.5
High School graduate.....	9,858	24.7	647,192	25.3
Some college, no degree.....	5,645	14.1	410,903	16.1
Associate's degree	2,861	7.2	195,081	7.6
Bachelor's degree.....	11,554	28.9	595,631	23.3
Graduate or professional degree.....	8,644	21.6	489,432	19.2
Total.....	39,967	100.0%	2,554,584	100.0%
Total high school graduate or higher (%).	96.5%		91.5%	
Total bachelor's degree or higher (%).	50.5%		42.5%	

Source: American Community Survey, 2020-2024.

Employment by Industry

	City of Milford		State of Connecticut	
Sector	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	122	0.4%	7,132	0.4%
Construction	1,285	4.4	113,006	6.1
Manufacturing	2,911	9.9	198,526	10.7
Wholesale trade	532	1.8	35,592	1.9
Retail trade	3,026	10.3	192,698	10.4
Transportation and warehousing, and utilities	1,353	4.6	87,076	4.7
Information	871	3.0	37,488	2.0
Finance, insurance, real estate, rental & leasing	2,433	8.3	161,226	8.7
Professional, scientific, management, administrative, and waste mgmt services	3,554	12.1	228,229	12.3
Education, health and social services	9,077	30.9	496,559	26.8
Arts, entertainment, recreation, accommodation and food services	1,706	5.8	143,851	7.8
Other services (except public administration)	1,480	5.0	80,617	4.4
Public Administration	1,063	3.6	67,864	3.7
Total Labor Force, Employed	29,413	100.0%	1,849,864	100.0%

Source: American Community Survey, 2020-2024.

**Employment Data
By Place of Residence**

Period	City of Milford		Percentage Unemployed		
	Employed	Unemployed	City of Milford	Bridgeport Labor Market	State of Connecticut
August 2026	29,192	1,117	3.7	4.5	4.7
Annual Average					
2025	31,362	1,047	3.2	3.8	3.9
2024	29,925	977	3.2	3.7	3.5
2023	29,662	1,074	3.5	3.9	3.7
2022	29,431	1,110	3.6	4.2	4.1
2021	26,807	1,795	6.3	6.7	6.6
2020	27,554	2,058	7.0	7.5	7.3
2019	29,614	1,035	3.4	3.7	3.7
2018	29,314	1,145	3.8	4.1	4.1
2017	29,036	1,301	4.3	4.7	4.7
2016	28,562	1,402	4.7	5.2	5.3

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

**Major Employers
As of September 2026**

Name	Business	Number of Employees
City of Milford Board of Education.....	Municipal School System	1,371
Schick (Edgewell Personal Care).....	Manufacturer-Razors	625
City of Milford.....	Municipal Government	511
Bridgeport Hospital Milford Campus....	Healthcare	496
Quadient, Inc.....	U.S. Corporate Headquarters - Manufacturer	400
Walmart.....	Retail Department Store	320
Total Mortgage Services LLC.....	Mortgage Bankers & Loan Correspondents	303
SenText.....	Advertising Agency	293
Alinabal Holdings Corp.....	Manufacturer	275
Milestones Behavioral Services.....	Elementary & Secondary Schools	250

Source: Office of Community Development, City of Milford and CT Department of Labor.

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Building Permits

FYE 6/30	Residential		Commercial		Multi-Family		Miscellaneous		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2026	39	\$ 13,299,004	13	\$ 14,294,560	1	\$ 4,300,000	1,357	\$ 53,567,711	1,410	\$ 85,461,275
2025	24	7,920,000	8	6,755,000	3	6,641,000	1,217	50,087,802	1,252	71,403,802
2024	28	9,826,300	7	20,718,600	4	26,009,500	1,207	44,453,660	1,246	101,008,060
2023	37	11,183,900	7	13,460,000	1	14,000	1,204	64,421,257	1,249	89,079,157
2022	58	17,299,000	15	17,456,200	-	-	1,263	46,689,113	1,336	81,444,313
2021	40	8,053,500	10	6,686,900	3	2,226,300	1,281	32,125,943	1,334	49,092,643
2020	59	10,651,100	15	5,454,000	2	2,032,900	1,118	34,135,250	1,194	52,273,250
2019	60	9,721,200	11	8,981,600	21	20,677,700	1,264	32,699,931	1,356	72,080,431
2018	75	11,814,000	7	4,228,022	8	5,470,000	1,395	43,349,359	1,485	64,861,381
2017	54	11,165,324	8	8,316,386	1	45,000	1,244	47,456,715	1,307	66,983,425

Source: Chief Building Inspector, City of Milford.

Age Distribution of Housing

Year Built	City of Milford		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	4,338	18.0%	311,584	20.2%
1940 to 1969.....	9,086	37.7	514,365	33.4
1970 to 1979.....	2,956	12.3	210,797	13.7
1980 to 1989.....	2,542	10.6	199,083	12.9
1990 to 1999.....	2,360	9.8	115,803	7.5
2000 or 2009.....	1,504	6.2	109,783	7.1
2010 or later.....	1,289	5.4	80,407	5.2
Total Housing Units.....	24,075	100.0%	1,541,822	100.0%

Source: American Community Survey, 2020-2024.

Housing Inventory

Type	City of Milford		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	16,236	67.4%	902,771	58.6%
1-unit, attached.....	1,695	7.0	99,493	6.5
2 units.....	980	4.1	115,211	7.5
3 or 4 units.....	1,392	5.8	125,486	8.1
5 to 9 units.....	1,029	4.3	76,014	4.9
10 to 19 units.....	1,098	4.6	54,675	3.5
20 or more units.....	1,396	5.8	156,730	10.2
Mobile home.....	249	1.0	10,890	0.7
Boat, RV, van, etc.....	-	-	552	0.0
Total Inventory.....	24,075	100.0%	1,541,822	100.0%

Source: American Community Survey, 2020-2024.

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	319	1.9%	23,262	2.4%
\$50,000 to \$99,999.....	147	0.9	14,209	1.5
\$100,000 to \$149,999.....	363	2.1	31,134	3.3
\$150,000 to \$199,999.....	499	2.9	65,851	6.9
\$200,000 to \$299,999.....	2,524	14.8	205,349	21.5
\$300,000 to \$499,999.....	8,483	49.7	350,277	36.8
\$500,000 to \$999,999.....	4,133	24.2	197,853	20.8
\$1,000,000 or more.....	602	3.5	65,054	6.8
Total.....	17,070	100.0%	952,989	100.0%
Median Sales Price.....	\$416,800		\$366,900	

Source: American Community Survey, 2020-2024.

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IV. Tax Base Data

Property Tax Assessments

The City revalued all real property as of October 1, 2025. The maintenance of an accurate tax base and the location and appraisal of all real and personal property within the City for inclusion in the Grand List are the responsibilities of the Assessor. The Grand List represents the total of assessed value for all taxable real property, motor vehicles and personal property located within the City as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last completed revaluation (Grand List 10/1/25). A five (5) year phase-in of assessments was adopted for the 10/1/2025 revaluation.

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

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management ("OPM"). Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

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, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City's mill rate for motor vehicles for the assessment year commencing October 1, 2025 (the Fiscal Year June 30, 2027) is 28.67 mills.

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

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

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the Fiscal Year. All property taxes except motor vehicle taxes of \$200 or less are payable in two installments on July 1 and January 1. Motor vehicle taxes of \$200 or less are due in one installment in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the Fiscal Year is normally included as a revenue item in the budget. Delinquent taxes are billed at least two times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

The City has implemented an Elderly Tax Relief program. Elderly persons meeting the State elderly tax relief guidelines may also receive a tax credit from the City against real estate taxes due. No individual's tax credit may exceed \$600, and total tax credits for the year are limited to 5% of the prior year's total real estate tax assessed in the City of Milford. For Fiscal Year 2026-27, this limit is \$13,536,410. In Fiscal Year 2025-26, a total of \$571,582.44 in tax credits were issued in connection with the Elderly Tax Relief program.

Comparative Assessed Valuations

Grand List of 10/1	Residential	Commercial/ Industrial	Personal	Motor	Gross	Less	Net Taxable	Percent
	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Taxable Grand List	Exemption	Grand List	Growth
2025 ^{1,2}	70.6	15.5	7.7	6.2	\$ 8,517,500,497	\$ 220,278,337	\$ 8,297,222,160	4.69
2024	70.8	16.1	6.3	6.8	8,078,884,681	153,227,017	7,925,657,664	(0.72)
2023	69.7	16.9	6.4	7.0	8,145,922,520	162,849,268	7,983,073,252	0.29
2022	69.4	16.9	6.3	7.4	8,125,783,140	165,913,118	7,959,870,022	0.83
2021 ¹	69.7	17.2	6.0	7.1	8,042,477,079	148,488,906	7,893,988,173	16.93
2020	67.5	19.2	6.4	6.9	6,896,672,704	145,453,184	6,751,219,520	1.39
2019	67.6	19.3	7.0	6.1	6,814,627,566	156,084,503	6,658,543,063	1.24
2018	65.7	21.6	6.7	6.0	6,726,695,807	150,012,932	6,576,682,875	0.14
2017	67.3	20.0	6.8	5.9	6,724,998,449	157,830,070	6,567,168,379	0.42
2016 ¹	67.1	20.1	7.0	5.8	6,711,964,828	172,233,139	6,539,731,689	1.84

¹ Revaluation.

² Phase-in of assessment increases per revaluation for Grand List of October 1, 2025 at a rate of 20% over 5 years.

Source: Assessor's Office, City of Milford.

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Exempt Property

The following categories of exempt properties are not included in the net taxable Grand List:

Public	Assessed Value (10/1/25) ¹
State of Connecticut.....	\$ 102,397,009
City of Milford.....	227,219,182
United States of America.....	13,715,004
Sub-Total Public.....	\$ 343,331,195
 Private	
Private Hospitals and Colleges.....	\$ 49,704,880
Scientific, Educational, Historical & Charitable....	20,303,574
Cemeteries.....	3,066,096
Churches.....	55,678,992
Recreation Facilities.....	1,999,630
Veteran's Organizations.....	1,227,910
Volunteer Fire Companies and Miscellaneous.....	1,200,388
Sub-Total Private.....	\$ 133,181,470
Total Exempt Property.....	\$ 476,512,665
Percent Compared to Net Taxable Grand List.....	5.74%

¹ Based on the October 1, 2025 Net Taxable Grand List of \$8,297,222,160.

Source: Assessor's Office, City of Milford.

The South Central Connecticut Regional Water Authority ("SCCRWA") is required by State statute (SA 77-98) to "make annual payments to the City equivalent to the taxes which would otherwise be due for the property of the authority in such municipality excluding improvements to or construction on any such real property by the authority." The exempt assessment for SCCRWA amounts to \$20,624,061. PILOTs (payments in lieu of taxes) have been (or will be) as noted below:

Year	Payments
2026-2027	\$ 580,000
2025-2026	578,967
2024-2025	567,851
2023-2024	500,262
2022-2023	492,567
2021-2022	501,707
2020-2021	500,547
2019-2020	491,429
2018-2019	477,477
2017-2018	464,129

Property Tax Levies and Collections

(in thousands)

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2026 ²
2025 ^{1,3}	2027 ²	\$ 8,297,222	28.67	\$ 241,926	IN PROCESS		
2024	2026 ²	7,925,658	29.55	232,578	99.0%	1.0%	1.0%
2023	2025	7,983,073	29.14	226,143	98.8%	1.2%	0.5%
2022	2024	7,959,870	27.17	214,259	98.8%	1.2%	0.3%
2021 ¹	2023	7,893,988	26.65	209,295	98.9%	1.1%	0.2%
2020	2022	6,751,220	27.65	187,500	99.1%	0.9%	0.1%
2019	2021	6,658,543	27.68	183,043	99.1%	0.9%	0.1%
2018	2020	6,576,683	27.71	182,934	98.8%	1.2%	0.1%
2017	2019	6,567,168	27.74	181,884	98.7%	1.3%	0.1%
2016 ¹	2018	6,539,732	27.79	181,702	98.8%	1.2%	0.1%

¹ Revaluation.

² Subject to audit.

³ Phase-in of assessment increases per revaluation for Grand List of October 1, 2025 at a rate of 20% over 5 years.

Sources: Assessor's Office and Tax Collector's Office, City of Milford

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2026 ¹	\$ 5,726,035	\$ 2,548,141
2025	5,679,913	2,815,525
2024	4,926,725	2,481,670
2023	4,371,000	2,358,000
2022	3,841,679	1,626,366
2021	4,312,323	1,682,334
2020	5,228,541	2,260,772
2019	6,354,000	2,385,111
2018	6,521,000	2,133,056
2017	7,927,317	2,897,321

¹ Subject to audit.

Source: Tax Collector's Report, City of Milford Annual Audited Financial Statements, 2017-2025. Finance Department, 2026.

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Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
CL&P (Eversource).....	Utility	\$ 108,184,632	1.30%
Metro Star Properties	Office/Retail/Apartment	67,807,478	0.82%
Connecticut Post Mall.....	Shopping Center	67,176,338	0.81%
United Illuminating.....	Utility	57,987,911	0.70%
PAR LLC.....	Office/Retail/Apartment	48,786,837	0.59%
Woodmont Road Owner LLC.....	Apartments	35,898,471	0.43%
Milford Beach Associates/Windsor Prop. ...	Apartments	35,581,967	0.43%
B33 Milford Crossing LLC.....	Retail	33,143,780	0.40%
Milford Developers, LLC.....	Apartments	25,967,234	0.31%
MMP Holdings RSK LLC.....	Retail	22,002,010	0.27%
Total.....		\$ 502,536,658	6.06%

¹ Based on the October 1, 2025 Net Taxable Grand List of \$8,297,222,160.

Source: Assessor's Office, City of Milford

On December 2, 2014, the City and Milford Power Company, LLC (the "MPC") agreed to extend their existing Property Tax Payment Agreement for a term of 10 years. The initial agreement was the result of an assessment appeal of the Grand Lists of 2001, 2002, 2003, and 2004. Originally, the assessment had been \$183,073,530 generating over \$5,000,000 in taxes. (The assessment and the taxes would have significantly decreased in future years due to depreciation of the personal property.) In return, the City accepted scheduled payments in lieu of taxes for the Fiscal Years of 2006 through 2015. The original agreement called for payments to be made in July and January of each Fiscal Year. The payment schedule was \$1,687,500 for each six month period from July 2005 through January 2009. Payments were \$1,875,000 for each six month period from July 2009 through January 2011 and were \$1,750,000 for each six month period from July 2011 through January 2015. The new agreement, which extended the term an additional ten (10) years, calls for annual payments of \$4,700,000. Payments of \$2,350,000 are to be made in January and July of each year starting on July of 2015 and running through January of 2025. The payments were based on an assessment of \$172,667,000 and a stabilized mill rate of 27.22 mills. Once the PILOT expired, the City and MPC agreed to a 1-year extension to January 2026. The City is in negotiations with MPC since the extension has expired. An assessment of \$240,912,255 was added to the 10/1/2025 grand list which includes both real property and personal property. MPC has paid the first installment due July 2026.

On June 28, 2010, the City entered into a Property Tax Payment Agreement with GenConn Devon LLC (the "Property Tax Agreement"). The City accepted a 30 year payment schedule calling for annual payments in lieu of taxes to be made to the City through May 1, 2040. Payment amounts are as follows: 06/30/2010 - \$ 500,000; 05/01/2011 - \$2,500,000; 05/01/2012 – \$3,000,000; 05/01/2013 through 05/01/2040 - \$2,025,000. GenConn is current with all of its payments.

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V. Debt Summary
Principal Amount of Bonded Indebtedness ¹
As of October 27, 2026
(Pro-Forma)

Long-Term Debt			Amount of	Outstanding	Fiscal Year
Date	Purpose	Rate %	Original Issue	After This Issue	of Final Maturity
11/06/17	General Purpose.....	3.00 - 5.00	\$ 9,345,000	\$ 5,585,000	2038
11/06/17	Schools.....	3.00 - 5.00	6,285,000	3,765,000	2038
11/06/17	Sewer.....	3.00 - 5.00	3,105,000	1,860,000	2038
12/22/17	General Purpose Refunding.....	3.00 - 5.00	3,186,000	2,510,000	2034
12/22/17	Schools Refunding.....	3.00 - 5.00	4,533,000	3,435,000	2034
12/22/17	Sewer Refunding.....	3.00 - 5.00	5,411,000	4,320,000	2034
11/04/19	General Purpose.....	2.00 - 5.00	6,690,000	4,690,000	2040
11/04/19	Schools	2.00 - 5.00	650,000	462,000	2040
11/04/19	Sewer	2.00 - 5.00	2,340,000	1,638,000	2040
11/02/20	General Purpose Refunding	3.00 - 5.00	7,884,000	3,643,000	2033
11/02/20	Schools Refunding	3.00 - 5.00	3,084,000	877,000	2033
11/02/20	Sewer Refunding	3.00 - 5.00	5,492,000	3,780,000	2033
11/03/20	General Purpose.....	2.00 - 5.00	9,755,000	7,330,000	2041
11/03/20	Schools	2.00 - 5.00	9,690,000	7,265,000	2041
11/03/20	Sewer	2.00 - 5.00	3,115,000	2,335,000	2041
12/11/20	Sewer - CWF Refunding	5.00	17,560,000	6,945,000	2029
11/02/21	General Purpose.....	2.00 - 5.00	17,010,000	13,608,000	2042
11/02/21	Schools	2.00 - 5.00	7,230,000	5,784,000	2042
11/02/21	Sewer	2.00 - 5.00	1,460,000	1,168,000	2042
11/02/21	General Purpose Refunding.....	5.00	719,000	695,000	2032
11/02/21	Schools Refunding.....	5.00	1,486,000	1,434,000	2032
11/02/21	Sewer Refunding.....	5.00	1,510,000	1,456,000	2032
11/01/22	General Purpose.....	4.00 - 5.00	6,125,000	5,210,000	2043
11/01/22	Schools	4.00 - 5.00	1,520,000	1,295,000	2043
11/01/22	Sewer	4.00 - 5.00	415,000	355,000	2043
10/30/23	General Purpose.....	4.00 - 5.00	2,965,000	2,521,000	2044
10/30/23	Schools	4.00 - 5.00	5,090,000	4,325,000	2044
10/30/23	Sewer	4.00 - 5.00	245,000	209,000	2044
10/29/24	General Purpose.....	2.75 - 5.00	5,605,000	5,045,000	2045
10/29/24	Schools	2.75 - 5.00	7,990,000	7,190,000	2045
10/29/24	Sewer	2.75 - 5.00	610,000	550,000	2045
10/29/24	General Purpose Refunding.....	4.00 - 5.00	16,805,000	15,287,000	2039
10/29/24	Schools Refunding.....	4.00 - 5.00	13,579,000	12,004,000	2039
10/29/24	Sewer Refunding.....	4.00 - 5.00	10,766,000	9,304,000	2039
10/28/25	General Purpose.....	4.00 - 5.00	2,940,000	2,793,000	2046
10/28/25	Schools	4.00 - 5.00	2,005,000	1,904,000	2046
10/28/25	Sewer	4.00 - 5.00	2,240,000	2,128,000	2046
Sub-Total.....			\$ 206,440,000	\$ 154,705,000	
<u>This Issue</u>					
10/27/26	General Purpose.....	<i>tbd</i>	\$ 5,910,000	\$ 5,910,000	2047
10/27/26	Schools	<i>tbd</i>	1,920,000	1,920,000	2047
10/27/26	Sewer	<i>tbd</i>	855,000	855,000	2047
Sub-Total			8,685,000	8,685,000	
Total Long Term Debt.....			\$ 215,125,000	\$ 163,390,000	

¹ Excludes bonds previously refunded.

**Short-Term Debt
As of October 27, 2026
(Pro-Forma)**

Project	Total Amount of Authorization	Maturing Notes Due: 10/27/2026	The Notes Due: 10/26/2027
Various Public Improvements (Feb. 2014).....	\$ 7,668,237	\$ 5,000	\$ -
Various Public Improvements (Feb. 2015).....	12,657,230	1,415,000	90,000
Various Public Improvements (Feb. 2020).....	14,088,816	3,000	-
Various Public Improvements (Feb. 2021).....	12,215,196	15,000	5,000
Various Public Improvements (Feb. 2022).....	5,856,000	75,000	207,000
Various Public Improvements (Feb. 2023).....	5,706,763	1,792,000	255,000
Various Public Improvements (Feb. 2024).....	4,592,500	380,000	303,000
Various Public Improvements (Feb. 2025).....	7,700,000	1,670,000	-
Subtotal General Improvement.....	\$ 70,484,742	\$ 5,355,000	\$ 860,000
Various School Improvements (Feb. 2018).....	\$ 4,050,409	\$ 3,000	\$ -
Various School Improvements (Feb. 2020).....	5,460,998	250,000	165,000
Pumpkin Delight School Improvements (May 2021).....	15,511,537	7,155,000	1,725,000
Various School Improvements (Feb. 2022).....	9,988,602	925,000	-
Various School Improvements (Feb. 2023).....	16,787,013	747,000	5,445,000
Various School Improvements (Feb. 2025).....	4,950,000	-	850,000
Subtotal Schools.....	\$ 56,748,559	\$ 9,080,000	\$ 8,185,000
Rogers Ave Sanitary Pump Station Upgrade (Feb. 2022).....	3,811,500	1,000,000	1,000,000
Sanitary Sewer Pump Station Upgrades No. 1-Variou (Feb. 2023).....	2,805,000	235,000	120,000
Sanitary Sewer Pump Station Upgrades No. 1-Variou (Feb. 2024).....	2,200,000	-	30,000
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Clarifier.....	900,000	490,000	460,000
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Digester Cleaning...	1,300,000	-	15,000
Sanitary Sewer Pump Station Upgrades - Various (Mar. 2026).....	6,050,000	-	500,000
Subtotal Sewers.....	\$ 17,066,500	\$ 1,725,000	\$ 2,125,000
Totals.....	\$ 144,299,801	\$ 16,160,000	\$ 11,170,000

Capital Leases

On November 15, 2017, the City entered into a tax-exempt lease purchase agreement in the amount of \$1,603,515 for a microgrid generator. The maturity date of the lease is November 15, 2033 and payments are current.

