

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2025**

**NEW MONEY ISSUE**

**S&P RATING: SP-1+**

**(See “Rating” herein)**

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

**TOWN OF SOUTHBURY, CONNECTICUT**  
**\$8,520,000**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**  
**(BOOK-ENTRY-ONLY)**  
**(BANK QUALIFIED)**

|                                |               |              |                          |
|--------------------------------|---------------|--------------|--------------------------|
| <b>Dated: Date of Delivery</b> |               |              | <b>Due: July 7, 2026</b> |
| <u>Amount</u>                  | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP<sup>1</sup></u> |
| \$8,520,000                    | %             | %            | 841280---                |

The \$8,520,000 General Obligation Bond Anticipation Notes (the “Notes”) will be general obligations of the Town of Southbury, Connecticut (the “Town”), and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. See “Security and Remedies” herein.

The Notes are not subject to redemption prior to maturity.

The Notes will bear interest payable at maturity. The Notes will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Notes. Ownership of the Notes will be in the denominations of \$5,000 or integral multiples thereof plus any odd amount. The Beneficial Owners will not receive certificates representing their ownership interest in the Notes. Principal and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. So long as Cede & Co. is the Noteowner, as nominee of DTC, reference herein to the Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. See “Book-Entry-Only Transfer System” herein.

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

The Notes are being offered for sale at public bidding in accordance with an official Notice of Sale dated June 17, 2025. **Electronic bids via PARITY® for the Notes will be received until 11:30 A.M. (E.T.) on Tuesday, June 24, 2025 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, as described in the Notice of Sale, (See Appendix D to this Official Statement).**

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York on or about **July 8, 2025**.

***This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.***

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson or other person has been authorized by the Town of Southbury, Connecticut (the “Town”) or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. 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 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 Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose.

Other than as to matters expressly set forth in Appendix A – “Basic Financial Statements” to this Official Statement, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

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

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), notice of the occurrence of certain events within ten (10) business days of the occurrence of such events with respect to the Notes, pursuant to the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

The Town’s Municipal Advisor has assisted the Town in the preparation of this Official Statement from information supplied by the Town Officials and other sources. Munistat Services, Inc. does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

This Official Statement is in a form “deemed final” by the Town for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but subject to revision or amendment.

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

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## NOTE ISSUE SUMMARY

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

|  |  |
|--|--|
| <b>Date of Sale:</b>   | <b><u>Tuesday, June 24, 2025, 11:30 AM (E.T.).</u></b>   |
| <b>Location of Sale:</b>   | Munistat Services Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.  |
| <b>Issuer:</b>   | Town of Southbury, Connecticut (the “Town”).   |
| <b>Issue:</b>  | \$8,520,000 General Obligation Bond Anticipation Notes (the “Notes”).  |
| <b>Dated Date:</b>   | Date of Delivery, July 8, 2025.  |
| <b>Interest Due:</b>   | At maturity, July 7, 2026.   |
| <b>Principal Due:</b>  | At maturity, July 7, 2026.   |
| <b>Purpose and Authority:</b>  | The proceeds of the Notes will be used to finance capital projects improving Town infrastructure and facilities damaged in connection with the August 18, 2024 storm. See “Authorization and Purpose” herein.  |
| <b>Redemption:</b>   | The Notes <b>are not</b> subject to redemption prior to maturity.  |
| <b>Security:</b>   | The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due. See “Security and Remedies” herein.   |
| <b>Credit Rating:</b>  | The Town received a credit rating of SP-1+ from S&P Global Ratings (“S&P”) on the Notes. Currently the Town has an issuer credit rating of AAA from S&P. See “Rating” herein.  |
| <b>Basis of Award:</b>   | Lowest Net Interest Cost (NIC), as of dated date.  |
| <b>Tax Status:</b>   | See “Tax Matters” herein.  |
| <b>Bank Qualification:</b>   | The Notes <b>shall</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.   |
| <b>Continuing Disclosure:</b>  | In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, timely notices of the occurrence of certain events within ten (10) business days of the occurrence of such events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement. |
| <b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b> | U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor Hartford, Connecticut 06103.   |
| <b>Legal Opinion:</b>  | Robinson & Cole LLP of Hartford, Connecticut will act as Bond Counsel.   |
| <b>Delivery and Payment:</b>   | It is expected that delivery of the Notes in book-entry-only form will be made to DTC on or about July 8, 2025 against payment in <b>Federal Funds</b> .   |
| <b>Issuer Official:</b>  | Questions concerning the Official Statement should be addressed to Mr. Dan Colton, Finance Director/Treasurer, Town of Southbury, 501 Main Street South, Southbury, Connecticut 06488. Telephone: 203-262-0663.  |
| <b>Municipal Advisor:</b>  | Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.  |

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) and [munistat.com](http://munistat.com). For additional information please contact the Municipal Advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com)

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Southbury, Connecticut (the “Town”) in connection with the issuance and sale of \$8,520,000 General Obligation Bond Anticipation Notes (the “Notes”), of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated June 17, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D to this Official Statement) for the terms and conditions of the bidding on the Notes.