Other Obligations

The City issued \$1,870,000 of general obligation taxable debt on November 26, 2024 to fund improvements to the City's Wastewater Treatment Plant to increase capacity at the Plant. The maturity date for this obligation is October 15, 2034.

Annual Bonded Debt Maturity Schedule ¹
As of October 27, 2026
(Pro-Forma)

Fiscal Year Ended	This Issue							Cumulative	
	Principal	Interest	Total	General Purpose	School	Sewer	Total	Total	Principal Retired
2027 ²	\$ 14,045,000	\$ 5,171,384	\$ 19,216,384	\$ -	\$ -	\$ -	\$ -	\$ 14,045,000	8.6%
2028	15,485,000	5,022,494	20,507,494	295,000	95,000	40,000	430,000	15,915,000	18.3%
2029	15,420,000	4,287,319	19,707,319	295,000	95,000	40,000	430,000	15,850,000	28.0%
2030	12,540,000	3,659,544	16,199,544	295,000	95,000	40,000	430,000	12,970,000	36.0%
2031	11,885,000	3,143,394	15,028,394	295,000	95,000	40,000	430,000	12,315,000	43.5%
2032	11,280,000	2,672,766	13,952,766	295,000	95,000	40,000	430,000	11,710,000	50.7%
2033	10,615,000	2,254,344	12,869,344	295,000	95,000	45,000	435,000	11,050,000	57.4%
2034	9,480,000	1,900,391	11,380,391	295,000	95,000	45,000	435,000	9,915,000	63.5%
2035	8,695,000	1,598,744	10,293,744	295,000	95,000	45,000	435,000	9,130,000	69.1%
2036	7,990,000	1,329,944	9,319,944	295,000	95,000	45,000	435,000	8,425,000	74.3%
2037	7,585,000	1,082,309	8,667,309	295,000	95,000	45,000	435,000	8,020,000	79.2%
2038	6,775,000	857,966	7,632,966	295,000	95,000	45,000	435,000	7,210,000	83.6%
2039	5,845,000	663,469	6,508,469	295,000	95,000	45,000	435,000	6,280,000	87.4%
2040	4,790,000	502,209	5,292,209	295,000	95,000	45,000	435,000	5,225,000	90.6%
2041	4,305,000	366,153	4,671,153	295,000	95,000	45,000	435,000	4,740,000	93.5%
2042	3,175,000	247,909	3,422,909	295,000	95,000	45,000	435,000	3,610,000	95.7%
2043	1,890,000	156,063	2,046,063	295,000	95,000	45,000	435,000	2,325,000	97.2%
2044	1,480,000	87,119	1,567,119	295,000	100,000	40,000	435,000	1,915,000	98.3%
2045	1,070,000	35,600	1,105,600	295,000	100,000	40,000	435,000	1,505,000	99.2%
2046	355,000	7,100	362,100	300,000	100,000	40,000	440,000	795,000	99.7%
2047	-	-	-	300,000	100,000	40,000	440,000	440,000	100.0%
Total.....	\$ 154,705,000	\$ 35,046,220	\$ 189,751,220	\$ 5,910,000	\$ 1,920,000	\$ 855,000	\$ 8,685,000	\$ 163,390,000	

¹ Excludes outstanding Notes, long-term capital leases and bonds previously refunded.

² Excludes \$1,485,000 in principal payments and \$607,409 in interest payments from July 1, 2026 through October 27, 2026.

Overlapping/Underlying Debt

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

Overlapping Debt

The City has no overlapping debt.

Underlying Debt

The following municipal subdivisions or special tax districts have the authority to issue tax-exempt debt that constitutes underlying debt of the City:

Jurisdiction	Debt Outstanding As of 10/27/26
Borough of Woodmont	None
Laurel Beach Association	\$350,000 ¹

¹ The Association also has \$250,000 of authorized but unissued debt.

Source: Treasurers of the above listed organizations.

Debt Statement ¹
As of October 27, 2026
(Pro-Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 74,827,000
Schools (Includes this issue).....	51,660,000
Sewers (Includes this issue).....	36,903,000
Total Long-Term Debt	163,390,000

Short-Term Debt:

Bond Anticipation Notes (This Issue: Due 10/26/27).....	11,170,000
Total Short-Term Debt	11,170,000

Total Direct Debt	174,560,000
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Underlying Debt.....	350,000
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Total Overall Debt	174,910,000
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Less: School Construction Grants Receivable (As of June 30, 2026)	-
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Total Overall Net Debt	\$ 174,910,000
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¹ Excludes capital leases.

Current Debt Ratios
As of October 27, 2026
(Pro-Forma)

Population (2024) ¹	52,684
Net Taxable Grand List (10/1/25)	\$ 8,297,222,160
Estimated Full Value	\$ 11,853,174,514
Equalized Grand List (10/1/24) ²	\$ 16,184,353,664
Money Income per Capita (2024) ¹	\$ 60,925

	Total Long Term Debt	Total Direct Debt	Total Overall Net Debt
	\$163,390,000	\$174,560,000	\$174,910,000
Per Capita.....	\$3,101.32	\$3,313.34	\$3,319.98
Ratio to Net Taxable Grand List.....	1.97%	2.10%	2.11%
Ratio to Estimated Full Value.....	1.38%	1.47%	1.48%
Ratio to Equalized Grand List.....	1.01%	1.08%	1.08%
Debt per Capita to Money Income per Capita.....	5.09%	5.44%	5.45%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2020-2024.

² Office of Policy and Management, State of Connecticut.

Bond Authorization

Capital projects and cost estimates are submitted annually to the Mayor for review and inclusion in the City's Capital Improvement Program (CIP). The Mayor submits a proposed CIP describing the capital projects proposed for the upcoming five-year period, and the method of financing the same, to the Planning and Zoning Board for approval. Upon consideration and approval by the Planning and Zoning Board, the CIP is submitted by the Mayor to the Board of Aldermen.

When a specific project to be funded by bonds is about to be undertaken, the Mayor recommends to the Board of Finance that bonding for such project be approved. The action of the Board of Finance is submitted to the Board of Aldermen's Ordinance Committee. The Ordinance Committee submits the bond ordinance to the full Board of Aldermen with its recommendation. Adoption of the bond ordinance by the Board of Aldermen constitutes authorization to issue bonds for the designated capital project.

Refunding bonds may be issued upon resolution of the Board of Aldermen (CGS Sec. 7-370c).

Emergency Appropriations

Article III, Section 7(b) of the City Charter (last amended November 3, 1983) provides that upon declaration of a public emergency by the Chairman or acting Chairman of the Board of Aldermen, an emergency ordinance may be passed without public notification by at least a two-thirds majority of the Board of Aldermen. Emergency ordinances and any amendments automatically expire sixty-one days after passage, except for those which involve an appropriation of funds.

Maturities

General obligation bonds (serial and term), with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, shall be due not later than thirty years from the date of their issuance.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing no later than two years after the original date of issue (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for certain sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

Clean Water Fund Program

The City of Milford has periodically participated in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum.

Grants and loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. For loans, each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO").

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Municipalities may elect to make level debt service payments or level principal payments. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Presently, the City of Milford has no outstanding clean water fund loans.

Limitation of Indebtedness

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

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

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

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

Statement of Statutory Debt Limitation ¹
As of October 27, 2026
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2026 (unaudited)..... \$ 237,826,878

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 237,826,878

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 535,110,476	-	-	-	-
4 1/2 times base.....	-	\$ 1,070,220,951	-	-	-
3 3/4 times base.....	-	-	\$ 891,850,793	-	-
3 1/4 times base.....	-	-	-	\$ 772,937,354	-
3 times base.....	-	-	-	-	\$ 713,480,634
Total Debt Limitation	\$ 535,110,476	\$ 1,070,220,951	\$ 891,850,793	\$ 772,937,354	\$ 713,480,634

Indebtedness:

Bonds Outstanding.....	\$ 68,917,000	\$ 49,740,000	\$ 36,048,000	\$ -	\$ -
Bonds – This Issue	5,910,000	1,920,000	855,000	-	-
Notes – This Issue.....	860,000	8,185,000	2,125,000	-	-
Underlying Debt.....	350,000	-	-	-	-
Debt Authorized But Unissued.....	23,633,673	26,881,744	11,534,842	-	-
Total Indebtedness	99,670,673	86,726,744	50,562,842	-	-
Less:					
State School Grants Receivable	-	-	-	-	-
Total Net Indebtedness	99,670,673	86,726,744	50,562,842	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.... \$ 435,439,803 \$ 983,494,207 \$ 841,287,950 \$ 772,937,354 \$ 713,480,634

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,664,788,146.

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

**Authorized but Unissued Debt
As of October 27, 2026
(Pro Forma)**

Project	Total Amount of Authorization	Bonds Issued	Statutory Paydowns	Grants	Maturing Notes Due: 10/27/2026 ¹	This Issue		Authorized But Unissued
						The Notes Due: 10/26/2027	The Bonds	
Various Public Improvements (Feb. 2012).....	\$ 5,969,000	\$ 2,707,000	\$ -	\$ 626,178	\$ -	\$ -	\$ -	\$ 2,635,822
Various Public Improvements (Feb. 2014).....	7,668,237	6,486,000	-	209,050	5,000	-	5,000	968,187
Various Public Improvements (Feb. 2015).....	12,657,230	5,399,554	-	5,622,653	1,415,000	90,000	285,000	1,260,023
Various Public Improvements (Feb. 2016).....	12,889,500	7,666,000	-	772,013	-	-	-	4,451,487
Various Public Improvements (Jan. 2017).....	9,671,200	8,847,000	-	-	-	-	-	824,200
April 2017 Gulf Street Road Construction.....	3,300,000	270,000	-	2,488,920	-	-	-	541,080
Various Public Improvements (Feb. 2018).....	6,875,000	6,081,500	-	-	-	-	-	793,500
Various Public Improvements (Feb. 2019).....	10,057,144	7,476,000	-	1,737,045	-	-	20,000	824,099
Various Public Improvements (Feb. 2020).....	14,088,816	13,039,000	-	-	3,000	-	17,000	1,032,816
Various Public Improvements (Feb. 2021).....	12,215,196	10,334,000	-	-	15,000	5,000	23,000	1,853,196
Various Public Improvements (Feb. 2022).....	5,856,000	4,928,000	-	-	75,000	207,000	28,000	693,000
Various Public Improvements (Feb. 2023).....	5,706,763	2,703,000	-	-	1,792,000	255,000	2,075,000	673,763
Various Public Improvements (Feb. 2024).....	4,592,500	1,825,000	-	-	380,000	303,000	967,000	1,497,500
Various Public Improvements (Feb. 2025).....	7,700,000	865,000	-	-	1,670,000	-	2,490,000	4,345,000
Various Public Improvements (Mar. 2026).....	990,000	-	-	-	-	-	-	990,000
Subtotal General Improvement.....	\$ 120,236,585	\$ 78,627,054	\$ -	\$ 11,455,859	\$ 5,355,000	\$ 860,000	\$ 5,910,000	\$ 23,383,673
Various School Improvements (Feb. 2015).....	\$ 8,929,335	\$ 5,000,583	\$ -	\$ 2,634,040	\$ -	\$ -	\$ -	\$ 1,294,713
Various School Improvements (Feb. 2016).....	4,742,842	2,358,000	-	1,666,327	-	-	-	718,515
Various School Improvements (Jan. 2017).....	23,062,859	14,365,500	-	7,533,819	-	-	-	1,163,540
Various School Improvements (Feb. 2018).....	4,050,409	3,451,386	-	411,197	3,000	-	3,000	184,826
Various School Improvements (Feb. 2019).....	3,270,431	2,259,183	-	709,549	-	-	-	301,698
Various School Improvements (Feb. 2020).....	5,460,998	3,919,300	-	668,957	250,000	165,000	100,000	607,741
Various School Improvements (Feb. 2021).....	2,290,397	1,544,937	-	740,063	-	-	2,000	3,397
Pumpkin Delight School Improvements (May 2021).....	15,511,537	8,042,173	-	4,274,364	7,155,000	1,725,000	1,470,000	-
Various School Improvements (Feb. 2022).....	9,988,602	5,700,000	-	1,230,300	925,000	-	85,000	2,973,302
Various School Improvements (Feb. 2023).....	16,787,013	1,488,000	-	-	747,000	5,445,000	260,000	9,594,013
Various School Improvements (Feb. 2025).....	4,950,000	-	-	-	-	850,000	-	4,100,000
Various School Improvements (Mar. 2026).....	5,940,000	-	-	-	-	-	-	5,940,000
Subtotal Schools.....	\$ 104,984,423	\$ 48,129,062	\$ -	\$ 19,868,616	\$ 9,080,000	\$ 8,185,000	\$ 1,920,000	\$ 26,881,744
Sewer Force Main-Repair -Various (Feb. 2019).....	\$ 1,525,342	\$ 1,123,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,342
Gulf Pond Sanitary Pump Station Repairs (Feb. 2020).....	665,000	550,000	-	-	-	-	-	115,000
Rogers Ave Sanitary Pump Station Upgrade (Feb. 2022).....	3,811,500	1,534,000	-	-	1,000,000	1,000,000	705,000	572,500
Sanitary Sewer Pump Station Upgrades No. 1-Various (Feb. 2023).....	2,805,000	1,535,000	-	-	235,000	120,000	115,000	1,035,000
Sanitary Sewer Pump Station Upgrades No. 1-Various (Feb. 2024).....	2,200,000	-	-	-	-	30,000	-	2,170,000
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Clarifier.....	900,000	-	-	-	490,000	460,000	30,000	410,000
Sanitary Sewers Pump Station Upgrades (Feb. 2025) - Digester Cleaning...	1,300,000	-	-	-	-	15,000	5,000	1,280,000
Sanitary Sewer Pump Station Upgrades - Various (Mar. 2026).....	6,050,000	-	-	-	-	500,000	-	5,550,000
Subtotal Sewers.....	\$ 19,256,842	\$ 4,742,000	\$ -	\$ -	\$ 1,725,000	\$ 2,125,000	\$ 855,000	\$ 11,534,842
Totals.....	\$ 244,477,850	\$ 131,498,116	\$ -	\$ 31,324,475	\$ 16,160,000	\$ 11,170,000	\$ 8,685,000	\$ 61,800,260

¹ A portion of the maturing notes is to be paid from unused Note proceeds and grant money received by the City.

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**Principal Amount of Outstanding General Fund Debt
Last Five Fiscal Years Ending June 30**

Long-Term Debt	2026 ¹	2025	2024	2023	2022
Bonds.....	\$ 156,190,000	\$ 163,975,000	\$ 169,395,000	\$ 176,710,000	\$ 183,485,000
Clean Water Fund.....	-	-	-	-	-
Sub-Total.....	156,190,000	163,975,000	169,395,000	176,710,000	183,485,000
Short-Term Debt					
Bond Anticipation Notes...	16,160,000	16,405,000	21,150,000	17,355,000	15,300,000
Grand Total.....	\$ 172,350,000	\$ 180,380,000	\$ 190,545,000	\$ 194,065,000	\$ 198,785,000

¹ Subject to audit.

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

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Net Estimated Full Value ¹ (000s)	Net Long-Term Debt ¹ (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Income ³ (%)
2026 ⁴	\$ 7,925,658	\$ 11,322,368	\$ 156,190	1.97%	1.38%	52,684	\$ 2,964.66	4.87%
2025	7,983,073	11,404,390	163,975	2.05%	1.44%	52,684	3,112.43	5.11%
2024	7,959,870	11,371,243	169,395	2.13%	1.49%	52,684	3,215.30	5.28%
2023	7,893,988	11,277,126	176,710	2.24%	1.57%	52,684	3,354.15	5.51%
2022	6,751,220	9,644,599	183,485	2.72%	1.90%	52,684	3,482.75	5.72%

¹ Reflects deductions for contractual state school building construction grants receivable over the life of the respective issues. Includes long-term notes payable; does not include outstanding BANS, or authorized but unissued debt.

² U.S. Bureau of Census, 2020-2024 ACS data.

³ Money Income per Capita: Census 2020-2024 ACS data: \$60,925 used for all calculations.

⁴ Subject to audit.

Note: Excludes capital leases.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures
(in thousands)**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures (%)
2026 ²	\$ 19,448	\$ 260,506	7.47%
2025	20,105	271,926	7.39%
2024	20,016	271,956	7.36%
2023	19,628	258,461	7.59%
2022	17,764	236,588	7.51%
2021	16,868	229,527	7.35%
2020	17,563	231,928	7.57%
2019	15,937	217,159	7.34%
2018	15,342	224,418	6.84%
2017	14,153	220,783	6.41%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

Capital Improvement Program
(in thousands)

Proposed Projects	Fiscal 2025-26	Fiscal 2026-27	Fiscal 2027-28	Fiscal 2028-29	Fiscal 2029-30	Total
Education.....	\$ 5,400	\$ 12,500	\$ 11,600	\$ 6,000	\$ 4,000	\$ 39,500
Sewers	9,150	10,800	10,400	17,100	30,100	77,550
Fire	650	1,675	500	1,100	-	3,925
Health	-	-	-	-	-	-
Library	25	700	275	275	1,000	2,275
Police ¹	819	86,869	819	819	819	90,145
Solid Waste.....	1,565	895	-	725	925	4,110
Garage.....	143	91	58	60	62	414
Highway/Parks	9,108	6,170	4,394	3,613	3,303	26,588
Building Maintenance....	17,545	-	-	-	-	17,545
Buildings-Vehicles.....	222	35	35	35	35	362
Recreation.....	2,500	13,000	2,000	3,500	-	21,000
Total.....	\$ 47,127	\$ 132,735	\$ 30,081	\$ 33,227	\$ 40,244	\$ 283,414
Proposed Funding						
Pay-As-You-Go.....	\$ 11,063	\$ 7,591	\$ 4,737	\$ 4,708	\$ 4,325	\$ 32,424
Bonds.....	18,726	76,311	14,277	16,295	21,113	146,722
Grants.....	17,338	48,833	11,067	12,224	14,806	104,268
Total.....	\$ 47,127	\$ 132,735	\$ 30,081	\$ 33,227	\$ 40,244	\$ 283,414

¹ New Police Station is on hold.

Note: The proposed projects reflect what is being submitted for approval for each fiscal year. The proposed funding does not reflect the amount of bonds that will be issued in each fiscal year.

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VI. Financial Administration

Fiscal Year

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

Basis of Accounting

The City's accounting policies are summarized in Note 1 of the auditor's report, attached hereto as Appendix A.

Budget Procedure

It is the duty and responsibility of the Board of Finance to present the annual budget to the Board of Aldermen, to recommend to the Board of Aldermen all transfers of appropriations in budget accounts, and to recommend all issues of bonds or notes required for the management of the City's business.

The budget making process is as follows:

- | | |
|---------------|---|
| By December 6 | Departments, Offices, Boards, Commissions, Committees, and Agencies except the Board of Education submit estimates of receipts and expenditures to the Mayor.

The Mayor reviews the budget request together with estimates of receipts and expenditures for the current year with the Director of Finance. |
| By January 31 | The Mayor submits to the Board of Finance estimated revenue and expenditures (excluding Education) for the ensuing Fiscal Year. The Board of Education requested budget is forwarded directly to the Board of Finance from the Chairman of the Board of Education.

The Board of Finance conducts one or more public hearings to review the requested budgets and holds several meetings with all department heads during the month of March. |
| By April 1 | The Board of Finance recommends a proposed total budget (City and Board of Education) and submits it to the Board of Aldermen. |
| In April | The Board of Aldermen holds a public hearing on the entire City budget as proposed by the Board of Finance.

Following the public hearing, several meetings are held with department heads, commissions, chairmen, and agency representatives. |
| In May | The Board of Aldermen adopts the budget for the Fiscal Year beginning July 1.

The Board of Aldermen sets the tax rate for the Fiscal Year beginning July 1. |

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in Fiscal Year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, nonrecurring grants, capital expenditures or payments on unfunded pension liabilities.

Annual Audit

The City, pursuant to local ordinance and provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the OPM, which also receives a copy of the audit report. For the Fiscal Year ended June 30, 2025, the general purpose financial statements of the various funds of the City were audited by CliftonLarsonAllen LLP.

Property and Liability Insurance

The City and the Board of Education maintain Property, General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability, and Educators' Liability and are insured by Connecticut Interlocal Risk Management Agency (CIRMA) with deductibles of \$1,000 for auto physical damage and \$0 for other liability coverage. Law Enforcement/Public Officials/School Leaders has a \$25,000 deductible and Employee Benefits has a deductible of \$1,000. The Board of Education insures its Workers' Compensation with CIRMA.

The Property/Inland Marine Insurance and Boiler and Machinery Insurance are with CIRMA Insurance. The policy has a deductible of \$50,000. There is \$20,000,000 of coverage for flood damage under this policy. Flood Zones A and V have a deductible of \$1,000,000. The City has purchased coverage from the National Flood Program to cover this deductible. The National Flood Program has a maximum deductible of \$25,000.