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

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

Munistat Services, Inc. (“Munistat”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal and state income tax status of the Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

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

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

### DESCRIPTION OF THE NOTES

The Notes will be dated July 8, 2025 and will mature on July 7, 2026. Interest on the Notes will be payable at maturity on July 7, 2026. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. A book-entry-only system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Robinson & Cole LLP, in substantially the form set forth in Appendix B to this Official Statement.

**The Notes are not subject to redemption prior to maturity.**

**AUTHORIZATION AND PURPOSE**

The Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Southbury, and a borrowing resolution approved by the voters of the Town at a Special Town Meeting on June 12, 2025.

The proceeds of the Notes will be used to finance the following project authorized by the Town:

| <u>Project</u>                  | <u>Amount of<br/>Total<br/>Authorization</u> | <u>Additions/<br/>(Reductions)</u> | <u>Notes This<br/>Issue</u> |
|---------------------------------|--|------------------------------------|-----------------------------|
| Storm Damage 2024 Projects..... | \$ 8,520,000                                 | \$ -                               | \$ 8,520,000                |
| <b>Total All Projects.....</b>  | <b>\$ 8,520,000</b>                          | <b>\$ -</b>                        | <b>\$ 8,520,000</b>         |

**BOOK-ENTRY-ONLY TRANSFER SYSTEM**

DTC, New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each interest rate of the Notes in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

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

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

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

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

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes 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, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, 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 Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

## **REPLACEMENT NOTES**

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

## **DTC PRACTICES**

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

## **SECURITY AND REMEDIES**

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



Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes which may be levied on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

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

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

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

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

#### **CONSIDERATION FOR NOTE HOLDERS**

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

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

#### **CYBERSECURITY**

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. Each year, the Town completes a cyber risk assessment and has implemented many of the items suggested to help mitigate the impact and/or damage from cyber incidents or cyber-attacks on business operations, including multi-factor authentication and software. The Town invests in various forms of cybersecurity and operational controls. Additionally, the Town purchases cybersecurity insurance with Travelers, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial. As of June 17, 2025 there have been no cyber breaches.

## **CLIMATE CHANGE**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. The Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removal run by the Town's Tree Warden to aid in storm preparedness. In 2024, the Town achieved silver level certification through Sustainable CT. Most recently the Town added a food scrap program. The Town has an Office of Emergency Management ("OEM") which is responsible for planning for emergencies and disasters, responding to incidents as a coordinating agency, directing mitigation against hazards, and assisting residents in recovery after an incident. OEM works with local, state, federal and other agencies. The Town has a Mitigation Plan through the Naugatuck Valley Council of Governments ("NVCOG") which includes 19 municipalities. The Mitigation Plan identifies natural hazards and risks, existing capabilities and activities that can help prevent or reduce loss of life and property damage. The Mitigation Plan was approved by the Federal Emergency Management Agency ("FEMA") in January 2022. On August 18, 2024 the Town was hit by a massive storm which caused severe flooding that destroyed roads, bridges, historic sites, the library and catch basins. FEMA has set-up a location in the Town to aid businesses and individuals through the disaster relief system. The Town anticipates receiving FEMA funds through the State to aid in the rebuilding process. Estimated damages to the Town's infrastructure and buildings is \$91 million. It is expected that FEMA will reimburse the Town for the majority of the rehabilitation work which must be done. The Town cannot predict the timing, extent or severity of this storm or any climate change event and its impact on its operations and finances.

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

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

## **AVAILABILITY OF CONTINUING DISCLOSURE**

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a continuing disclosure agreement with respect to the Notes, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"). In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes.

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

## **RATING**

The Town received a credit rating of SP-1+ from S&P Global Rating ("S&P") on the Notes. Currently the Town has an issuer credit rating of AAA from S&P.