All City deductibles and premiums for the City portion of insurance are paid from the City's Property and Casualty Self Insurance Fund. The Board of Education pays for its premiums and deductibles from its operations budget.

The Property and Casualty Self Insurance Fund is an internal service fund that was established by the Board of Aldermen in April 2003 along with a self insurance program for property and casualty insurance. This fund pays for claims that occurred between April 23, 2003 and June 30, 2008. The General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability, and Educator's Liability were self insured for the first \$250 thousand dollars of each claim. As of the date of this issue, there are no open claims.

Workers' Compensation Insurance

The City is self-insured for Workers' Compensation. The self-insured retention is \$750,000. The coverage in excess of the self-insured retention was provided by Safety National Casualty Corporation. For Fiscal Year 2026-27, all coverages remained the same as last year, but the excess insurance for City employees was increased from \$600,000 to \$750,000 to match Police and Fire employees. The Board of Education Workers' Compensation insurance is carried through Connecticut Interlocal Risk Management Agency (CIRMA).

Pensions

The City administers a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its full-time employees other than teachers who are covered by the Retirement System - State Teachers Retirement Board. The Retirement System is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial statements for the Pension Trust Fund.

The City has actuarial reports prepared annually. The most recent actuarial report was prepared as of July 1, 2025. Based upon that report, the actuarial value of assets and actuarial accrued liabilities (in thousands) is below.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2025	\$ 442,968	\$ 527,707	\$ (84,739)	83.9%	\$ 52,739	160.7%
7/1/2024	417,404	517,090	(99,686)	80.7%	51,271	194.4%
7/1/2023	404,058	492,262	(88,204)	82.1%	53,154	165.9%
7/1/2022	394,335	471,604	(77,269)	83.6%	48,306	160.0%
7/1/2021	380,399	450,902	(70,503)	84.4%	47,932	147.1%

Schedule of Employer Contributions

Schedule of Employer Contributions				
Fiscal Year Ended	Actuarially Determined Contribution	Amount Contributed	Percentage Contributed	
6/30/2027 ¹	\$ 17,066,602	\$ 17,066,602	100.0%	
6/30/2026 ¹	17,699,732	17,699,732	100.0%	
6/30/2025	16,180,031	16,180,031	100.0%	
6/30/2024	14,667,249	14,667,249	100.0%	
6/30/2023	13,849,000	13,849,000	100.0%	
6/30/2022	13,961,000	11,366,000	81.4%	
6/30/2021	12,787,000	9,101,000	71.2%	
6/30/2020	11,395,000	7,914,000	69.5%	
6/30/2019	10,554,000	6,881,000	65.2%	
6/30/2018	9,519,000	5,984,000	62.9%	

¹ Subject to audit.

For valuation purposes, the City's actuary calculates an actuarial value of assets that smooths fluctuations of value over a five year period. As of June 30, 2026, the City's Pension Plan held assets with an estimated fair market value totaling \$558 million. For a description of the City's Pension Plan, see Note No. 9 to the City's audited general purpose financial statements at Appendix A.

GASB Statement No. 68

The City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement and No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligations as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). In accordance with the statement, the City has reported the Net Pension Liability is \$57,918,000 as of June 30, 2025.

For a description of the City's Pension Plan, see Note No. 9 to the City's audited general purpose financial statements at Appendix A.

Other Post-Employment Benefits (OPEB)

The City and Board of Education have had actuarial valuations of their OPEB liabilities.

City

- The City has an actuarial accrued liability as of its last valuation on July 1, 2024 of \$130.2 million.
- The Actuarially Determined Employer Contribution (ADEC) for Fiscal Year 2022 was \$12.9 million, for Fiscal Year 2023 was \$13 million, for Fiscal Year 2024 was \$12.6 million, and for Fiscal Year 2025 was \$12.8 million.
- The Fiscal Year ending 2025 estimated “Pay as you go” cost that is an offset to the cash cost of funding the ADEC was \$8.3 million.
- The net OPEB Liability for the City for the Fiscal Year ending 2025 decreased by \$10.5 million, after adjustments.
- The City has made annual contributions from Fiscal Year 2007-2026. For Fiscal Year ending 2026, the contribution was \$500,000. These contributions have been deposited in an OPEB Trust which had a value of \$18 million as of August 31, 2026. For Fiscal Year ending 2027, the City budgeted an OPEB contribution of \$500,000 and has made payment to the Trust.
- Since the plan is not fully funded, the Net OPEB Liability as of June 30, 2025 is \$135.4 million.

Board of Education (BOE)

- The BOE has an actuarial accrued liability as of its last valuation on July 1, 2024 of \$145.8 million.
- The Actuarially Determined Employer Contribution (ADEC) for Fiscal Year ending 2020 was \$12.9 million, for Fiscal Year ending 2021 was \$13 million. Calculation of an ADEC for the BOE was not applicable for the fiscal year 2025 GASB disclosure.
- The Fiscal Year ending 2025 “Pay as you go” cost that is an offset to the cash cost of funding the ADEC was \$5.6 million.
- The total OPEB Liability for the BOE for the Fiscal Year ending 2025 decreased by \$10.4 million, after adjustments.
- The BOE made a contribution of \$50,000 in Fiscal Year ending 2008. This contribution has been deposited in a CT STIF account, which had a value of \$64,750 as of June 30, 2026. To date, the BOE has yet to create an OPEB Trust. Without the creation of an OPEB Trust Fund, the investment options under State statute are the same as those for the deposit of public funds as described in note 4 of the financial statements.
- Since the plan is not fully funded, the Total OPEB Liability as of June 30, 2025 is \$126 million.

For a description of the City’s and BOE’s Other Post-Employment Benefits, see Note No. 10 to the City’s audited general purpose financial statements at Appendix A.

Investment Practices

The operating and working capital funds of the City are invested at the discretion of the Director of Finance in the following short-term investments: (1) various certificates of deposit with Connecticut or U.S. banks; (2) money market accounts with various banks and (3) Connecticut Short Term Investment Fund (STIF).

By City ordinance, the Milford Pension and Retirement Board is responsible for investment of pension and retirement system monies. The Board has adopted an investment policy to allocate a maximum of 65% of fund assets to equities and 35% to fixed income securities. The City’s portfolio is managed by several investment advisors. For a description of the City’s Pension Plan, see Note No. 9 to the City’s audited general purpose financial statements at Appendix A.

General Fund Balance Sheet
Five Year Summary of Assets, Liabilities, and General Fund Equity
(in thousands)

	<i>Estimated</i>				
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
	<i>6/30/2026</i>	<i>6/30/2025</i>	<i>6/30/2024</i>	<i>6/30/2023</i>	<i>6/30/2022</i>
Assets:					
Cash and cash equivalents	\$ 61,850	\$ 57,246	\$ 45,844	\$ 52,822	\$ 48,265
Investments	-	-	-	-	-
Receivables, net.....	5,495	5,547	6,188	10,659	6,560
Due from other funds	-	-	-	-	-
Prepaid items and other assets	803	2,871	21	21	21
Advances to other funds	-	-	-	-	-
Total Assets	68,148	65,664	52,053	63,502	54,846
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts and other payables.....	10,895	10,548	10,217	9,777	12,269
Other Liabilities	1,293	3,361	-	-	-
Due to other governments	2	10	510	486	517
Due to other funds	-	-	-	-	-
Unearned Revenues	20	30	-	-	-
Total Liabilities	12,210	13,949	10,727	10,263	12,786
<u>Deferred Inflow of Resources</u>					
Unavailable Revenue	4,326	4,449	5,163	5,889	5,617
Deferred Inflows Related to Leases	378	407	407	435	464
Advance Payment in Lieu of Taxes Collections ...	-	-	30	2,380	2,400
Advance Property Tax Collections	4,089	6,327	2,569	8,544	447
Advance Sewer Collections	-	8	-	-	-
Total Deferred Inflow of Resources	8,793	11,191	8,169	17,248	8,928
<u>Equity & Other Credits</u>					
Nonspendable	21	21	21	21	21
Committed	1,724	1,666	1,589	1,517	1,600
Assigned	16,252	9,221	7,182	12,729	6,967
Unassigned.....	29,148	29,616	24,365	21,724	24,544
Total Equity & Other Credits	47,145	40,524	33,157	35,991	33,132
Total Liabilities, Equity & Other Credits	\$ 68,148	\$ 65,664	\$ 52,053	\$ 63,502	\$ 54,846

¹ Subject to audit.

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and
Estimated Actuals and Current Year Adopted Budget (Budgetary Basis)
(in thousands)

	Adopted Budget ¹ 6/30/2027	Estimated Actual ¹ 6/30/2026	Actual 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022
Revenues:						
Property Taxes & Assessments.....	\$ 239,883	\$ 238,078	\$ 227,902	\$ 214,230	\$ 209,924	\$ 187,069
Fines, Forfeitures, Penalties & Interest.....	1,000	1,446	1,208	1,030	1,354	919
Intergovernmental.....	13,140	12,231	31,897	33,403	31,557	29,149
Charges for Services.....	-	-	6,538	6,515	5,878	6,947
Investment Income.....	1,870	2,846	3,043	3,374	2,521	146
Other.....	22,204	17,349	7,372	8,145	7,514	7,558
Total.....	\$ 278,097	\$ 271,950	\$ 277,960	\$ 266,697	\$ 258,748	\$ 231,788
Expenditures:						
General Government.....	\$ 5,533	\$ 5,181	\$ 45,794	\$ 47,008	\$ 42,459	\$ 8,693
Administration.....	4,867	4,504	3,629	3,663	3,616	3,393
Public Safety.....	36,877	36,048	33,106	31,353	31,157	34,090
Public Services.....	15,516	13,273	13,627	12,699	12,955	13,499
Education.....	146,242	138,324	152,147	152,346	144,905	156,076
Health & Welfare.....	2,644	2,345	2,336	1,981	1,964	1,912
General Charges.....	43,001	38,440	-	-	-	-
Grants to Agencies.....	3,371	2,943	-	-	-	-
Capital Outlay.....	-	-	228	2,224	1,257	-
Debt Service.....	20,046	19,448	20,105	20,016	19,628	17,764
Total.....	\$ 278,097	\$ 260,506	\$ 270,972	\$ 271,290	\$ 257,941	\$ 235,427
Excess (Deficiency) of Revenues						
Over Expenditures.....	\$ -	\$ 11,444	\$ 6,988	\$ (4,593)	\$ 807	\$ (3,639)
Other Financing Sources (Uses):						
Premium on Bond Issuance.....	N/A	580	1,036	201	294	1,793
Proceeds from Refunding.....	N/A	-	41,150	-	-	3,715
Premium on Refunding Bonds.....	N/A	-	4,083	-	-	1,065
Payment to Refunding bond escrow agent.....	N/A	-	(45,054)	-	-	(4,690)
Cost of Debt Issuance.....	N/A	-	-	-	-	-
Lease Issuance.....	N/A	-	187	1,313	135	-
Subscription Issuance.....	N/A	-	41	911	1,122	-
Operating transfers in.....	N/A	-	-	-	1,021	-
Operating transfers out.....	N/A	-	(954)	(666)	(520)	(1,161)
Net Other Financing Sources (Uses).....	\$ -	\$ 580	\$ 489	\$ 1,759	\$ 2,052	\$ 722
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....						
	-	12,024	7,477	(2,834)	2,859	(2,917)
Fund Equity, Beginning of Year.....	N/A	40,634	33,157	35,991	33,132	36,049
Residual Equity Transfer.....	-	-	-	-	-	-
Fund Equity, End of Year.....	N/A	N/A	\$ 40,634	\$ 33,157	\$ 35,991	\$ 33,132

¹ Budgetary basis of accounting.

² Subject to audit.

Analysis of General Fund Equity

	Estimated Actual ¹ 6/30/2027	Estimated Actual ¹ 6/30/2026	Actual 6/30/2025	Actual 6/30/2024	Actual 6/30/2023	Actual 6/30/2022
Nonspendable.....	N/A	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21
Committed.....	N/A	1,724	1,666	1,589	1,517	1,600
Assigned for Encumbrances.....	N/A	4,252	3,221	2,182	1,029	1,967
Assigned for Subsequent Year's Budget.....	N/A	12,000	6,000	5,000	11,700	5,000
Assigned for Debt Service.....	N/A	-	-	-	-	-
Assigned for Other Purposes.....	N/A	-	-	-	-	-
Unassigned.....	N/A	29,148	29,726	24,365	21,724	24,544
Total Fund Equity.....	N/A	\$ 47,145	\$ 40,634	\$ 33,157	\$ 35,991	\$ 33,132

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections & the final result of operations will not change.

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and Notes and will render its opinions in substantially the forms attached hereto as Appendices B-1 and B-2, respectively.

Litigation

The City Attorney has advised that the City of Milford, its officers, employees, boards and commissions, are defendants in a number of lawsuits. It is the opinion of the City Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the City which would materially adversely affect its financial position.

Transcript and Closing Documents

Upon delivery of the Bonds and the Notes, the winning purchasers will be furnished with the following documents:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, the Director of Finance, and the City Treasurer which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds and the Notes, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and the Notes.
4. The approving opinions for the Bonds and the Notes of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut, substantially in the forms attached hereto as Appendices B-1 and B-2, respectively.
5. Executed continuing disclosure agreements for the Bonds and the Notes substantially in the forms attached hereto as Appendices C-1 and C-2, respectively.
6. The City has prepared an Official Statement for the Bonds and the Notes which is dated October __, 2026. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The City will make available to the winning purchaser of the each series of the Bonds and the Notes a reasonable number of copies of the final Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Municipal Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or re-offering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Bonds and the Notes. The winning purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement. Additional copies of the Official Statement may be obtained by the winning purchasers at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the City in authorizing the Bonds and Notes will be kept on file at the offices of 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

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Mr. Peter A. Erodici, Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460, telephone number (203) 783-3220. This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF MILFORD, CONNECTICUT

By: _____
Richard M. Smith, *Mayor*

By: _____
Peter A. Erodici, Jr., *Director of Finance*

By: _____
Lucia Branco, *City Treasurer*

Dated as of October __, 2026

Appendix A

2025 General Purpose Financial Statements

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



INDEPENDENT AUDITORS' REPORT

Board of Finance
City of 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 City of Milford, Connecticut as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Milford, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Milford, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Milford, Connecticut's basic financial statements. The combining nonmajor and individual fund financial statements and schedules as of and for the year ended June 30, 2025 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 for the year ended June 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of City of Milford, Connecticut as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated December 18, 2024, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying financial statements for the General Fund, as of and for the year ended June 30, 2024, 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 related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The accompanying 2024 financial statements for the General Fund were subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements for the General Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2025, on our consideration of the City of Milford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Milford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Milford, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 24, 2025

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**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This discussion and analysis of the City of Milford, Connecticut's (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2025. This is the twenty-first year of reporting in accordance with Statement No. 34 of the Governmental Accounting Standards Board. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Financial Highlights

- The City's net position increased \$38 million because of this year's operations. The operating net position increase was attributable to property taxes, fees, and interest revenue higher than budgeted, and expenditures, primarily in Police, Public Works, and Debt Service less than budgeted. Also, there was growth in property tax revenue. Lastly, net investments in capital assets increased by \$3 million.
- During the year, the City generated revenues that were \$38 million more than the \$289 million in expenses for governmental programs.
- Total cost of all the City's programs was \$289 million with no new programs added this year.
- The General Fund reported a total fund balance this year of \$40.6 million and unassigned fund balance of \$29.7 million.
- The General Fund ended the year with a budgetary surplus of approximately \$10.5 million. This was attributable to actual expenditures \$3.4 million lower than the budgeted amount and higher than expected tax collections and other revenues totaling \$7.1 million .

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

These two statements report the City's net position, along with the changes in net position. The City's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net position and the statement of activities, we divide the City into two types of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including education, public safety, public services, health and welfare, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- **Business-type activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Golf Course and Harbor Management Fund are reported here.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by Charter. However, the City Board of Aldermen establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Project Funds) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State Department of Education). The City's funds are divided into three categories: governmental, proprietary, and fiduciary.

- ***Governmental funds (Exhibits III and IV)*** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- ***Proprietary funds (Exhibits V, VI and VII)*** – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Health, Workers' Compensation, and Property and Casualty Internal Service Funds.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

- Fiduciary funds (Exhibits VIII and IX) - The City is the trustee, or fiduciary, for its employees' pension and other postemployment benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The City's combined net position increased from \$(171) million to \$(133) million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1
Net Position
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and Other Assets	\$ 147,948	\$ 132,446	\$ 945	\$ 970	\$ 148,893	\$ 133,416
Capital Assets	368,541	372,114	2,587	2,650	371,128	374,764
Total Assets	516,489	504,560	3,532	3,620	520,021	508,180
DEFERRED OUTFLOWS OF RESOURCES						
	29,115	33,827	-	-	29,115	33,827
LIABILITIES						
Long-Term Debt Outstanding	522,884	572,896	-	-	522,884	572,896
Other Liabilities	50,370	57,572	28	26	50,398	57,598
Total Liabilities	573,254	630,468	28	26	573,282	630,494
DEFERRED INFLOWS OF RESOURCES						
	109,088	82,920	9	20	109,097	82,940
NET POSITION						
Net Investments in Capital Assets	177,282	171,198	2,587	2,650	179,869	173,848
Restricted	13,483	1,351	-	-	13,483	1,351
Unrestricted	(327,503)	(347,550)	908	924	(326,595)	(346,626)
Total Net Position	<u>\$ (136,738)</u>	<u>\$ (175,001)</u>	<u>\$ 3,495</u>	<u>\$ 3,574</u>	<u>\$ (133,243)</u>	<u>\$ (171,427)</u>

Net position of the City's governmental activities increased 21% (\$137) million compared to \$(175) million). Unrestricted net position - the part of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased to a deficit of \$328 million at the end of this year. Key reasons for this change in net position were an increase of net capital assets as well as declines in long-term liabilities such as bonds and notes payable, OPEB liability, and net pension liability. Total revenues exceeding program expenditures also played a factor.

There was a 2.2% decrease in the net position of business-type activities from \$3.57 million 2024 to \$3.5 million 2025. The decrease resulted from a transfer out of the golf course fund balance of \$130,000 for an irrigation system.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

**Table 2
Changes in Net Position
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	\$ 19,417	\$ 17,782	\$ 487	\$ 466	\$ 19,904	\$ 18,248
Operating Grants and Contributions	41,946	36,473	-	-	41,946	36,473
Capital Grants and Contributions	10,744	8,653	-	211	10,744	8,864
General Revenues:						
Property Taxes	238,626	223,107	-	-	238,626	223,107
Grants and Contributions not Restricted to Specific Purposes	2,519	3,797	-	-	2,519	3,797
Unrestricted Investment Earnings	4,892	5,614	13	14	4,905	5,628
Other General Revenues	8,266	9,071	-	-	8,266	9,071
Total Revenues	326,410	304,497	500	691,000	326,910	305,188
PROGRAM EXPENSES						
General Government	41,365	46,881	-	-	41,365	46,881
Administration	3,782	3,682	-	-	3,782	3,682
Public Safety	31,238	36,620	-	-	31,238	36,620
Public Services	24,992	22,747	-	-	24,992	22,747
Education	169,078	161,565	-	-	169,078	161,565
Health and Welfare	6,152	6,174	-	-	6,152	6,174
Sewer	8,184	8,030	-	-	8,184	8,030
Interest on Long-Term Debt	3,471	3,802	-	-	3,471	3,802
Milford Golf Course	-	-	91	82	91	82
Harbor Management	-	-	373	315	373	315
Total Program Expenses	288,262	289,501	464	397,000	288,726	289,898
CHANGE IN NET POSITION BEFORE TRANSFERS	38,148	14,996	36	294	38,184	15,290
TRANSFERS IN (OUT)	115	64	(115)	(64)	-	-
CHANGE IN NET POSITION	38,263	15,060	(79)	230	38,184	15,290
Net Position - Beginning of Year	(175,001)	(190,061)	3,574	3,344	(171,427)	(186,717)
NET POSITION - END OF YEAR	<u>\$ (136,738)</u>	<u>\$ (175,001)</u>	<u>\$ 3,495</u>	<u>\$ 3,574</u>	<u>\$ (133,243)</u>	<u>\$ (171,427)</u>

The City's total revenues were \$326 million. The total cost of all programs and services was \$289 million. Our analysis below separately considers the operations of governmental and business-type activities.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Governmental Activities

The City's revenues increased by \$21 million from 2024. The City's property revaluation for the 10/1/23 grand list increased property tax revenue. In addition, operating grants and contributions were \$5 million more compared to last year.

Table 3 presents the cost of each of the City's three largest programs - public safety, public services, and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3
Governmental Activities
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Public Safety	\$ 31,238	\$ 36,620	\$ 22,807	\$ 27,189
Public Services	24,992	22,747	20,082	19,560
Education	169,078	161,565	121,069	121,006
All Others	62,954	68,569	52,197	58,838
Total	<u>\$ 288,262</u>	<u>\$ 289,501</u>	<u>\$ 216,155</u>	<u>\$ 226,593</u>

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by \$176,000 because the capital transfer amount was only \$15,000 (Golf) compared to \$211,000 (Marina) last year. Operating revenue for the Golf Course and Marina, however, increased by \$21,000 or 4.5% due to increased usage of the golf course and marina.

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$63.9 million, which is an increase of \$19.4 million compared to last year's fund balance of \$44.5 million. The general fund's fund balance increased by \$7.5 million compared to the prior year since the City used \$5 million of fund balance compared to \$11.7 million last year, helped by a budgetary surplus of \$10.5 million. Growth in revenues such as tax, paramedic-EMS fees, investment/interest income and conveyance taxes along with expenditure savings in City departments led to this budgetary surplus. The capital nonrecurring fund had a \$2 million increase in fund balance because \$5.6 million in bonds and notes were issued to help fund the annual expenditures for capital projects and there was \$1.6 million in investment income retained in the fund. Further, the school facilities fund had a \$7.7 million increase in fund balance because \$7.7 million in notes and bonds were issued to finance school construction projects. The fund balance for nonmajor governmental funds increased by \$2 million primarily due to \$2.8 million in notes and bonds issued to finance sanitary sewer and school renovation projects.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Proprietary Funds

The Internal Service Funds' net position decreased by \$1 million primarily due to the use of fund balance in the health insurance fund to offset employer contributions. The Enterprise Funds' net position decreased from last year by \$79,000 mainly due to a \$130,000 allocation transfer out of the golf course fund balance for an irrigation system.

General Fund Budgetary Highlights

- General Property Taxes and Assessments - property tax and assessment revenue was greater than budgeted by \$4.96 million due to a higher collection rate than was used in the budget and collection of delinquent taxes.
- State and federal aid revenue was short by \$399,000. This was mainly due to the municipal revenue sharing state grant coming in less than budgeted. Investment income, revenues from the investment of idle funds, was more than budgeted by \$1.9 million due to higher rates.
- Other Revenue was \$145,000 greater than budget due to an increase in miscellaneous other revenues and the payment-in-lieu-of taxes from the Water Authority coming in higher than budget.
- Licenses, Permits and Other Charges were \$261,000 above budget mainly due to paramedic-EMS fees. These income categories are directly related to the economy and population, and can fluctuate.
- Department Expenditures - Expenditure controls were put into place throughout the fiscal year, including continued monitoring of new hiring, overtime, and purchase requisitions, which resulted in an overall budget surplus of \$3.4 million on the expenditure side.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the City's governmental activities had \$368.5 million invested in a broad range of capital assets, including land, buildings, park and recreation facilities, vehicles and equipment, right-to-use leased and subscription assets, roads, and water and sewer lines - Table 4. This amount represents a net decrease (including additions and deductions) of \$3.6 million over last year. The decrease is a result of depreciation and less additions compared to the prior year.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

**Table 4
Capital Assets at Year-End (Net of Depreciation/Amortization)
(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 45.3	\$ 45.3	\$ 1.7	\$ 1.7	\$ 46.9	\$ 46.9
Construction in Progress	30.5	26.1	-	-	30.5	26.1
Buildings and Improvements	195.7	202.5	0.9	1.0	196.6	203.4
Machinery and Equipment	16.1	16.2	-	-	16.1	16.2
Infrastructure	79.2	79.6	-	-	79.2	79.6
Right-to-Use - Leased Asset	1.1	1.3	-	-	1.1	1.3
Right-to-Use - Subscription Asset	0.7	1.2	-	-	0.7	1.2
Total	<u>\$ 368.5</u>	<u>\$ 372.1</u>	<u>\$ 2.6</u>	<u>\$ 2.6</u>	<u>\$ 371.1</u>	<u>\$ 374.8</u>

This year's major additions included (in thousands):

Police Department Equipment and Vehicles	\$ 389
Fire Department Equipment and Vehicles	102
Public Works Department Equipment and Vehicles	1,678
Playground Structures/Furniture/Equipment - Various School	364
Pumpkin Delight School Renovations - CIP	657
HVAC Replacement/Upgrades - Various Schools CIP	823
Milford Point Flooding - Infrastructural Project - CIP	1,384
Various Pump Stations Upgrades - CIP	2,697
Municipal Broadband Security Project - CIP	1,068
Various Pump Stations Upgrades - CIP	3,199
Public Services (Sewer) - Vehicles	200
Total	<u>\$ 12,560</u>

The City's fiscal-year 2025-2026 capital plan has \$126 million of capital projects envisioned. School building renovations are estimated at \$14.5 million, public service projects at \$31 million, and Sewer projects at \$4.8 million. However, an estimated \$75 million new police station remains on hold for the long term. Of the total estimated \$126 million, it is expected to finance \$121 million with bonds and \$5 million with grants. It is likely that not all projects will be implemented – resulting in a lower level of cost. More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Long-Term Debt

At June 30, 2025, the City had \$185 million in bonds, notes, and lease and subscription payables outstanding versus \$194 million last year a decrease of 4.6% - as shown in Table 5. Additional detail on the City's long-term debt can be found in Note 8.

**Table 5
Outstanding Debt
(In Thousands)**

	Governmental Activities	
	2025	2024
General Obligation Bonds	\$ 163,975	\$ 169,395
Direct Placement Bonds	1,870	-
Bond Anticipation Notes	16,405	21,150
Long-Term Notes Payable	1,129	1,230
Lease Payable	1,115	1,308
Subscription Payable	683	1,005
Total	<u>\$ 185,177</u>	<u>\$ 194,088</u>

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The City's unemployment rate remained stable at 3%. In comparison, the figures for the State of Connecticut have increased from 3.4% to 3.8%.

These indicators were considered when adopting the General Fund budget for 2025-2026. The adopted budget for FY2026 is \$264.7 million, an increase of 3.26% over the final 2025 budget of \$256 million. No new programs or initiatives were added to the 2026 budget as the primary driver for the increase was related to contractual wage increases and higher employee benefit costs reflected in both the City and Education budgets. State grants were assumed to fund 5% of the 2026 budget compared to 5% of the 2025 budget.

If estimates are realized, the City's June 30, 2026, budgetary General Fund balance is expected to be \$6 million lower than the June 30, 2025, budgetary General Fund balance because of the use of that amount to balance the budget. An expected budgetary surplus will offset this decrease. As for the City's business-type activities, we expect that the 2025-2026 results will improve due to increased usage of the golf course and marina.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Milford, 70 West River Street, Milford, Connecticut 06460.

BASIC FINANCIAL STATEMENTS

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CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025
(IN THOUSANDS)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 137,615	\$ 910	\$ 138,525
Investments	25	-	25
Receivables, Net	10,208	35	10,243
Supplies	79	-	79
Other Assets	21	-	21
Capital Assets:			
Capital Assets Not Being Depreciated	75,770	1,681	77,451
Capital Assets Being Depreciated/Amortized, Net	292,771	906	293,677
Total Assets	<u>516,489</u>	<u>3,532</u>	<u>520,021</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Refunding	2	-	2
Deferred Outflows Related to Pensions	18,891	-	18,891
Deferred Outflows Related to OPEB	10,222	-	10,222
Total Deferred Outflows of Resources	<u>29,115</u>	<u>-</u>	<u>29,115</u>
LIABILITIES			
Accounts and Other Payables	18,114	28	18,142
Unearned Revenue	15,315	-	15,315
Due to Other Governments	536	-	536
Bond Anticipation Notes Payable	16,405	-	16,405
Noncurrent Liabilities:			
Due Within One Year	25,161	-	25,161
Due in More Than One Year	497,723	-	497,723
Total Liabilities	<u>573,254</u>	<u>28</u>	<u>573,282</u>
DEFERRED INFLOWS OF RESOURCES			
Advance Property Tax Collection	6,327	-	6,327
Advance Payment in Lieu of Taxes Collection	30	-	30
Advance Sewer Collections	144	-	144
Deferred Inflows Related to Leases	674	9	683
Deferred Inflows Related to Pensions	25,831	-	25,831
Deferred Inflows Related to OPEB	75,685	-	75,685
Deferred Inflows on Refunding	397	-	397
Total Deferred Inflows of Resources	<u>109,088</u>	<u>9</u>	<u>109,097</u>
NET POSITION			
Net Investments in Capital Assets	177,282	2,587	179,869
Restricted:			
Debt Service	1,803	-	1,803
Education	11,680	-	11,680
Unrestricted	<u>(327,503)</u>	<u>908</u>	<u>(326,595)</u>
Total Net Position	<u>\$ (136,738)</u>	<u>\$ 3,495</u>	<u>\$ (133,243)</u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 41,365	\$ 2,398	\$ -	\$ 5,627	\$ (33,340)	\$ -	\$ (33,340)
Administration	3,782	-	-	-	(3,782)	-	(3,782)
Public Safety	31,238	6,774	57	1,600	(22,807)	-	(22,807)
Public Services	24,992	4,189	-	721	(20,082)	-	(20,082)
Education	169,078	4,111	41,102	2,796	(121,069)	-	(121,069)
Health and Welfare	6,152	1,694	718	-	(3,740)	-	(3,740)
Sewer	8,184	251	69	-	(7,864)	-	(7,864)
Interest on Long-Term Debt	3,471	-	-	-	(3,471)	-	(3,471)
Total Governmental Activities	288,262	19,417	41,946	10,744	(216,155)	-	(216,155)
BUSINESS-TYPE ACTIVITIES							
Milford Golf Course	91	97	-	-	-	6	6
Harbor Management	373	390	-	-	-	17	17
Total Business-Type Activities	464	487	-	-	-	23	23
Total	\$ 288,726	\$ 19,904	\$ 41,946	\$ 10,744	(216,155)	23	(216,132)
GENERAL REVENUES							
Property Taxes					238,626	-	238,626
Grants and Contributions Not Restricted to Specific Programs					2,519	-	2,519
Unrestricted Investment Earnings					4,892	13	4,905
Other General Revenues					8,266	-	8,266
Total General Revenues					254,303	13	254,316
TRANSFERS							
					115	(115)	-
Total General Revenues and Transfers					254,418	(102)	254,316
CHANGE IN NET POSITION							
Net Position - Beginning of Year					(175,001)	3,574	(171,427)
NET POSITION - END OF YEAR							
					\$ (136,738)	\$ 3,495	\$ (133,243)

See accompanying Notes to Financial Statements.

**CITY OF MILFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(IN THOUSANDS)**

	General	Capital Nonrecurring Fund	School Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 57,419	\$ 30,238	\$ 4,256	\$ 24,468	\$ 116,381
Investments	-	-	-	25	25
Receivables, Net	7,239	97	-	2,773	10,109
Supplies	-	-	-	79	79
Other Assets	21	-	-	-	21
Total Assets	<u>\$ 64,679</u>	<u>\$ 30,335</u>	<u>\$ 4,256</u>	<u>\$ 27,345</u>	<u>\$ 126,615</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts and Other Payables	\$ 10,750	\$ 2,274	\$ 42	\$ 3,087	\$ 16,153
Other Liabilities	-	305	273	189	767
Due to Other Governments	518	18	-	-	536
Unearned Revenue	-	15,304	-	11	15,315
Bond Anticipation Notes Payable	-	3,275	10,075	3,055	16,405
Total Liabilities	<u>11,268</u>	<u>21,176</u>	<u>10,390</u>	<u>6,342</u>	<u>49,176</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	5,065	-	-	-	5,065
Unavailable Revenue - Property Taxes Interest	965	-	-	-	965
Unavailable Revenue - Special Assessments	14	-	-	-	14
Unavailable Revenue - Sewer Use	-	-	-	282	282
Unavailable Revenue - Grant Receivables	-	48	-	-	48
Unavailable Revenue - Loans Receivables	-	-	-	1,870	1,870
Deferred Inflows Related to Leases	376	57	-	241	674
Advance Payment in Lieu of Taxes Collections	30	-	-	-	30
Advance Sewer Collections	-	-	-	144	144
Advance Property Tax Collections	6,327	-	-	-	6,327
Total Deferred Inflows of Resources	<u>12,777</u>	<u>105</u>	<u>-</u>	<u>2,537</u>	<u>15,419</u>
FUND BALANCES					
Nonspendable	21	-	-	79	100
Restricted	-	1,312	1,358	14,361	17,031
Committed	1,666	7,742	-	6,630	16,038
Assigned	9,221	-	-	-	9,221
Unassigned	29,726	-	(7,492)	(2,604)	19,630
Total Fund Balances	<u>40,634</u>	<u>9,054</u>	<u>(6,134)</u>	<u>18,466</u>	<u>62,020</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 64,679</u>	<u>\$ 30,335</u>	<u>\$ 4,256</u>	<u>\$ 27,345</u>	<u>\$ 126,615</u>

See accompanying Notes to Financial Statements.

**CITY OF MILFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III)	\$	62,020
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets		660,967
Less Accumulated Depreciation/Amortization		(292,426)
Net Capital Assets		368,541

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

Property Tax Receivables Greater than 60 Days		5,065
Interest Receivable on Property Taxes		965
Grant Receivables Greater than 120 Days		48
Assessments Receivable		14
Loans Receivable		1,870
Sewer Use Receivable		282
Deferred Outflows Related to Pensions		18,891
Deferred Outflows Related to OPEB		10,222
Deferred Outflows - Refunding		2

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

14,198

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

Bonds and Notes Payable		(166,974)
Lease Payable		(1,115)
Subscription Payable		(683)
Accrued Interest Payable		(1,120)
Compensated Absences		(16,311)
Bond Premium		(11,105)
Net Pension Liability		(57,918)
Total/Net OPEB Liability		(261,717)
Deferred Inflows Related to Pensions		(25,831)
Deferred Inflows Related to OPEB		(75,685)
Deferred Inflows - Refunding		(397)

Net Position of Governmental Activities (Exhibit I)	\$	(136,738)
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CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	General	Capital Nonrecurring Fund	School Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes and Assessments	\$ 227,902	\$ -	\$ -	\$ 8,584	\$ 236,486
Fines, Forfeitures, Penalties, and Interest	1,208	-	-	56	1,264
Intergovernmental	31,897	6,667	1,758	11,374	51,696
Charges for Services	6,538	359	-	10,780	17,677
Investment Income	3,043	1,395	-	454	4,892
Other	7,372	-	-	964	8,336
Total Revenues	277,960	8,421	1,758	32,212	320,351
EXPENDITURES					
Current:					
General Government	45,794	-	-	115	45,909
Administration	3,629	-	-	-	3,629
Public Safety	33,106	-	-	2,389	35,495
Public Services	13,627	-	-	2,962	16,589
Education	152,147	-	-	12,953	165,100
Health and Welfare	2,336	-	-	2,428	4,764
Sewer	-	-	-	8,184	8,184
Capital Outlay	228	12,578	1,767	4,172	18,745
Debt Service	20,105	-	-	1,959	22,064
Total Expenditures	270,972	12,578	1,767	35,162	320,479
DEFICIENCY OF REVENUES OVER EXPENDITURES	6,988	(4,157)	(9)	(2,950)	(128)
OTHER FINANCING SOURCES (USES)					
Bonds and Notes Issued	-	5,605	7,690	2,780	16,075
Premiums on Bonds	1,036	-	-	-	1,036
Refunding Bonds Issued	41,150	-	-	-	41,150
Premium on Refunding Bonds	4,083	-	-	-	4,083
Payment to Refunded Bond Escrow Agent	(45,054)	-	-	-	(45,054)
Leases Issued	187	-	-	-	187
SBITAs Issued	41	-	-	-	41
Transfers In	-	657	-	788	1,445
Transfers Out	(954)	-	-	(361)	(1,315)
Total Other Financing Sources	489	6,262	7,690	3,207	17,648
NET CHANGE IN FUND BALANCES	7,477	2,105	7,681	257	17,520
Fund Balances - Beginning of Year	33,157	6,949	(13,815)	18,209	44,500
FUND BALANCES - END OF YEAR	<u>\$ 40,634</u>	<u>\$ 9,054</u>	<u>\$ (6,134)</u>	<u>\$ 18,466</u>	<u>\$ 62,020</u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$	17,520
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Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

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

Capital Outlay		13,728
Depreciation/Amortization Expense		(17,146)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.		(155)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Receivable - Accrual Basis Change		776
Property Tax Interest and Lien Revenue - Accrual Basis Change		100
Grant Receivables - Accrual Basis Change		(10)
Loans Receivables - Accrual Basis Change		1,870
Sewer Assessment Receivable - Accrual Basis Change		(138)
Deferred Outflows Related to Pension		3,920
Deferred Outflows Related to OPEB		(6,981)
Deferred Outflows on Refunding		(1,651)

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

Issuance of Bonds and Notes		(16,075)
Premium on Bonds Issued		(1,035)
Bond and Note Principal Payments		15,822
Refunding Bonds Issued		(41,150)
Premium on Refunding Bonds		(4,083)
Payments to Bond Refunding Agent		45,054
Lease Issuance		(187)
Lease Principal Payment		380
Subscription Issuance		(41)
Subscription Payment		363

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

Compensated Absences		1,177
Accrued Interest		(63)
Amortization of Bond Premium		3,687
Total/Net OPEB Liability		20,927
Net Pension Liability		25,195
Deferred Inflows Related to Pension		(23,737)
Deferred Inflows Related to OPEB		1,232
Deferred Inflows on Refunding		54

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

Change in Net Position of Governmental Activities (Exhibit II)	\$	38,263
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See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 910	\$ 21,234
Receivables, Net	35	99
Total Current Assets	<u>945</u>	<u>21,333</u>
Noncurrent Assets:		
Capital Assets:		
Not Being Depreciated	1,681	-
Being Depreciated, Net	906	-
Total Noncurrent Assets	<u>2,587</u>	<u>-</u>
Total Assets	3,532	21,333
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	28	74
Risk Management Claims	-	769
Total Current Liabilities	<u>28</u>	<u>843</u>
Noncurrent Liabilities:		
Risk Management Claims	-	6,292
Total Liabilities	28	7,135
DEFERRED INFLOWS OF RESOURCES		
Leases	<u>9</u>	<u>-</u>
NET POSITION		
Investment in Capital Assets	2,587	-
Unrestricted	<u>908</u>	<u>14,198</u>
Total Net Position	<u>\$ 3,495</u>	<u>\$ 14,198</u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service</u>
OPERATING REVENUES		
Employer Contributions	\$ -	\$ 35,299
Charges for Services	487	7,558
Other	-	3,639
Total Operating Revenues	<u>487</u>	<u>46,496</u>
OPERATING EXPENSES		
Salaries	152	-
Operations and Supplies	136	-
Insurance	98	-
Depreciation	78	-
Insurance Premiums and Claims Expense	-	47,586
Total Operating Expenses	<u>464</u>	<u>47,586</u>
OPERATING INCOME (LOSS)	23	(1,090)
NONOPERATING REVENUE		
Interest Income	<u>13</u>	<u>-</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	36	(1,090)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital Contributions	15	-
Transfers Out	(130)	-
Total Capital Contributions and Transfers	<u>(115)</u>	<u>-</u>
CHANGE IN NET POSITION	(79)	(1,090)
Total Net Position - Beginning of Year	<u>3,574</u>	<u>15,288</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 3,495</u></u>	<u><u>\$ 14,198</u></u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Contributions and Charges for Services	\$ 486	\$ 46,483
Cash Paid to Employees	(152)	-
Cash Paid to Vendors	(232)	-
Cash Payments for Claims Paid	-	(47,530)
Net Cash Provided (Used) by Operating Activities	<u>102</u>	<u>(1,047)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers To/From Other Funds	<u>(130)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	<u>13</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15)	(1,047)
Cash and Cash Equivalents - Beginning of Year	<u>925</u>	<u>22,281</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 910</u></u>	<u><u>\$ 21,234</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 23	\$ (1,090)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	78	-
Decrease in Accounts Receivable	10	(13)
Increase in Accounts Payable and Accrued Liabilities	(9)	56
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 102</u></u>	<u><u>\$ (1,047)</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Capital Asset Transfer	<u><u>\$ 15</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 15,136
Investments:	
Corporate Bonds	9,398
U.S. Government Securities	4,578
Marketable Equity Securities	185,967
Alternative Investments	243,116
Mutual Funds	25,930
Total Investments	468,989
Due From Other Funds:	
Receivables	11
Total Assets	484,136
LIABILITIES	
Accounts and Other Payables	21
NET POSITION	
Restricted for Pension Benefits	469,374
Restricted for OPEB Benefits	14,741
Total Net Position	<u>\$ 484,115</u>

See accompanying Notes to Financial Statements.

CITY OF MILFORD, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025
(IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds
ADDITIONS:	
CONTRIBUTIONS	
Plan Members	\$ 3,469
Employer	24,507
Total Contributions	<u>27,976</u>
INVESTMENT INCOME	
Net Change in Fair Value of Investments	49,349
Interest and Dividends	20,920
Total Investment Income	<u>70,269</u>
Less Investment Expense	3,169
Net Investment Income	<u>67,100</u>
Total Additions	95,076
DEDUCTIONS:	
Benefit Payments and Withdrawals	43,091
Administration	107
Total Deductions	<u>43,198</u>
CHANGE IN NET POSITION	51,878
Net Position - Beginning of Year	<u>432,237</u>
NET POSITION - END OF YEAR	<u><u>\$ 484,115</u></u>

See accompanying Notes to Financial Statements.

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CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor and 15-member Board of Aldermen. A 10-member Board of Education oversees all education activities. As required by GAAP, these financial statements present all of the governmental functions for which it is financially accountable.

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

Fiduciary Component Unit

The City has established a single-employer Pension Trust Fund and City OPEB Trust Fund to provide retirement benefits to employees and their beneficiaries. The Pension and Retirement Board governs these plans and the City is required to make contributions to each.

The financial statements of the fiduciary component units are reported as the Pension and Other Employee Benefits Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, period, with the exception of grant revenues which are considered available if they are collected 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, postemployment benefits are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The City reports the following major governmental funds:

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

The Capital Nonrecurring Fund is used to account for those projects of the City, except for those of the school buildings or sewers, which are capital nonrecurring in nature. The major sources of revenue for this fund are intergovernmental revenues and bond proceeds.

The School Facilities Fund is used to account for construction of school buildings and additions. The major sources of revenue for this fund are State revenues and proceeds from the sale of bonds.

Additionally, the City reports the following fund types:

The Enterprise Funds account for the operations that are financed through user charges. The nonmajor Enterprise Funds include the Milford Golf Course and the Harbor Management.

The Internal Service Funds account for the City's and Board of Education's health insurance, the City's workers' compensation insurance and the City's and Board of Education's property and casualty insurance.

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the Milford Retirement System, which accumulates resources for pension benefit payments to qualified City employees, and account for and accumulate resources for other postemployment benefits due to City's retirees.

The pension and other employee benefit trust funds use the economic resources measurement focus and the accrual basis of accounting.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Municipal Golf Course enterprise fund, the Harbor Management enterprise fund, and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

The City'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.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the City are reported at fair value.

E. Receivables and Payables

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

Property taxes are levied each June on the assessed value listed on the prior October 1 grand list for all taxable property located in the City. Although taxes are levied in June, the legal right to attach the property does not exist until July 1, and, as such, taxes are due and payable in equal installments on July 1 and January 1 following the date of the grand list. Taxes become overdue one month after the installment date. Interest accrues at the rate of 1.5% per month. Additional property taxes are assessed for motor vehicles registered subsequent to the grand list date and are payable in one installment due January 1.

In accordance with State law, the oldest outstanding tax is collected first. Prior to June 30 of each year, liens are automatically placed on outstanding real estate tax accounts, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after the due date in accordance with State Statutes. A total of \$219 has been established as an allowance for uncollectible taxes and interest.

F. Material, Supplies, and Prepaid Items

All materials and supplies are valued at cost using the first-in/first-out (FIFO) method. Materials and supplies of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed during the periods benefited in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant and equipment of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	15 to 50
Motor Vehicles	5 to 15
Office and Other Equipment	5 to 10

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

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the subscription term.

H. Deferred Outflows/Inflows of Resources

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections and deferred inflows related to leases in the government-wide statement of net position and in the governmental funds balance sheet as deferred inflows of resources. Advance property tax collections represent tax fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

In addition, the City reports a deferred inflow of resources related to deferred charge on refunding and deferred inflows related to pensions and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs or the net difference between projected and actual earnings on pension and OPEB plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees) or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, special assessments, and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

J. Long-Term Obligations

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

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

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Net OPEB Liability

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

N. Fund Balance

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

Net Investments in Capital Assets

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

Restricted Net Position

Net position is restricted when there are externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position includes anything that does not meet the definition of "restricted" or "net investments in capital assets."

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance (Continued)

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Board of Aldermen has the highest level of decision-making authority for the City of Milford. In order for the City to establish, modify or rescind a fund balance commitment, the Mayor must make a recommendation to the Board of Aldermen, which has final authority. The Board of Aldermen is required to vote upon and approve a resolution to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board (Board of Alderman) or a body or official (Director of Finance) that has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance

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

O. Accounting Estimates

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Adoption of New Accounting Standards

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. This statement aims to achieve a unified model for recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City adopted this standard effective July 1, 2024. There was no material effect on the City's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Prior to February 1, the Mayor and the Board of Education submit proposed budgets for their respective shares of the General Fund to the Board of Finance. Prior to April 1, the Board of Finance submits to the Board of Aldermen the proposed fiscal budget. The Board of Aldermen then holds hearings on the Board of Finance's proposed budget. The Board of Aldermen may reduce or delete any item contained in the Board of Finance's budget by a simple majority. The Board of Aldermen may increase or add to any item in the Board of Finance budget by a two-thirds vote. The Board of Aldermen adopts the budget for the following fiscal year and sets the mill rate. This budget, at the department level, becomes the legal level of control. For management purposes, the Mayor is authorized to transfer budgeted amounts between like categories of line items within individual budgeted departments. All other transfers, as well as additional appropriations, must first be approved by the Board of Finance and then by the Board of Aldermen. There were no additional appropriations approved during the fiscal year.

All unencumbered appropriations lapse at year-end, except those for Capital Projects and Special Revenue Funds. Appropriations for these funds are continued until completion of applicable projects, which generally extend more than one fiscal year. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded as assigned or committed fund balance, in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental fund types. For GAAP purposes, encumbrances outstanding at the year-end are reported as an assignment or commitment of fund balance since they do not constitute expenditures or liabilities.

The major difference between the budgetary and GAAP basis of accounting is:

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year whereas they are shown as an assigned fund balance on a GAAP basis of accounting.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- The City reports on-behalf contributions made by the State of Connecticut to the Connecticut State Teachers' Retirement System and OPEB system as revenue and expenditures for GAAP purposes.
- At the end of each fiscal year, the Board of Education's summer payroll is charged to the subsequent year's budget. As these expenditures should be accrued, this adjustment is necessary to properly record expenditures on a GAAP basis.
- Nonbudgetary items and eliminations related to the Compensated Absences Fund.
- Activities related to lease and SBITA issuances.

B. Deficit Fund Balance/Net Position

The following funds had a deficit fund balance at June 30, 2025:

School Facilities Fund	\$ 6,134
Nonmajor:	
School Renovations Fund	135
Sanitary Sewer Fund	1,588
Internal Service Funds:	
Workers' Compensation Fund	393

These deficits will be reduced or eliminated through the receipt of grant funds, permanent financing, or future transfers from the General Fund.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$29,243 of the City's bank balance of \$30,793 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 26,166
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the City's Name	3,077
Total Amount Subject to Custodial Credit Risk	<u>\$ 29,243</u>

Cash Equivalents

At June 30, 2025, the City's cash equivalents amounted to \$124,489. These cash equivalents are investment pools of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Credit Risk – Cash Equivalents

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Credit Risk – Cash Equivalents (Continued)

The following chart summarizes year-end ratings for the City as rated by Standard & Poor's:

	Standard & Poor
State Short-Term Investment Fund (STIF)	AAA/m
Money Market Mutual Funds	Not Rated

Investments

As of June 30, 2025, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
U.S. Government Securities	\$ 4,578	\$ -	\$ 3,282	\$ 1,296
Corporate Bonds	9,398	-	3,110	6,288
Certificates of Deposit	25 *	25	-	-
Total	14,001	<u>\$ 25</u>	<u>\$ 6,392</u>	<u>\$ 7,584</u>
Other Investments:				
Equities	185,967			
Alternative Investments	243,116			
Mutual Funds	25,930			
Total Investments	<u>\$ 469,014</u>			

* Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The City has no formal investment policy that would further limit its investment choices. Presented below is the average rating of investments in debt securities.

Average Rating	Corporate Bonds	U.S. Government Securities
Aaa	\$ -	\$ 4,578
Aa3	147	-
A1	633	-
A2	199	-
A3	357	-
Baa1	988	-
Baa2	1,212	-
Baa3	481	-
Ba1	171	-
Ba2	86	-
Ba3	190	-
B1	-	-
B2	-	-
Unrated	4,934	-
Total	<u>\$ 9,398</u>	<u>\$ 4,578</u>

Concentration of Credit Risk

The City has no policy limiting an investment in any one issuer that is in excess of 5% of the City's total investments. Information regarding concentration of the investments that represent more than 5% of the investments in the Pension Plan is detailed in Note 10.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2025, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurement		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 4,578	\$ 4,578	\$ -	\$ -
Corporate Bonds	9,398	9,398	-	-
Equity Securities	185,967	185,967	-	-
Alternative Investments	126,197	-	-	126,197
Mutual Funds	25,930	25,930	-	-
Total Investments by Fair Value Level	352,070	\$ 225,873	\$ -	\$ 126,197
Investments Measured at Net Asset Value (NAV):				
Alternative Investments	116,919			
Total Investments at Fair Value	\$ 468,989			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative investments 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. The alternative investments classified in Level 3 are not actively traded and significant observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, type and quality of collateral and market dislocation.

NAV per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable fair values and take the form of Limited Partnerships. The City values these investments based on the partnerships' audited financial statements. If June 30 statements are not available because the partnership has a fiscal year ending at other than June 30, the value is progressed from the most recently available valuation, taking into account subsequent calls and distributions.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Fair Value (Continued)

The following is a summary of the investment strategies, their liquidity and redemption notice periods and any restrictions on the liquidity provisions of the investments in Investment Funds held by the City as of June 30, 2025 and measured at fair value using the NAV per share practical expedient. Investment Funds with no current redemption restrictions may be subject to future gates, lock-up provisions, or other restrictions, in accordance with their offering documents which would be considered in fair value measurement and disclosure.

Equity Hedge Funds

This type includes investments in hedge funds that invest both long and short primarily in U.S. common stock. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments. There are no unfunded commitments.

Multi-Strategy Hedge Funds

This type invests in various hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this type includes a broad range of investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. There are no unfunded commitments.

Real Estate Funds

This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. There are no unfunded commitments.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 4 RECEIVABLES

Receivables as of year-end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Nonrecurring Fund	Nonmajor and Aggregate Remaining Funds	Total
Receivables:				
Taxes and Interest	\$ 6,860	\$ -	\$ -	\$ 6,860
Accounts	221	-	343	564
Leases	363	-	489	852
Special Assessments	14	-	-	14
Loans	-	-	1,870	1,870
Intergovernmental	-	97	205	302
Pension - Accrued Income	-	-	11	11
Gross Receivables	7,458	97	2,918	10,473
Less Allowance for Uncollectibles	(219)	-	-	(219)
Net Total Receivables	<u>\$ 7,239</u>	<u>\$ 97</u>	<u>\$ 2,918</u>	<u>\$ 10,254</u>

NOTE 5 LEASES RECEIVABLE

The City, acting as lessor, leases land, infrastructure, and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2070 and provide for renewal options ranging from three months to six years. During the year ended June 30, 2025, the City recognized \$83 and \$15 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 92	\$ 13
2027	84	12
2028	59	10
2029	58	9
2030	39	8
Thereafter	520	106
Total Minimum Lease Payments	<u>\$ 852</u>	<u>\$ 158</u>

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 6 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 45,251	\$ -	\$ -	\$ -	\$ 45,251
Construction in Progress	26,067	9,791	-	(5,339)	30,519
Total Capital Assets not Being Depreciated	71,318	9,791	-	(5,339)	75,770
Capital Assets Being Depreciated/Amortized:					
Buildings and Improvements	324,538	30	-	1,955	326,523
Improvements Other than Buildings	28,346	67	-	1,334	29,747
Machinery and Equipment	56,735	3,615	(1,401)	(15)	58,934
Infrastructure	164,292	12	-	2,050	166,354
Right-to-Use Lease Assets	1,744	187	(63)	-	1,868
Right-to-Use Subscription Assets	1,795	41	(65)	-	1,771
Total Capital Assets Being Depreciated/ Amortized	577,450	3,952	(1,529)	5,324	585,197
Less Accumulated Depreciation /Amortization for:					
Buildings and Improvements	(137,249)	(8,041)	-	-	(145,290)
Improvements Other than Buildings	(13,148)	(2,142)	-	-	(15,290)
Machinery and Equipment	(40,513)	(3,520)	1,246	-	(42,787)
Infrastructure	(84,655)	(2,535)	-	-	(87,190)
Right-to-Use Lease Assets	(466)	(379)	63	-	(782)
Right-to-Use Subscription Assets	(623)	(529)	65	-	(1,087)
Total Accumulated Depreciation/Amortization	(276,654)	(17,146)	1,374	-	(292,426)
Total Capital Assets Being Depreciated/ Amortized, Net	300,796	(13,194)	(155)	5,324	292,771
Governmental Activities Capital Assets, Net	\$ 372,114	\$ (3,403)	\$ (155)	\$ (15)	\$ 368,541
Business-Type Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 1,681	\$ -	\$ -	\$ -	\$ 1,681
Capital Assets Being Depreciated:					
Buildings and System	865	-	-	-	865
Improvements Other than Buildings	1,882	-	-	-	1,882
Machinery and Equipment	681	-	-	15	696
Total Capital Assets Being Depreciated	3,428	-	-	15	3,443
Less Accumulated Depreciation for:					
Buildings and System	(401)	(18)	-	-	(419)
Improvements Other than Buildings	(1,387)	(58)	-	-	(1,445)
Machinery and Equipment	(671)	(2)	-	-	(673)
Total Accumulated Depreciation	(2,459)	(78)	-	-	(2,537)
Total Capital Assets Being Depreciated, Net	969	(78)	-	15	906
Business-Type Activities Capital Assets, Net	\$ 2,650	\$ (78)	\$ -	\$ 15	\$ 2,587

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 969
Public Safety	2,273
Public Service	6,045
Education	6,463
Health and Welfare	1,396
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 17,146</u>

Business-Type Activities:

Milford Golf Course	\$ 23
Harbor Management	55
Total Depreciation Expense - Business-Type Activities	<u>\$ 78</u>

Construction Commitments

The City has active construction projects as of June 30, 2025. At year-end, the projects' unexpended authorization available to fund commitments with contractors is as follows:

Program	Project Authorization	Cumulative Expenditures	Encumbered	Balance June 30, 2025
General Capital Improvement	\$ 123,014	\$ 92,739	\$ 4,009	\$ 26,266
Education Capital Improvement	99,044	73,418	346	25,280
Sanitary Sewers and Wastewater Facilities	17,072	8,427	2,709	5,936
Total	<u>\$ 239,130</u>	<u>\$ 174,584</u>	<u>\$ 7,064</u>	<u>\$ 57,482</u>

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. There were no interfund receivables and payables as of June 30, 2025. Interfund transfers as of June 30, 2025 are as follows:

	Transfers In		Total Transfers Out
	Capital Nonrecurring	Nonmajor Governmental	
Transfers Out:			
General Fund	\$ 166	\$ 788	\$ 954
Nonmajor Governmental	361	-	361
Nonmajor Enterprise	130	-	130
Total	<u>\$ 657</u>	<u>\$ 788</u>	<u>\$ 1,445</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

General Fund transfers are made in accordance with budget appropriations and authorized allocation transfers. The General Fund transfers to other funds are primarily for the purpose of establishing local funding for capital projects to reduce bonding. Transfers are used to move unrestricted general fund revenues to fund various programs that must be accounted for separately in accordance with budgetary authorizations.

NOTE 8 LONG-TERM DEBT

A summary of the long-term indebtedness transactions for the current fiscal year follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 169,395	\$ 55,355	\$ 60,775	\$ 163,975	\$ 14,970
Direct Placement Bonds	-	1,870	-	1,870	187
Bond Premium	9,674	5,118	3,687	11,105	-
Total Bonds Payable	179,069	62,343	64,462	176,950	15,157
Lease Payable	1,308	187	380	1,115	372
Subscription Payable	1,005	41	363	683	289
Notes Payable - Direct Borrowing	1,230	-	101	1,129	104
Claims and Judgments	7,039	47,585	47,563	7,061	769
Compensated Absences	17,488	-	1,177	16,311	1,240
Net Pension Liability	83,113	-	25,195	57,918	-
Net OPEB Liability - City	145,906	-	10,500	135,406	-
Total OPEB Liability - BOE	136,738	-	10,427	126,311	7,230
 Total Governmental Activities Long-Term Liabilities	 \$ 572,896	 \$ 110,156	 \$ 160,168	 \$ 522,884	 \$ 25,161

The change in compensated absence liability is presented as a net change.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

Bonds payable at June 30, 2025 amounted to \$165,845 with interest rates ranging from 2.0% to 5.37% on bonds maturing at various dates through the year 2045. A schedule of government bonds outstanding at June 30, 2025 is presented below:

Description	Date of Issue	Interest Rate (%)	Original Issue	Outstanding June 30, 2025
General purpose:				
2017 - General Purpose	11/06/17	3.00-5.00%	\$ 9,345	\$ 6,055
2017 - Refunding - General Purpose	12/22/17	3.00-5.00%	3,186	2,917
2019 - General Purpose	11/04/19	2.00-5.00%	6,690	5,025
2020 - Refunding - General Purpose	11/02/20	3.00-5.00%	7,884	4,525
2020 - General Purpose	11/03/20	2.00-5.00%	9,755	7,815
2021A - Refunding - General Purpose	11/02/21	2.00-5.00%	17,010	14,459
2021B Refunding of 2013 - General Purpose	11/02/21	5.00%	719	695
2022 - General Purpose	11/01/22	2.00-5.00%	6,125	5,515
2023 - General Purpose	10/30/23	4.25-5.00%	2,965	2,817
2025A - General Purpose	10/26/24	4.00-5.00%	5,605	5,605
2025B - Refunding - General Purpose	10/26/24	4.00-5.00%	16,805	16,613
Total general purpose				72,041
School:				
2017 - Schools	11/06/17	3.00-5.00%	\$ 6,285	\$ 4,080
2017 - Refunding - Schools	12/22/17	3.00-5.00%	4,533	3,979
2019 - Schools	11/04/19	2.00-5.00%	650	495
2020 - Refunding - Schools	11/02/20	3.00-5.00%	3,084	1,244
2020 - Schools	11/03/20	2.00-5.00%	9,690	7,750
2021A - Refunding - Schools	11/02/21	2.00-5.00%	7,230	6,146
2021B -Refunding of 2013 - Schools	11/02/21	5.00%	1,486	1,434
2022 - Schools	11/01/22	2.00-5.00%	1,520	1,370
2023 - Schools	10/30/23	4.25-5.00%	5,090	4,835
2025A - Schools	10/26/24	4.00-5.00%	7,990	7,990
2025B - Refunding - Schools	10/26/24	4.00-5.00%	13,579	13,422
Total Schools				52,745
Sewer:				
2017 - Sewer	11/06/17	3.00-5.00%	\$ 3,105	\$ 2,015
2017 - Refunding - Sewer	12/22/17	3.00-5.00%	5,411	4,849
2019 - Sewer	11/04/19	2.00-5.00%	2,340	1,755
2020 - Refunding - Sewer	11/02/20	3.00-5.00%	5,492	4,306
2020 - Sewer	11/03/20	2.00-5.00%	3,115	2,490
2020 - Refunding - Sewer - Single Purpose	12/11/20	5.00%	17,560	9,220
2021A - Refunding - Sewer	11/02/21	2.00-5.00%	1,460	1,241
2021B - Refunding of 2013 - Sewer	11/02/21	5.00%	1,510	1,456
2022 - Sewer	11/01/22	2.00-5.00%	415	375
2023 - Sewer	10/30/23	4.25-5.00%	245	233
2025A - Sewer	10/26/24	4.00-5.00%	610	610
2025B - Refunding - Sewer	10/26/24	4.00-5.00%	10,766	10,640
Total Sewer				39,190
Direct Placement Bonds	11/26/24	5.37%	\$ 1,870	\$ 1,870
Total				<u>\$ 165,845</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

Principal and interest payments for bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Payable</u>		<u>Direct Placement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,970	\$ 6,216	\$ 187	\$ 39
2027	15,170	5,472	187	95
2028	15,125	4,733	187	85
2029	15,060	4,016	187	75
2030	12,180	3,406	187	65
2031-2035	50,155	10,572	935	181
2036-2040	31,185	3,827	-	-
2041-2045	10,130	643	-	-
Total	<u>\$ 163,975</u>	<u>\$ 38,885</u>	<u>\$ 1,870</u>	<u>\$ 541</u>

All general obligation bonds are secured by the general revenue raising powers of the City. Payment will be provided by General Fund revenues for general purpose bonds and by reimbursements from Athletic Brewing Company (ABC), an independent entity, for the direct placement bonds. On November 26, 2024, the City issued direct placement bonds that are the general obligation of the City. The City is pledged to the payment on the bond according to its terms and shall be paid from the City's property taxation to the extent not paid by other sources. ABC entered into an agreement with the City by which it will make payments to the City for the amount of debt service on the direct placement bonds. At June 30, 2025, \$1,870 is recorded as deferred inflows in the debt service fund and revenue in governmental activities. The City does not have any overlapping debt.

General Obligation Refunding Bonds (Amounts Not Rounded)

On October 29, 2024, the City issued \$41,150,000 of general obligation refunding bonds with an interest rate of 4-5%. The bonds were issued to refund \$44,500,000 aggregate outstanding principal amounts of the 2014, 2015, 2016, and 2018 issue of general obligation bonds and 2014 and 2016 general obligation refunding bonds. The net proceeds of \$45,053,666 (after an original issue premium of \$4,083,442 and payment of \$179,776 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated October 29, 2024 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 15 years by \$1,707,730 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,659,407. As of January 25, 2025, the bonds were called and there was no defeased debt related to this refunding.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable – Direct Borrowing

On November 15, 2017, the City entered into a \$1,603,516 (amount not rounded) note with All American Investment Group LLC to finance a microgrid system. The note is payable in annual installments beginning November 15, 2019 at an interest rate of 3.595% and collateralized by the microgrid. Events of default include payments default. Such a default could result in the lender exercising its interest in the collateral.

Minimum annual principal and interest payments required to retire notes payable as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 104	41	\$ 145
2027	108	37	145
2028	112	33	145
2029	116	29	145
2030	128	24	152
2030-2034	561	50	611
Total	<u>\$ 1,129</u>	<u>\$ 214</u>	<u>\$ 1,343</u>

Bond Anticipation Notes

Bond anticipation notes, which serve as temporary financing for certain capital projects, were outstanding at June 30, 2025.

Notes Payable, July 1, 2024	\$ 21,150
Notes Issued	16,405
Notes Retired	<u>(21,150)</u>
Notes Payable, June 30, 2025	<u>\$ 16,405</u>

During the year, the City issued \$16,405 in notes dated October 29, 2024, which mature on October 28, 2025. The notes carry an interest rate of 4.00%. These notes serve as temporary financing for various school, public improvements, and sewer projects.

Leases Payable

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2030 and provide for renewal options ranging from three months to five years.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 372	\$ 18	\$ 390
2027	345	11	356
2028	319	4	323
2029	67	1	68
2030	12	-	12
Total	<u>\$ 1,115</u>	<u>\$ 34</u>	<u>\$ 1,149</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT (CONTINUED)

Leases Payable (Continued)

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Equipment	\$ 1,868
Less: Accumulated Amortization	(782)
Total	<u>\$ 1,086</u>

Subscription-Based Information Technology Arrangements

The City has entered into several subscription based-information technology arrangements (SBITAs) for Software as a Service (SaaS), and Platform as a Service (PaaS) applications. These arrangements expire at various dates through 2028 and provide for renewal options.

As of June 30, 2025 SBITA assets and the related accumulated amortization totaled \$1,771 and \$1,087, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		
	Principal	Interest	Total
2026	\$ 289	\$ 8	\$ 297
2027	325	2	327
2028	69	-	69
Total	<u>\$ 683</u>	<u>\$ 10</u>	<u>\$ 693</u>

Debt Limitation

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

<u>Category</u>	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 512,501	\$ 106,383	\$ 406,118
Schools	1,025,001	89,833	935,168
Sewers	854,168	49,895	804,273
Urban Renewal	740,279	-	740,279
Pension Deficit	683,334	-	683,334

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$1,506). The authorized/unissued debt has been reduced by grant proceeds of \$28,431 relative to general purpose and school construction projects.

The indebtedness reflected above includes long-term debt outstanding in addition to the amount of bonds authorized and unissued of \$64,602 against which bond anticipation notes are issued and outstanding.

CITY OF MILFORD, CONNECTICUT
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NOTE 9 RISK MANAGEMENT (AMOUNTS NOT ROUNDED UNLESS NOTED)

The City and the Board of Education are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. For the year ended June 30, 2025, the City and the Board of Education Property, General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability and Educators' Liability were insured by CIRMA with deductibles of \$1,000 for auto physical damage and \$- for other liability coverage. Law Enforcement/Public Officials/School Leaders has a \$25,000 deductible and Employee Benefits has a deductible of \$1,000. The Board of Education insures its Workers' Compensation with CIRMA.

The Property/Inland Marine Insurance and Boiler and Machinery Insurance are with CIRMA Insurance. The policy has a deductible of \$50,000. There is \$20,000,000 of coverage for flood damage under this policy. Flood Zones A and V have a deductible of \$1,000,000. The City has purchased coverage from the National Flood Program to cover this deductible. The National Flood Program has a maximum deductible of \$25,000.

All City deductibles and premiums for the City portion of insurance are paid from the City's Property and Casualty Self Insurance Fund. The Board of Education pays for its premiums and deductibles from its operations budget.

The Property and Casualty Self Insurance Fund is an internal service fund that was established by the Board of Aldermen in April 2003 along with a self-insurance program for property and casualty insurance. This fund pays for claims that occurred between April 23, 2003, and June 30, 2008. The General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability and Educator's Liability were self-insured for the first \$250 thousand dollars of each claim. There are no claims open from this period. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

The claims liability reported in the Internal Service Fund at June 30, 2025 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded.

<i>In thousands</i>	Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2024	\$ 50	\$ 1,969	\$ 2,019	\$ -
6/30/2025	-	1,402	1,402	-

The Workers' Compensation Internal Service Fund is used to account for and finance workers' compensation costs for City employees and City Grant Agency employees. Contributions to the Workers' Compensation Fund from the General Fund are made based upon actuarial calculations. Payments are made by Grant Agencies and the Sewer Fund based upon NCCI rates based on payroll.

The City carries an Excess Workers' Compensation Policy with Safety National Casualty Corporation with a self-insured retention per occurrence of \$600,000 (\$750,000 – Police/Fire). The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

**CITY OF MILFORD, CONNECTICUT
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NOTE 9 RISK MANAGEMENT (AMOUNTS NOT ROUNDED UNLESS NOTED) (CONTINUED)

The General Fund and/or the Property and Casualty Self Insurance Fund will be used to cover any uninsured risks of loss.

Changes in the claims liability for the years ended June 30, 2025 and 2024 were as follows:

<i>In thousands</i>	Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2024	\$ 4,441	\$ 1,991	\$ 2,166	\$ 4,266
6/30/2025	4,266	1,474	1,817	3,923

The Health Insurance Service Fund is used to account for and finance indemnity medical coverage for eligible City, Board of Education and City Grant Agency employees and dependents, and prior employees and dependents entitled to continue participation in the City's plan under the provisions of COBRA. For the year ended June 30, 2025, the annual limit on individual medical claims chargeable to the Fund is \$200,000. Payments to the Health Insurance Fund are made by the Grant Agencies, the Sewer Use Fund, the Special Education Grants Fund, the Special Grants Fund, the Harbor Management Enterprise Fund, and persons continuing coverage under COBRA in an amount equal to the premium an individual would pay for continuation coverage under the group program.

The City makes General Fund contributions to the Health Insurance Fund based on budgeted amounts, which, in conjunction with estimated Grant contributions, total the year's estimated expected losses. Employee and applicable retirees under age 65 also make contributions to the fund through premium cost share. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

Changes in the claims liability for the years ended June 30, 2025 and 2024 were as follows:

<i>In thousands</i>	Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2024	\$ 2,163	\$ 42,683	\$ 42,074	\$ 2,772
6/30/2025	2,772	44,709	44,343	3,138

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

City of Milford Retirement System

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its full-time employees other than teachers who are covered by the Retirement System - State Teachers Retirement Board. The Retirement System is considered to be part of the City of Milford's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial statements for the Pension Trust Fund.

Management of the Retirement System rests with the Pension and Retirement Board, which consists of 24 members, who are appointed by the Board of Aldermen.

**CITY OF MILFORD, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

A. Plan Descriptions and Benefits Provided

Benefits vest after 10 years for General City members (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers); there is no vesting for Police and Fire members. Except for Police and Fire, members who retire after age 60 with 10 years of service (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers) or the age at which the sum of age and service equal 80 (79 for nonrepresented members and Board of Education Contract Secretaries) are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% or 2-1/4% of their final average salary for each year of credited service. Police and Fire members who retire after 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 45% times average annual pay plus 2% times average annual pay times credited service over 20 years. Supplemental benefits for Police members who were hired prior to April 6, 1989, and Fire members are based on 1/2 of salary increases given to members in the grade that the member was in at the time of retirement.

Final average salary is the average of the two or three highest fiscal years compensation. General city members with 10 years of service (5 years for Public Works, Custodians and Cafeteria Workers) may retire at or after age 50 and receive a reduced benefit. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions with interest thereon are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiation.

The surviving spouse of a Fire active member or retiree who retired after November 1, 1988, receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life. The surviving spouse of a Police active member or retiree who retired after June 29, 2001, receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life.

Membership in the plan consisted of the following at July 1, 2024:

	City of Milford Retirement System
Retirees and Beneficiaries Receiving Benefits	887
Terminated Employees Entitled to Benefits but not Yet Receiving Them	42
Active Plan Members	675
Total	1,604

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as per statutory or contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. All administrative costs are financed through investment earnings.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

C. Funding Policy

General City members are required to contribute 2.25% of annual compensation up to \$4,200 (not rounded) plus 5% of compensation in excess of \$4,200 (not rounded) (4% of compensation in excess of \$4,200 (not rounded) for MEA and MSA members and nonrepresented members with 15 or more years of service). Fire employees hired on or before January 31, 2015, shall contribute 8% of annual salary; upon reaching 15 years of service, the contribution requirement is 7% and at the 25-year contribution is 6%. Fire employees hired on or after February 1, 2015, shall contribute 10%.

Police employees hired prior to February 2, 1995, are required to contribute 5% of annual salary; at 20 years of service contribution is 4.5%. Police employees hired on or after February 2, 1995, but prior to November 22, 2014, are required to contribute 8%. Police employees hired on or after November 22, 2014, are required to contribute 10%.

The contributions by employees are determined by collective bargaining. The City is required by ordinance to contribute the remaining amounts necessary to provide benefits for the members. The City contributed \$16,180 during the year ended June 30, 2024.

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2025:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

D. Investments (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap Equity	25.00 %
U.S. Mid/Small Cap Equity	15.00
International Developed Equity	10.00
International Emerging Market Equity	5.00
Core Fixed Income	25.00
High Yield Fixed Income	2.50
International Fixed Income	2.50
REITs	5.00
Other (Hedge Fund, Etc.)	10.00
Total	<u>100.00 %</u>

Concentration of Investments

The following represents the investments in the Pension Trust Fund that represent more than 5% of the Fund's net position as of June 30, 2025:

Greywolf Opps Offshore Fund II	\$ 26,174
Omega Credit Opportunities Offshore Fund	31,158

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 15.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

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

Total Pension Liability	\$ 527,292
Plan Fiduciary Net Position	469,374
Net Pension Liability	<u>\$ 57,918</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.02%
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E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2024, and measurement date of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.40 %
Salary Increases:	Age Related Table
Investment Rate of Return:	7.00 %

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

E. Actuarial Assumptions (Continued)

Mortality rates were based on Pub-2010 Public Retirement Plans projected to the valuation date with scale MP-2021. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2011, to June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	4.52 %
US Mid/Small Cap Equity	5.06
International Developed Equity	5.08
International Emerging Market Equity	5.80
Core Fixed Income	2.44
High Yield Fixed Income	3.92
International Fixed Income	2.56
REITs	3.73
Other (Hedge Fund, etc.)	3.73

F. Discount Rate

The discount rate used to measure the total pension liability was 7.00%, a change from 7.10% in the prior year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

G. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 502,311	\$ 419,198	\$ 83,113
Changes for the Year:			
Service Cost	9,942	-	9,942
Interest on Total Pension Liability	35,139	-	35,139
Changes in Benefit Terms	3,623	-	3,623
Differences Between Expected and Actual Experience	6,207	-	6,207
Changes in Assumptions	5,334	-	5,334
Employer Contributions	-	16,180	(16,180)
Member Contributions	-	3,469	(3,469)
Net Investment Income	-	65,898	(65,898)
Benefit Payments, Including Refund to Employee Contributions	(35,264)	(35,264)	-
Administrative Expenses	-	(107)	107
Net Changes	24,981	50,176	(25,195)
Balances as of June 30, 2025	<u>\$ 527,292</u>	<u>\$ 469,374</u>	<u>\$ 57,918</u>

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City Net Pension Liability (Asset)	<u>\$ 116,531</u>	<u>\$ 57,918</u>	<u>\$ 8,661</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Milford Retirement System (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of \$10,803. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,320	\$ 209
Changes of Assumptions	9,571	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	25,622
Total	<u>\$ 18,891</u>	<u>\$ 25,831</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 10,692
2027	(5,777)
2028	(6,442)
2029	(5,413)
Total	<u>\$ (6,940)</u>

State of Connecticut Police and Fire Survivors' Plan

The City makes monthly contributions to the State Survivors' Plan based upon an amount invoiced by the State. The State Survivors' Plan makes monthly payments to the surviving spouses of police and fire retirees. The City has no information concerning payments made by or the funding status of this plan. City contributions for the year ended June 30, 2025 were \$306.

Connecticut State Teachers' Retirement System – Pension

A. Plan Description

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

B. Benefit Provisions

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

C. Normal Retirement

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

D. Early Retirement

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

E. Disability Retirement

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

F. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the State was \$19,389 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

F. Contributions (Continued)

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

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

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

At June 30, 2025, the City reports no amounts for its proportionate share of the net pension liability and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension	
Liability Associated with the City	196,709
Total	<u>\$ 196,709</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2025, the City recognized pension expense and revenue of \$22,563 in Exhibit II.

H. 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 Increase:	3.00-6.50%, including inflation
Investment Rate of Return:	6.90%, net of pension plan investment expense, including inflation

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

H. Actuarial Assumptions (Continued)

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

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

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

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

H. Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.80 %
Public Credit	2.00	2.90
Core Fixed Income	13.00	0.40
Liquidity Fund	1.00	(0.40)
Risk Mitigation	5.00	0.10
Private Equity	15.00	11.20
Private Credit	10.00	6.10
Real Estate	10.00	6.20
Infrastructure and Natural Resources	7.00	7.70
Total	100.00 %	

I. Discount Rate

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

K. Other Information

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

City Plan

In addition to the pension benefits, all City employees retiring under the City of Milford Retirement Plan are provided postemployment benefits, through OPEB benefit plan, a single employer defined benefit plan. Effective July 1, 2011, the City established the OPEB Trust Fund, which converted the existing balance in the OPEB fund to the Trust. The City continues to make annual contributions to the OPEB Trust Fund. This trust fund was opened for the purpose of segregating balances for postemployment benefits. All related activity is now shown in the newly established OPEB Trust Fund. Individual stand-alone statements are not issued. The level of these benefits is determined by contract for all union employees and by a City ordinance for all nonrepresented employees. Per contracts and ordinances, the City will pay a portion of the cost of these benefits. Benefits provided are as follows: 1) for retirees under 65, the City must currently provide Blue Cross/Blue Shield hospitalization, medical/surgical, prescription drug and major medical coverage's (varying deductibles) with coverages provided to both the retired employee and eligible dependents; 2) for retired employees and their eligible dependents, the City must provide Blue Cross/Blue Shield 65 coverage and also reimburse the Medicare Part B premium for each eligible retiree and retiree spouse eligible for Medicare; 3) the City also provides life insurance coverage based on union contracts. Health care costs are as follows (amounts not rounded):

Pre-65:

General City	\$17,646 Per Year
Fire	\$17,915 Per Year
Police	\$18,408 Per Year

Post-65:

BC 65 Low Option	\$2,160 Per Year
Plan 82	\$2,928 Per Year

Medicare Part B:

Actives	\$2,220 Per Year
Retirees	\$2,220 Per Year

Medicare Advantage Plan - Low Option	\$4,346 Per Year
Medicare Advantage Plan - High Option	\$5,084 Per Year

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description and Benefits Provided (Continued)

Board of Education Plan

The Board of Education provides certain postretirement benefits to retirees through negotiated contracts. The Board of Education does not have a trust fund for the OPEB plan. Eligibility for benefits is as follows:

Teachers

Prior to age 65 retiree and spouse pay full premium minus the Teachers' Retirement Board subsidy (eligible if receiving a retirement allowance from the Teacher's Retirement Board). Post 65, Board of Education pays premium in full for participant only, spouse pays premium minus subsidy. Effective September 1, 2014, Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board (either plan choice) for the participant only. No coverage is offered to spouses. Coverage may be obtained through the Teachers' Retirement Board or other sources.

Paraprofessionals

Retiree and spouse pay 50% of premium at age 60 with 15 years of service. Employees hired on or after September 1, 2020, can purchase single coverage only until age 65. No benefits after age 65.

Custodians

No cost to retiree or spouse until age 65 if employee is at least age 60 with 10 years of service or age plus service equals 79 at retirement. For those retiring after June 30, 2025, retiree pays cost of retiree medical insurance at the same percentage contributed at the time of retirement. Employees hired on or after January 22, 2020, are eligible for single coverage postretirement. At age 65, retiree and spouse must pay for prescription and dental coverage if elected.

Secretaries

No cost to retiree or spouse if employee is at least 60 with 10 years of service or age plus service equals 79 at retirement. (Note: Rule of 79 also applies to custodians and cafeteria workers.) If employee was hired after June 30, 2002, retiree and spouse pay same cost share as active employees until age 65. If employee was hired on or after December 31, 2011, retiree and spouse pay full premium until age 65. If hired on or after September 1, 2015, post-65 coverage is for retired employees only.

Cafeteria Workers

No cost to retiree or spouse until age 65 if employee is at least age 60 with 10 years of service or age plus service equals 79 at retirement. Employees hired on or after October 11, 2006, are eligible for single coverage only postretirement.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description and Benefits Provided (Continued)

Board of Education Plan (Continued)

Administrators

If retired before age 65, must be receiving retirement allowance from the Teachers' Retirement Board to qualify for benefits. No cost to retiree or spouse if the percentage of premium that the employee pays prior to retirement is less than the Teachers' Retirement Board subsidy. If cost is greater than the subsidy, retiree pays the difference. If subsidy is eliminated, retiree pays percentage of cost in effect at time of retirement. For administrators hired on or after July 1, 2010, who retire before age 65 with ten or more years of service, retiree and spouse pay the full premium minus the Teachers' Retirement Board subsidy until age 65. At age 65, there is no cost to the retiree or spouse for medical insurance. Effective July 1, 2016, the Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board (either plan choice) for the retiree and spouse. Effective July 1, 2019, Board of Education pays for Medicare Advantage Plan coverage obtained through the Teachers' Retirement Board. Employees hired as administrators on or after July 1, 2010, receive retiree only benefit post age 65. If the retirement date is on or after July 1, 2010, retiree and spouse must pay for dental coverage, regardless of age. Effective July 1, 2016, dental coverage is provided under the Teachers' Retirement Board's plan.

The Board provides Medicare Part A and B supplemental coverage and life insurance for certain retirees over 65. The State Teachers' Retirement Board provides a \$220 (single) and/or \$440 (two-person) per month per employee (figures not rounded) as a subsidy to offset the postemployment costs until age 65. Life insurance is provided to Union employees as follows: Administrators 100% of salary if hired on or before July 1, 2019; new hires after July 1, 2019, receive \$50,000 to age 65, \$25,000 to age 70, and coverage ends at age 70; teachers 50% of salary; support or noncertified staff is \$15,000 or less. The Life Insurance Amount is fixed and does not get adjusted for inflation, cost of living, or any other index.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description and Benefits Provided (Continued)

Board of Education Plan (Continued)

Health care costs are as follows (amounts not rounded):

Pre-65 (for Current Active Members who Retire):	<u>As of July 1, 2024</u>
Board of Ed-Café	\$16,008 per year
Board of Ed-Cust	\$14,719 per year
Board of Ed-Sec	\$15,081 per year
Board of Ed-Para	\$14,714 per year
Administrators	\$14,714 per year
Teachers	\$14,714 per year
Pre-65 (for Current Retirees who are Under 65):	
Based on Plan Selected	-
	<u>As of January 1, 2025</u>
Post-65 (for Current Active Members who Retire and Current Retirees who are Over 65):	
Hi Option with Plan 82 and No Rx	\$2,664 per year
Medicare Part B: Retirees	\$2,220 per year
Medicare Advantage Plan	\$5,923 per year
Post-65 (for Current Retirees who are Under 65):	
Based on Plan Selected - Dental Plan	\$513 per year

Membership

Membership in the plan consisted of the following at July 1, 2024:

	<u>City of Milford Retiree Medical Benefit Plan</u>	<u>Board of Education Retiree Medical Benefit Plan</u>	<u>Total</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	575	737	1,312
Active Plan Members	496	861	1,357
Total Participants	<u>1,071</u>	<u>1,598</u>	<u>2,669</u>

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
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NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Investments

Investment Policy

The City's Retiree Healthcare Trust's (OPEB Trust) policy in regard to the allocation of invested assets is established and may be amended by the Retiree Healthcare Trust by a majority vote of its members. It is the policy of the Board of Trustees for the Retiree Healthcare Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes or mutual funds. The Retiree Healthcare Trust's investment policy aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	25.00 %	4.52 %
U.S. Mid/Small Cap Equity	17.00	5.06
International Developed Equity	10.00	5.08
International Emerging Market Equity	8.00	5.80
Domestic Government	10.00	2.44
High Yield Fixed Income	5.00	3.92
International Fixed Income	5.00	1.27
International Adjusted Fixed Income	5.00	3.84
Cash	3.00	0.99
Commodities	2.00	2.51
Other (REITs, Alternative Assets, etc)	10.00	3.73
Total	<u>100.00 %</u>	

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Net OPEB Liability of the City

The City's OPEB liability was measured as of June 30, 2025. The components of the total and net OPEB liability of the City at June 30, 2025 were as follows:

	City of Milford Retiree Medical Benefit Plan	Board of Education Retiree Medical Benefit Plan
Total OPEB Liability	\$ 150,147	\$ 126,311
Plan Fiduciary Net Position	14,741	
Net OPEB Liability	<u>\$ 135,406</u>	

Plan Fiduciary Net Position as a	
Percentage of the Total OPEB Liability	9.82%

Actuarial Assumptions – City Plan

The total OPEB liability at June 30, 2025 was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.40 %
Salary Increases:	Age related table
Investment Rate of Return:	5.87%, prior 4.94%
Healthcare Cost Trend Rates:	7.00% decreasing 0.2% per year to an ultimate rate of 4.40% for 2037 and later. Medicare Part B assumed to increase by 3.40% per year.

Mortality rates were based on Pub-2010 Public Retirement Plans projected to the valuation date with scale MP-2021. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2019.

Retirement Assumptions

City Plan

General City: Age 62 or completion of 10 years of service if later, minimum age on valuation date plus one year.

Fire: 20 years of service, minimum age 53, maximum age 60, minimum age on valuation date plus one year.

Police: 20 years of service, minimum age 45, maximum age 60, minimum age on valuation date plus one year.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Net OPEB Liability of the City (Continued)

Actuarial Assumptions and Other Inputs – Board of Education Plan

The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation:	2.40 %
Salary Increases:	Age related table
Discount Rate:	5.20%, prior 3.93%
Healthcare Cost Trend Rates:	7.00% decreasing 0.2% per year to an ultimate rate of 4.40% for 2037 and later. Medicare Part B assumed to increase by 3.40% per year. Dental is assumed to increase by 3.4% per year.
Retirees' Share of Benefit-Related Costs:	Varies based on union and hire date - ranges from 50% to 100%

The discount rate was based on the 20-year AA municipal bond index fund.

Mortality rates were based on Pub-2010 Public Retirement Plans projected to the valuation date with scale MP-2021.

A full actuarial experience study has not been completed.

Board of Education

Cafeteria Workers, Custodians, Secretaries: age 50 with 10 years of service, minimum age on valuation date plus one year.

Teachers and Administrators: age 60 with 10 years of service or age 55 with 20 years of service, minimum age on valuation date plus one year.

Paraprofessionals: age 60 with 15 years of service, minimum age on valuation date plus one year.

D. Discount Rate – City Plan

The discount rate used to measure the total OPEB liability was 5.87%, up from 4.94% in the prior year. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Change in the Net OPEB Liability

Change in the Total OPEB Liability – City Plan

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2024	\$ 158,945	\$ 13,039	\$ 145,906
Changes for the Year:			
Service Cost	5,394	-	5,394
Interest on Total OPEB Liability	7,927	-	7,927
Changes in Benefit Terms	(1,118)	-	(1,118)
Differences Between Expected and Actual Experience	(6,921)	-	(6,921)
Changes in Assumptions	(6,253)	-	(6,253)
Employer Contributions	-	8,327	(8,327)
Net Investment Income (Loss)	-	1,202	(1,202)
Benefit Payments, Including Refund to Employee Contributions	(7,827)	(7,827)	-
Net Changes	(8,798)	1,702	(10,500)
Balances as of June 30, 2025	<u>\$ 150,147</u>	<u>\$ 14,741</u>	<u>\$ 135,406</u>

Change in the Total OPEB Liability – Board of Education Plan

	Total OPEB Liability (a)
Balances as of July 1, 2024	\$ 136,738
Changes for the Year:	
Service Cost	3,053
Interest on Total OPEB Liability	5,366
Differences Between Expected and Actual Experience	1,109
Changes in Assumptions	(13,382)
Benefit Payments, Including Refund of Employee Contributions	(6,573)
Net Changes	(10,427)
Balances as of June 30, 2025	<u>\$ 126,311</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The following presents the net OPEB liability of the City using the current discount rate, as well as what the City'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 (4.87%)	Current Discount Rate (5.87%)	1% Increase (6.87%)
City Plan - Net OPEB Liability	<u>\$ 152,327</u>	<u>\$ 135,406</u>	<u>\$ 121,149</u>
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
BOE Plan - Total OPEB Liability	<u>\$ 143,462</u>	<u>\$ 126,311</u>	<u>\$ 112,204</u>

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

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

	1% Decrease (6.00% Decreasing to 3.40%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
City Plan - Net OPEB Liability	<u>\$ 118,407</u>	<u>\$ 135,406</u>	<u>\$ 156,080</u>
	1% Decrease (6.00% Decreasing to 3.40%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
BOE Plan - Total OPEB Liability	<u>\$ 111,420</u>	<u>\$ 126,311</u>	<u>\$ 144,649</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense (revenue) of \$1,220, of which \$397 was reported for the City plan and \$823 was reported for the BOE plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		BOE		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 18,039	\$ 956	\$ 6,441	\$ 956	\$ 24,480
Changes of Assumptions	-	16,321	9,266	34,351	9,266	50,672
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	533	-	-	-	533
Total	<u>\$ -</u>	<u>\$ 34,893</u>	<u>\$ 10,222</u>	<u>\$ 40,792</u>	<u>\$ 10,222</u>	<u>\$ 75,685</u>

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

<u>Year Ending June 30,</u>	City	BOE	Total
2026	\$ (12,866)	\$ (6,822)	\$ (19,688)
2027	(9,487)	(3,992)	(13,479)
2028	(7,156)	(7,814)	(14,970)
2029	(3,188)	(6,665)	(9,853)
2030	(2,196)	(3,070)	(5,266)
Thereafter	-	(2,207)	(2,207)
Total	<u>\$ (34,893)</u>	<u>\$ (30,570)</u>	<u>\$ (65,463)</u>

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS RETIREMENT PLAN

Plan Description

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS
RETIREMENT PLAN (CONTINUED)**

Benefit Provisions (Amounts Not Rounded)

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$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, and 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 who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

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

Survivor Health Care Coverage (Amounts Not Rounded)

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS
RETIREMENT PLAN (CONTINUED)**

Eligibility (Continued)

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions (Amounts Not Rounded)

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the State was \$271 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS
RETIREMENT PLAN (CONTINUED)**

Contributions (Amounts Not Rounded) (Continued)

Employees/Retirees

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

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

At June 30, 2025, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB	
Liability Associated with the City	40,352
Total	<u>\$ 40,352</u>

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2025, the City recognized OPEB expense and revenue of \$559 in Exhibit II.

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%
Health Care Costs Trend Rate:	Local Coverage – 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare – Medicare rates known for 2025, 4.50% increase for all subsequent years.
Salary Increases:	3.00-6.50%, including inflation
Investment Rate of Return:	3.00%, net of OPEB plan investment expense, including inflation
Year Fund Net Position will be Depleted:	2027

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS
RETIREMENT PLAN (CONTINUED)**

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.64% to 3.93%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change;
- Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms since the prior Measurement Date.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is 1.26%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2024.

In addition to the actuarial methods and assumptions of the June 30, 2024, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS
RETIREMENT PLAN (CONTINUED)**

Discount Rate (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

Other Information

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)

NOTE 13 PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Pension Trust Funds	City OPEB Trust Fund	Total
Assets:			
Cash and Cash Equivalents	\$ 14,831	\$ 305	\$ 15,136
Investments:			
Corporate Bonds	9,398	-	9,398
U.S. Government Securities	4,578	-	4,578
Marketable Equity Securities	185,967	-	185,967
Alternative Investments	243,116	-	243,116
Mutual Funds	11,494	14,436	25,930
Total Investments	454,553	14,436	468,989
Receivables	11	-	11
Total Assets	469,395	14,741	484,136
Liabilities:			
Accounts and Other Payables	21	-	21
Net Position:			
Restricted for Retirement Benefits	<u>\$ 469,374</u>	<u>\$ 14,741</u>	<u>\$ 484,115</u>

Combining Schedules of Changes in Net Position - Trust Funds

	Pension Trust Funds	City OPEB Trust Fund	Total
Additions:			
Contributions:			
Plan Members	\$ 3,469	\$ -	\$ 3,469
Employer-Current Year	16,180	8,327	24,507
Total Contributions	19,649	8,327	27,976
Investment Income:			
Net Change in Fair Value of Investments	48,746	603	49,349
Interest and Dividends	20,280	640	20,920
Total Investment Income	69,026	1,243	70,269
Less Investment Expense	3,128	41	3,169
Net Investment Income	65,898	1,202	67,100
Total Additions	85,547	9,529	95,076
Deductions:			
Benefit Payments and Withdrawals	35,264	7,827	43,091
Administration	107	-	107
Total Deductions	35,371	7,827	43,198
Net Change	50,176	1,702	51,878
Net Position - Beginning of Year	419,198	13,039	432,237
Net Position - End of Year	<u>\$ 469,374</u>	<u>\$ 14,741</u>	<u>\$ 484,115</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 14 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2025, are as follows.

	General Fund	Capital Nonrecurring Fund	School Facilities Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 79	\$ 79
Prepays	21	-	-	-	21
Restricted for:					
Debt Service	-	-	-	1,803	1,803
Education	-	-	-	10,902	10,902
Capital Projects	-	1,312	1,358	878	3,548
Student Activities	-	-	-	778	778
Committed to:					
Compensated Absences	1,666	-	-	-	1,666
Sewer Operations	-	-	-	3,817	3,817
General Government	-	-	-	2,058	2,058
Capital Projects	-	7,742	-	-	7,742
Education	-	-	-	746	746
Debt Service	-	-	-	-	-
Sanity Sewer	-	-	-	3	3
Community Development	-	-	-	6	6
Assigned to:					
Subsequent Year's Budget	6,000	-	-	-	6,000
General Government Expenditures	186	-	-	-	186
Public Safety Expenditures	718	-	-	-	718
Public Services Expenditures	312	-	-	-	312
Health and Welfare Expenditures	17	-	-	-	17
Education Expenditures	1,988	-	-	-	1,988
Unassigned	29,726	-	(7,492)	(2,604)	19,630
Total Fund Balances	<u>\$ 40,634</u>	<u>\$ 9,054</u>	<u>\$ (6,134)</u>	<u>\$ 18,466</u>	<u>\$ 62,020</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$3,221.

NOTE 15 COMMITMENTS AND CONTINGENCIES (AMOUNTS NOT ROUNDED)

On December 2, 2014, the City of Milford and Milford Power Company, LLC (the MPC) agreed to extend its existing Property Tax Payment Agreement for a term of 10 years. The initial agreement was the result of an assessment appeal of the Grand Lists of 2001, 2002, 2003 and 2004. Originally, the assessment had been \$183,073,530 generating over \$5,000,000 in taxes. (The assessment and the taxes would have significantly decreased in future years due to depreciation of the personal property.) In return, the City accepted scheduled payments in lieu of taxes for the Fiscal Years of 2006 through 2015. The original agreement called for payments to be made in July and January of each fiscal year.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(IN THOUSANDS)**

NOTE 15 COMMITMENTS AND CONTINGENCIES (AMOUNTS NOT ROUNDED) (CONTINUED)

The payment schedule was \$1,687,500 for each six-month period from July 2005 through January 2009. Payments were \$1,875,000 for each six-month period from July 2009 through January 2011 and were \$1,750,000 for each six-month period from July 2011 through January 2015.

The new agreement calls for annual payments of \$4,700,000. Payments of \$2,350,000 are to be made in January and July of each year starting on July of 2015 and running through January of 2025. The payments are based on an assessment of \$172,667,000 and a stabilized mill rate of 27.22 mills. Since the agreement had expired, an assessment of \$275,792,199 had been added to the 10/1/2024 grand list. In December 2025, the City and MPC agreed to extend the agreement for one year. MPC is up to date with all of its payments.

On June 28, 2010, the City entered into a Property Tax Payment Agreement with GenConn Devon LLC. The City accepted a 30-year payment schedule calling for annual payments in lieu of taxes to be made to the City through May 1, 2040. Payment amounts are as follows: June 30, 2010 - \$ 500,000; May 1, 2011 - \$2,500,000; May 1, 2012 - \$3,000,000; May 1, 2013, through May 1, 2040 - \$2,025,000. GenConn is up to date with all its payments.

There are various lawsuits and claims pending against the City's various Boards and Departments, none of which, individually or in the aggregate, is believed by counsel to be likely to result in a judgment or judgments which would seriously affect the City's financial position.

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

NOTE 16 SUBSEQUENT EVENTS

On October 15, 2025, the City issued \$7,185 in general obligation bonds (Series A) with interest rates varying from 4.00% to 5.00% and a maturity date of October 15, 2045. In addition, the City issued \$16,160 of bond anticipation notes dated October 28, 2025, maturing October 27, 2026. The bond anticipation notes carry an interest rate of 4.00%.

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
General Property Taxes and Assessments:				
Current Taxes	\$ 221,881	\$ 221,881	\$ 226,641	\$ 4,760
Prior Year's Levies	1,000	1,000	1,151	151
Suspense Collections	65	65	110	45
Total General Property Taxes and Assessments	222,946	222,946	227,902	4,956
Fines, Forfeitures, Penalties, and Interest:				
Interest and Liens	1,000	1,000	1,208	208
Federal, State, and Local Governments:				
Education Cost Sharing	9,673	9,673	9,657	(16)
Special Education	-	-	-	-
State Realty in Lieu of Tax	360	360	367	7
Pequot State Aid	237	237	237	-
Miscellaneous State Revenue	1,130	1,130	1,130	-
Total Disability Exemptions	-	-	6	6
PILOT - Private Exemptions	361	361	367	6
Veteran Grants	93	93	86	(7)
Telephone Access Grant	90	90	168	78
Property Tax Relief	500	500	-	(500)
Shellfish Taxes	2	2	2	-
State Aid for Health	70	70	61	(9)
OTB Wagering Share	120	120	113	(7)
Public Welfare	-	-	43	43
Total Federal, State, and Local Government	12,636	12,636	12,237	(399)
Investment Income:				
Investments in Idle Funds	1,000	1,000	2,905	1,905
Rental of Other Property	49	49	61	12
Total Investment Income	1,049	1,049	2,966	1,917
Other Revenue:				
Rental of School Property	12	12	6	(6)
PILOT - Water Authority	541	541	568	27
Power Plant Settlement	4,700	4,700	4,700	-
Genconn PT	2,025	2,025	2,025	-
Miscellaneous Other Revenues	90	90	211	121
Inland Wetland Fees	4	4	7	3
Total Other Revenue	7,372	7,372	7,517	145

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Licenses, Permits, and Other Charges:				
Devices and Amusements	\$ 25	\$ 25	\$ 19	\$ (6)
Vending Permits	22	22	24	2
Disposal Area Licenses	64	64	-	(64)
Recording Documents	450	450	362	(88)
Conveyance Tax	1,250	1,250	1,207	(43)
General Copying Fees	50	50	54	4
Fire Department Fees	194	194	176	(18)
Paramedic Fees	1,600	1,600	2,010	410
Building Inspection Fees	1,800	1,800	1,756	(44)
Fingerprinting	6	6	10	4
Police Fines and Forfeits	70	70	102	32
False Alarm Fees	25	25	10	(15)
FD False Alarm Fines	-	-	-	-
Street Opening Permits	32	32	26	(6)
Engineering Fees	6	6	7	1
Residential Waste Fees	230	230	243	13
Health Inspection Fees	105	105	134	29
Health Insurance Billing	-	-	4	4
Planning and Zoning Fees	40	40	35	(5)
Zoning Appeals Fees	15	15	21	6
Recreation Fees	25	25	68	43
Walnut Beach Parking	185	185	175	(10)
Vandalism Judicial	-	-	-	-
Parking Fines Judicial	1	1	1	-
Vehicle Violations Judicial	20	20	28	8
Mobile Fee	1	1	2	1
Sewer Assessments	14	14	7	(7)
Animal Shelter Redemption	2	2	2	-
Dog Fund - City Share	9	9	11	2
Sale of Real Property	10	10	-	(10)
Sale of Other Property	-	-	22	22
Recycling Revenues	46	46	42	(4)
PILOT - Federal Payments	1	1	-	(1)
Hunting and Angling Fees	-	-	-	-
Sticker Fees	1	1	-	(1)
Bingo Permits Share	1	1	3	2
Total Licenses, Permits, and Other Charges	6,300	6,300	6,561	261
Total Revenues	251,303	251,303	258,391	7,088
Other Financing Sources:				
Use of Fund Balance	5,000	5,000	-	(5,000)
Total Other Financing Sources	5,000	5,000	-	(5,000)

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Total Budgeted Revenues and Other Financing Sources	<u>\$ 256,303</u>	<u>\$ 256,303</u>	\$ 258,391	<u>\$ 2,088</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut "on-behalf" contributions to the Connecticut State Teachers'				
Retirement System for City teachers are not budgeted:				
Pension			19,389	
OPEB			271	
Premium on Bonds Issued			5,119	
Nonbudgetary items and eliminations related to the Compensated Absences Fund			77	
Lease issuance			187	
SBITA issuance			41	
Encumbrances for purchases and commitments that were subsequently cancelled in the next fiscal year			(171)	
Other miscellaneous adjustments			<u>3</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 324,457</u>	

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Expenditures and	Uncommitted
	Original	Amended	Encumbrances	Balance
General Government:				
Board of Aldermen	\$ 8	\$ 8	\$ 7	\$ 1
Elections	150	168	168	-
Registrar of Voters	205	209	209	-
Milford Govt Access Television	31	31	31	-
Mayor's Office	364	364	318	46
General expenses	401	389	351	38
Community Development Department	153	153	133	20
City Clerk	465	452	434	18
Law Department	724	683	609	74
Ethics Commission	1	1	-	1
Probate Court	23	23	19	4
Board of Finance	2	2	1	1
Planning and Zoning Board	1,207	1,206	1,061	145
Board of Tax Review	7	7	1	6
Board of Zoning Appeals	1	1	-	1
Pension Board	5	5	5	-
Flood and Erosion Board	1	1	1	-
Tree Commission	2	2	1	1
Civil Service Commission	-	-	-	-
Park and Recreation Commission	1	1	1	-
EC DEV Commission	-	-	-	-
Conservation Commission	1	1	1	-
Housing Commission	-	-	-	-
Veterans Ceremony and Parade Commissior	6	6	5	1
Open Space	78	84	84	-
Public Library	1,296	1,306	1,296	10
Total General Government	5,132	5,103	4,736	367
Administration:				
Finance Department	2,439	2,374	2,271	103
IT Department	1,193	1,195	977	218
Human Resources Department	409	415	411	4
Total Administration	4,041	3,984	3,659	325
Public Safety:				
Police Department	17,017	16,959	16,250	709
Fire Department	14,715	15,078	15,024	54
Emergency Management	101	101	82	19
Animal Control	347	352	337	15
Lighting Hydrant Water	2,046	2,046	2,008	38
Total Public Safety	34,226	34,536	33,701	835

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Expenditures and	Uncommitted
	Original	Amended	Encumbrances	Balance
Public Services:				
Public Works Office	\$ 592	\$ 605	\$ 595	\$ 10
Highway-Parks Division	3,008	2,790	2,719	71
Building Maintenance Division	3,356	3,603	3,598	5
Engineering Division	421	421	370	51
General Garage Division	1,828	2,069	1,864	205
Solid Waste Operations	5,448	5,190	4,571	619
Total Public Services	14,653	14,678	13,717	961
Board of Education:				
Private School Textbooks	20	20	20	-
Educational Audit Fees	38	38	38	-
Employee Benefits	1,416	1,417	1,223	194
Educational Operations	109,950	109,700	109,700	-
Educational Contribution Health Insurance Fund	20,250	20,250	20,250	-
Educational School Nurses	1,631	1,631	1,517	114
Total Board of Education	133,305	133,056	132,748	308
Health and Welfare:				
Health Department	1,285	1,284	1,278	6
Recreation Department	1,049	1,049	1,049	-
Total Health and Welfare	2,334	2,333	2,327	6
General Charges:				
Employee Benefits - General	34,894	34,948	34,877	71
Insurance and Bonds	2,696	2,640	2,639	1
Claims and Refunds	929	875	766	109
Benefits and Salary Reserve	430	13	13	-
Unallocated Contingency	5	-	-	-
Total General Charges	38,954	38,476	38,295	181
Grants to Agencies:				
Milford Council on Aging	1,370	1,367	1,367	-
Milford Fine Arts Council	90	90	90	-
CMED	68	68	64	4
Regional Mental Health Board	3	3	3	-
Borough of Woodmont	265	265	265	-
Milford Transit District	360	360	360	-
Milford Mental Health	380	380	380	-
Veterans' Graves	3	3	3	-
U.S. Coast Guard Auxiliary	9	9	9	-

**CITY OF MILFORD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Expenditures and	Uncommitted
	Original	Amended	Encumbrances	Balance
Grants to Agencies (Continued):				
Milford Historical District Commission	\$ 1	\$ 1	\$ -	\$ 1
Milford Historic #2	1	1	1	-
Historic Preservation	3	3	-	3
Visiting Nurses Association	6	6	-	6
Cemetery Association	9	9	9	-
Boys and Girls Club	100	100	100	-
Homeless Shelter/CPAC	95	95	95	-
Literacy Volunteers	8	8	8	-
Total Grants to Agencies	<u>2,771</u>	<u>2,768</u>	<u>2,754</u>	<u>14</u>
Debt Service:				
Public Debt Service	13,977	13,977	13,628	349
School Debt	<u>6,382</u>	<u>6,382</u>	<u>6,297</u>	<u>85</u>
Total Debt Service	<u>20,359</u>	<u>20,359</u>	<u>19,925</u>	<u>434</u>
Other Financing Uses:				
Transfers Out	<u>528</u>	<u>1,010</u>	<u>1,010</u>	<u>-</u>
Total	<u>\$ 256,303</u>	<u>\$ 256,303</u>	<u>252,872</u>	<u>\$ 3,431</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State

Teachers' Retirement System for City teachers are not budgeted:

Pension

19,389

OPEB

271

Payment to Refunded Bond Escrow Agent

45,054

Refunding Bond Issuance Costs

115

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.

(3,093)

Prior year encumbrances reported in the current year for financial reporting purposes

1,883

Change in Board of Education's Summer Payroll originally charged to subsequent years budget for budgetary purposes

197

Capital outlays related to leases

187

Capital outlays related to SBITAs

41

Other miscellaneous adjustments

(13)

Nonbudgetary items and eliminations related to the Compensated Absences Fund

77

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds - Exhibit IV

\$ 316,980

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 9,942	\$ 9,318	\$ 9,303	\$ 8,617	\$ 8,262	\$ 8,233	\$ 8,322	\$ 8,023	\$ 7,979	\$ 7,809
Interest	35,139	34,222	33,321	32,708	32,434	31,387	30,582	29,952	29,924	28,604
Changes of Benefits Terms	3,623	-	-	-	-	-	509	-	-	-
Differences Between Expected and Actual Experience	6,207	5,010	4,102	(1,600)	(3,845)	3,708	(136)	(1,654)	14	(2,281)
Changes of Assumptions	5,334	5,112	4,853	4,684	1,420	(1,230)	(1,071)	(2,253)	248	7,100
Benefit Payments, Including Refunds of Member Contributions	(35,264)	(34,076)	(31,444)	(29,872)	(28,309)	(28,033)	(26,749)	(25,217)	(24,717)	(24,025)
Net Change in Total Pension Liability	24,981	19,586	20,135	14,537	9,962	14,065	11,457	8,851	13,448	17,207
Total Pension Liability - Beginning	502,311	482,725	462,590	448,053	438,091	424,026	412,569	403,718	390,270	373,063
Total Pension Liability - Ending	527,292	502,311	482,725	462,590	448,053	438,091	424,026	412,569	403,718	390,270
Plan Fiduciary Net Position:										
Contributions - Employer	16,180	14,667	13,849	11,366	9,101	7,914	6,881	5,984	5,203	4,525
Contributions - Member	3,469	3,259	3,300	3,047	2,888	2,923	2,893	2,788	2,736	2,672
Net Investment Income (Loss)	65,898	43,620	32,229	(45,827)	105,223	11,869	19,037	32,666	35,184	(3,210)
Benefit Payments, Including Refunds of Member Contributions	(35,264)	(34,076)	(31,444)	(29,872)	(28,309)	(28,033)	(26,749)	(25,217)	(24,717)	(24,025)
Administrative Expense	(107)	(41)	(101)	(50)	(85)	(82)	(57)	(56)	(47)	(143)
Other	-	-	-	-	-	-	32	167	23	47
Net Change in Plan Fiduciary Net Position	50,176	27,429	17,833	(61,336)	88,818	(5,409)	2,037	16,332	18,382	(20,134)
Plan Fiduciary Net Position - Beginning	419,198	391,769	373,936	435,272	346,454	351,863	349,826	333,494	315,112	335,246
Plan Fiduciary Net Position - Ending	469,374	419,198	391,769	373,936	435,272	346,454	351,863	349,826	333,494	315,112
Net Pension Liability (Asset) - Ending	<u>\$ 57,918</u>	<u>\$ 83,113</u>	<u>\$ 90,956</u>	<u>\$ 88,654</u>	<u>\$ 12,781</u>	<u>\$ 91,637</u>	<u>\$ 72,163</u>	<u>\$ 62,743</u>	<u>\$ 70,224</u>	<u>\$ 75,158</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.02 %	83.45 %	81.16 %	80.84 %	97.15 %	79.08 %	82.98 %	84.79 %	82.61 %	80.74 %
Covered Payroll	\$ 51,271	\$ 53,154	\$ 48,306	\$ 47,932	\$ 46,396	\$ 49,563	\$ 49,449	\$ 47,748	\$ 45,923	\$ 44,587
Net Pension (Asset) Liability as a Percentage of Covered Payroll	112.96 %	156.36 %	188.29 %	184.96 %	27.55 %	184.89 %	145.93 %	131.40 %	152.92 %	168.56 %

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 16,180	\$ 14,667	\$ 13,849	\$ 13,961	\$ 12,787	\$ 11,395	\$ 10,554	\$ 9,519	\$ 7,351	\$ 6,348
Contributions in Relation to the Actuarially Determined Contribution	16,180	14,667	13,849	11,366	9,101	7,914	6,881	5,984	5,203	4,525
Contribution Deficiency	\$ -	\$ -	\$ -	\$ 2,595	\$ 3,686	\$ 3,481	\$ 3,673	\$ 3,535	\$ 2,148	\$ 1,823
Covered Payroll	\$ 51,271	\$ 53,154	\$ 48,306	\$ 47,932	\$ 46,396	\$ 49,563	\$ 49,449	\$ 47,748	\$ 45,923	\$ 44,587
Contributions as a Percentage of Covered Payroll	31.56 %	27.59 %	28.67 %	23.71 %	19.62 %	15.97 %	13.92 %	12.53 %	11.33 %	10.15 %

Notes to Schedule

Valuation Date: July 1, 2024
Measurement Date: June 30, 2025

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Method, level percentage of salary
Amortization Method	None
Remaining Amortization Period	N/A
Asset Valuation Method	5-year smoothed fair value
Inflation	2.40%
Salary Increases	Age related table
Investment Rate of Return	7.00%
Retirement Age	Age related table
Mortality	City Non-Disabled: Pub-2010 Public Retirement Plans for General Employees, projected to the valuation date with Scale MP-2021. City Disabled: Pub-2010 Public Retirement Plans for General Disabled Retirees, projected to the valuation date with Scale MP-2021. Fire and Police Non-Disabled: PUB-2010 Public Retirement Plans for Public Safety Employees, projected to the valuation date with Scale MP-2021. Fire and Police Disabled: PUB-2010 Public Retirement Plans for Public Safety Disabled Retirees, projected to the valuation date with Scale MP-2021.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION
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>
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.75 %	11.15 %	8.65 %	(10.58)%	30.63 %	3.43 %	5.53 %	10.00 %	11.37 %	(0.99)%

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	196,709	211,463	228,039	185,480	234,189	213,972	164,985	171,408	180,837	142,361
Total	\$ 196,709	\$ 211,463	\$ 228,039	\$ 185,480	\$ 234,189	\$ 213,972	\$ 164,985	\$ 171,408	\$ 180,837	\$ 142,361
City's Covered Payroll	\$ 61,431	\$ 57,529	\$ 56,284	\$ 53,992	\$ 50,980	\$ 49,972	\$ 49,316	\$ 49,376	\$ 49,287	\$ 49,466
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.68 %	58.39 %	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	25.9 years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OPEB PLAN
LAST NINE FISCAL YEARS
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:									
Service Cost	\$ 5,394	\$ 5,438	\$ 6,125	\$ 7,323	\$ 8,285	\$ 6,111	\$ 6,430	\$ 6,568	\$ 5,653
Interest	7,927	7,556	7,893	6,707	6,405	7,371	7,707	7,150	7,351
Changes of Benefit Terms	(1,118)	-	(784)	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(6,921)	(1,635)	(19,710)	(3,076)	(9,524)	(460)	(8,085)	(596)	(1,017)
Changes of Assumptions	(6,253)	(4,153)	(4,894)	(21,833)	(4,017)	26,701	(15,516)	(8,754)	11,890
Benefit Payments	(7,827)	(7,116)	(6,834)	(6,288)	(6,481)	(8,491)	(7,419)	(7,468)	(6,664)
Net Change in Total OPEB Liability	(8,798)	90	(18,204)	(17,167)	(5,332)	31,232	(16,883)	(3,100)	17,213
Total OPEB Liability - Beginning	158,945	158,855	177,059	194,226	199,558	168,326	185,209	188,309	171,096
Total OPEB Liability - Ending	150,147	158,945	158,855	177,059	194,226	199,558	168,326	185,209	188,309
Plan Fiduciary Net Position:									
Contributions - Employer	8,327	7,616	7,334	6,788	6,981	8,991	7,919	7,968	7,164
Net Investment Income (Loss)	1,202	1,131	803	(1,572)	2,198	70	389	463	564
Benefit Payments	(7,827)	(7,116)	(6,834)	(6,288)	(6,481)	(8,491)	(7,419)	(7,468)	(6,664)
Other	-	-	-	-	-	-	-	1	-
Net Change in Plan Fiduciary Net Position	1,702	1,631	1,303	(1,072)	2,698	570	889	964	1,064
Plan Fiduciary Net Position - Beginning	13,039	11,408	10,105	11,177	8,479	7,909	7,020	6,056	4,992
Plan Fiduciary Net Position - Ending	14,741	13,039	11,408	10,105	11,177	8,479	7,909	7,020	6,056
Net OPEB Liability - Ending	<u>\$ 135,406</u>	<u>\$ 145,906</u>	<u>\$ 147,447</u>	<u>\$ 166,954</u>	<u>\$ 183,049</u>	<u>\$ 191,079</u>	<u>\$ 160,417</u>	<u>\$ 178,189</u>	<u>\$ 182,253</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.82 %	8.20 %	7.18 %	5.71 %	5.75 %	4.25 %	4.70 %	3.79 %	3.22 %
Covered Payroll	\$ 41,819	\$ 40,749	\$ 39,794	\$ 39,972	\$ 39,035	\$ 40,303	\$ 39,225	\$ 39,335	\$ 38,282
Net OPEB Liability as a Percentage of Covered Payroll	323.79 %	358.06 %	370.53 %	417.68 %	468.94 %	474.11 %	408.97 %	453.00 %	476.08 %

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OPEB PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (1)	\$ 12,751	\$ 12,601	\$ 13,003	\$ 12,860	\$ 12,577	\$ 12,419	\$ 16,033	\$ 15,745	\$ 12,321	\$ 12,103
Contributions in Relation to the Actuarially Determined Contribution	8,327	7,616	6,788	6,788	6,981	8,991	7,919	7,968	7,164	7,086
Contribution Deficiency	\$ 4,424	\$ 4,985	\$ 6,215	\$ 6,072	\$ 5,596	\$ 3,428	\$ 8,114	\$ 7,777	\$ 5,157	\$ 5,017
Covered Payroll	\$ 41,819	\$ 40,749	\$ 39,794	\$ 39,972	\$ 39,035	\$ 40,303	\$ 39,225	\$ 39,335	\$ 38,282	\$ 37,258
Contributions as a Percentage of Covered Payroll	19.91 %	18.69 %	17.06 %	16.98 %	17.88 %	22.31 %	20.19 %	20.26 %	18.71 %	19.02 %

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule

Valuation Date: July 1, 2024
Measurement Date: June 30, 2025

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	None
Amortization Period	N/A
Asset Valuation Method	Plan assets equal the fair value of assets
Inflation	2.40%
Healthcare Cost Trend Rates	6.50% initial, decreasing 0.2% per year to an ultimate rate of 4.40%
Salary Increases	Age related table
Investment Rate of Return	4.94% (Prior 4.7%)
Retirement Age	In the 2020 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	City: PUB-2010 Public Retirement Plans for General Employees, projected to the valuation date with Scale MP-2021. Fire and Police: PUB-2010 Public Retirement Plans for Public Safety Employees, projected to the valuation date with Scale MP-2021.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY OPEB PLAN
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>
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.90%	9.53 %	7.59 %	(13.51)%	24.61 %	0.86 %	5.23 %	7.16 %	10.44 %

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
BOE OPEB PLAN
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 3,053	\$ 3,163	\$ 3,303	\$ 4,724	\$ 6,324	\$ 4,121	\$ 5,849	\$ 5,946
Interest	5,366	5,085	5,096	3,763	4,909	6,238	7,930	7,395
Changes of Benefit Terms	-	-	-	-	(49,281)	-	-	-
Differences Between Expected and Actual Experience	1,109	(342)	(5,242)	(942)	(4,433)	(91)	(8,936)	120
Changes of Assumptions	(13,382)	(4,650)	(2,114)	(31,309)	1,293	38,142	(24,067)	(8,972)
Benefit Payments	(6,573)	(5,313)	(5,762)	(4,404)	(5,834)	(6,562)	(5,884)	(6,223)
Net Change in Total OPEB Liability	(10,427)	(2,057)	(4,719)	(28,168)	(47,022)	41,848	(25,108)	(1,734)
Total OPEB Liability - Beginning	136,738	138,795	143,514	171,682	218,704	176,856	201,964	203,698
Total OPEB Liability - Ending	<u>\$ 126,311</u>	<u>\$ 136,738</u>	<u>\$ 138,795</u>	<u>\$ 143,514</u>	<u>\$ 171,682</u>	<u>\$ 218,704</u>	<u>\$ 176,856</u>	<u>\$ 201,964</u>
Covered-Employee Payroll	\$ 70,133	\$ 71,451	\$ 69,777	\$ 70,604	\$ 68,949	\$ 66,394	\$ 64,617	\$ 65,131
Net OPEB Liability as a Percentage of Covered Payroll	180.10 %	191.37 %	198.91 %	203.27 %	249.00 %	329.40 %	273.70 %	310.09 %

*Notes - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

- There are no assets accumulated in a trust available to pay OPEB benefits.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	- %	- %	- %	- %	- %	- %	- %	- %
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	40,352	19,811	19,970	20,208	34,929	33,370	32,982	44,119
Total	<u>\$ 40,352</u>	<u>\$ 19,811</u>	<u>\$ 19,970</u>	<u>\$ 20,208</u>	<u>\$ 34,929</u>	<u>\$ 33,370</u>	<u>\$ 32,982</u>	<u>\$ 44,119</u>
City's Covered Payroll	\$ 61,431	\$ 56,600	\$ 57,529	\$ 56,284	\$ 53,992	\$ 50,980	\$ 49,972	\$ 49,316
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.40 %	11.92 %	9.46 %	6.11 %	2.50 %	2.08 %	1.49%	1.79%

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change; and Long-term health care cost trend rate was updated to 10.0%.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Fair value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

Notes:

- This schedule is intended to show
- The measurement date is one year earlier than the employer's reporting date

Appendix B-1

Form of Opinion of Bond Counsel –Bonds

**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026**

October __, 2026

City of Milford
City Hall
110 River Street
Milford, Connecticut 06460

We have acted as Bond Counsel to the City of Milford, Connecticut (the “City”) in connection with the issuance by the City of its \$ _____ General Obligation Bonds, Issue of 2026 (the “Bonds”) dated October __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Compliance Agreement of the City 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 City 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 City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

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 City has made covenants and representations designed to assure compliance with such requirements of the Code. The City 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 City with the covenants set forth in the Agreement as to such tax matters.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City 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 City 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.

City of Milford, Connecticut
October __, 2026
Page 3 of 3

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 – Notes

**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BOND ANTICIPATION NOTES**

October __, 2026

City of Milford
City Hall
110 River Street
Milford, Connecticut 06460

We have acted as Bond Counsel to the City of Milford, Connecticut (the “City”) in connection with the issuance by the City of its \$ _____ General Obligation Bond Anticipation Notes (the “Notes”) dated October __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Compliance Agreement of the City 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 City 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 City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

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 City has made covenants and representations designed to assure compliance with such requirements of the Code. The City 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 City with the covenants set forth in the Agreement as to such tax matters.

Based on the foregoing, we are of the opinion that interest on the 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 City 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 City 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.

City of Milford, Connecticut
October __, 2026
Page 3 of 3

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 –Bonds

**FORM OF CONTINUING DISCLOSURE AGREEMENT
BY THE CITY OF MILFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$ _____ City of Milford, Connecticut
General Obligation Bonds, Issue of 2026**

This Continuing Disclosure Agreement (“Agreement”) is made as of October __, 2026, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bonds, Issue of 2026, dated October __, 2026 (the “Bonds”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated October __, 2026 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“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 Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

- (A)** the amounts of the gross and net taxable grand list;
 - (B)** a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
 - (C)** the percentage and amount of the annual property tax levy collected and uncollected;
 - (D)** a schedule of the annual debt service on outstanding long-term bonded indebtedness;
 - (E)** a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
 - (F)** the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
 - (G)** the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
 - (H)** a statement of statutory debt limitations and debt margins;
- and
- (I)** the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site 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 or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i)** principal and interest payment delinquencies;
- (ii)** unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii)** unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv)** substitution of credit or liquidity providers, or their failure to perform;
- (v)** 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 events affecting the tax status of the Bonds;
- (vi)** tender offers;
- (vii)** bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

Note to clause (a)(vii): For the purposes of the event identified in clause (a)(vii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

- (viii)** Bond defeasances;
- (ix)** rating changes; and

(x) 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.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Bondholders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term “financial obligation” means 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” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the 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 in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the 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 Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. 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.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is City of Milford, Finance Department, 70 W. River Street, Milford, Connecticut 06460, Attn: Director of Finance. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF MILFORD, CONNECTICUT

By: _____
Richard M. Smith, Mayor

By: _____
Lucia Branco, City Treasurer

By: _____
Peter A. Erodici, Jr., Director of Finance

Appendix C-2

Form of Continuing Disclosure Agreement – Notes

**FORM OF CONTINUING DISCLOSURE AGREEMENT
BY THE CITY OF MILFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$ _____ City of Milford, Connecticut
General Obligation Bond Anticipation Notes**

This Continuing Disclosure Agreement (“Agreement”) is made as of October __, 2026, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bond Anticipation Notes dated October __, 2026 (the “Notes”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 10 hereof.

“Final Official Statement” means the official statement of the Issuer dated October __, 2026 prepared in connection with the issuance of the Notes.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“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. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) 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 events affecting the tax status of the Notes;

(vi) tender offers;

(vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

Note to clause (a)(vii): For the purposes of the event identified in clause (a)(vii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(viii) Note defeasances;

(ix) rating changes; and

(x) 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.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Noteholders;

(iii) Note calls;

(iv) release, substitution, or sale of property securing repayment of the Notes;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses(a)(x) and (b)(vii), the term “financial obligation” means 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” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 3. Termination of Reporting Obligation. The Issuer’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the 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 in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the 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 Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. 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.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney’s fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person’s malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is City of Milford, Finance Department, 70 W. River Street, Milford, Connecticut 06460, Attn: Director of Finance. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 10. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF MILFORD, CONNECTICUT

By: _____
Richard M. Smith, Mayor

By: _____
Lucia Branco, City Treasurer

By: _____
Peter A. Erodici, Jr., Director of Finance

Appendix D-1

Notice of Sale –Bonds

NOTICE OF SALE

CITY OF MILFORD, CONNECTICUT
\$8,685,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026
BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the CITY OF MILFORD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on **THURSDAY,**

OCTOBER 15, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$8,685,000 General Obligation Bonds, Issue of 2026, dated October 27, 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 October 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	430,000	2037	435,000
2028	430,000	2038	435,000
2029	430,000	2039	435,000
2030	430,000	2040	435,000
2031	430,000	2041	435,000
2032	435,000	2042	435,000
2033	435,000	2043	435,000
2034	435,000	2044	435,000
2035	435,000	2045	435,000
2036	435,000	2046	435,000

The Bonds will bear interest commencing April 15, 2027 and semiannually thereafter on October 15 and April 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 October 15, 2034 are not subject to redemption prior to maturity. The Bonds maturing on October 15, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on or after October 15, 2034 at any time, either 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 redemption 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 Dates</u>	<u>Redemption Price</u>
October 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 NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), 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 March and September in each year.

Proposals

Each bid must be for the entire \$8,685,000 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 S&P Global, 55 Water Street, New York, New York 10041, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@spglobal.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 Bridgeport, 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 October 27, 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 Jessica G. Kennedy, Esq., Pullman & Comley, LLC, 850 Main Street, 9th Floor, Bridgeport, Connecticut 06604, Telephone: (203) 330-2215, E-mail: jkennedy@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (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 October 8, 2026 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. 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.

CITY OF MILFORD, CONNECTICUT

RICHARD M. SMITH
Mayor

PETER A. ERODICI, JR.
Director of Finance

LUCIA BRANCO
City Treasurer

October 8, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

CITY OF MILFORD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED OCTOBER 27, 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 CITY OF MILFORD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about October 27, 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 October 15, 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 October 15, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, October 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2027	430,000		
2028	430,000		
2029	430,000		
2030	430,000		
2031	430,000		
2032	435,000		
2033	435,000		
2034	435,000		
2035	435,000		
2036	435,000		
2037	435,000		
2038	435,000		
2039	435,000		
2040	435,000		
2041	435,000		
2042	435,000		
2043	435,000		
2044	435,000		
2045	435,000		
2046	435,000		

Schedule B to Issue Price Certificate

Appendix D-2

Notice of Sale – Notes

NOTICE OF SALE

**CITY OF MILFORD, CONNECTICUT
\$11,170,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**[®] (as described herein) will be received by the CITY OF MILFORD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on **THURSDAY**,

OCTOBER 15, 2026

(the “Sale Date”) for the purchase of the Issuer’s \$11,170,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Phoenix Advisors, a Division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**[®] (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated October 27, 2026 and will mature and be payable to the registered owner on October 26, 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 NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the 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 the form of the Proposal for Notes attached hereto or, if submitted electronically, 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 \$170,000 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**[®], c/o S&P Global, 55 Water Street, New York, New York 10041, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@spglobal.com).

For purposes of the telephone bidding process and 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, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

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.

Telephone Bidding Procedures

Telephone bids will be received until 11:00 A.M. (E.T.) on the Sale Date by an authorized agent of Phoenix Advisors, the Issuer's municipal advisor. All telephone bids must be made to (203) 783-3201 and be completed by 11:00 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the "Proposal for Notes" attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

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 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 Bridgeport, 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 October 27, 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 Jessica G. Kennedy, Esq., Pullman & Comley, LLC, 850 Main Street, 9th Floor, Bridgeport, Connecticut 06604, Telephone: (203) 330-2215, E-mail: jkennedy@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (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 (ii) 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 October 8, 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 Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. 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.

CITY OF MILFORD, CONNECTICUT

RICHARD M. SMITH
Mayor

PETER A. ERODICI, JR.
Director of Finance

LUCIA BRANCO
City Treasurer

October 8, 2026

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

Richard M. Smith, Mayor
Peter A. Erodici, Jr., Director of Finance
Lucia Branco, Treasurer
City of Milford, Connecticut
City Hall, 110 River Street
Milford, CT 06460
Telephone No. (203) 783-3201

Milford City Officials:

Subject to the provisions of the Notice of Sale dated October 8, 2026, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$11,170,000 General Obligation Bond Anticipation Notes of the City of Milford, Connecticut (the "Issuer"), dated October 27, 2026 and maturing on October 26, 2027 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$11,170,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: October 15, 2026

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)

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