Generally, a rating agency bases ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from S&P at 55 Water Street, 45<sup>th</sup> Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town's bonds and notes.

## **TAX MATTERS**

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

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

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and 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.

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

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

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

### **Original Issue Premium**

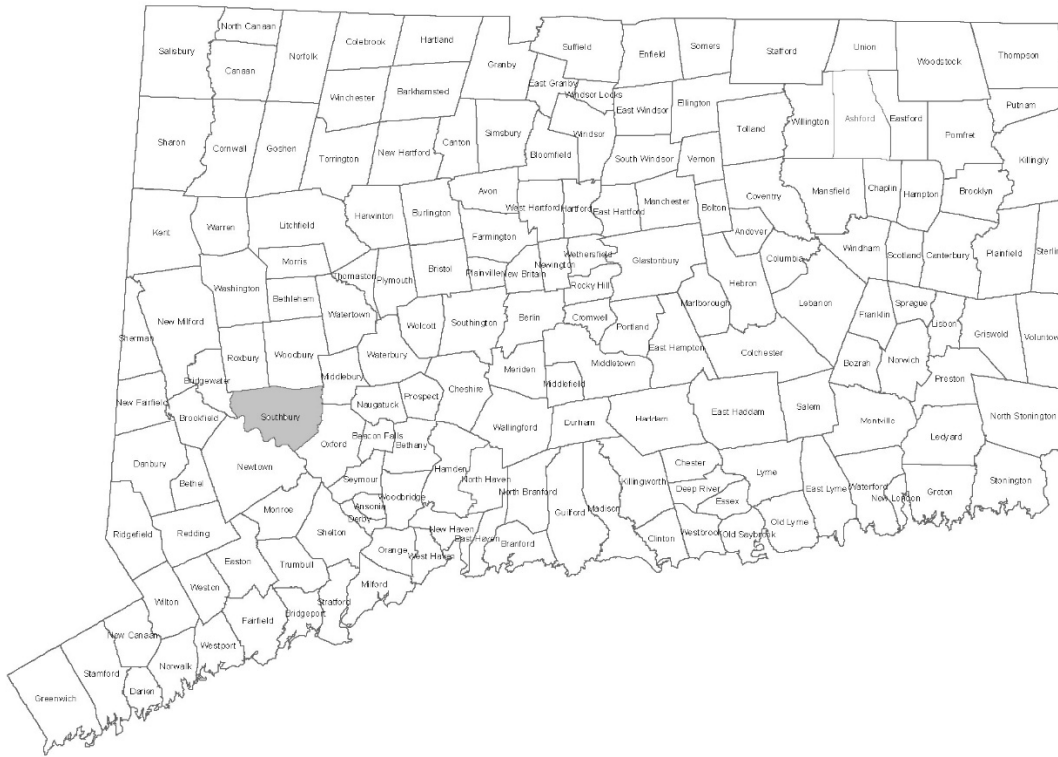
The initial public offering price of certain maturities of the Notes may be greater than the principal amount payable on such Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Notes are sold over the principal amount payable at maturity or on earlier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

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Note during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Notes by such owner. Amortized original issue premium on the Notes is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as

amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Notes.

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town of Southbury, located in New Haven County, was incorporated in May 1787 and covers an area of 40.9 square miles. The Town is bordered by Woodbury and Roxbury to the north, Bridgewater and Brookfield to the west, Newtown to the southwest, and Middlebury and Oxford to the east. Midway between Danbury and Waterbury on Interstate 84, the Town is bordered on the west by the Housatonic River with its lakes Zoar and Lillinonah, and is within 65 miles of New York City and 35 miles of Hartford, the State capital. Passenger, commercial, and freight air transportation is available at Connecticut's Bradley International Airport, Tweed-New Haven Airport and more locally, at Danbury Municipal Airport.

Southbury strives to preserve its rural atmosphere. The Town is well suited to family living and is comprised of rural country areas, suburban neighborhoods and historic districts. The Town features several distinct villages of historic note which add to the New England character of the Town. Historic Main Street, once a Pomperaug Indian trail, showcases the fine architecture of the Town's first homes. The Bullet Hill School is also on Main Street and is one of the oldest school buildings in the country. The school operated from 1689 to 1942 and is used today as a unique classroom where students experience a typical nineteenth century school day. The wide-open spaces of Southbury lend themselves to leisure and sporting pleasure. The Parks and Recreation Department maintains excellent facilities, and Lake Zoar features water sports and equestrian fun.

Southbury is the only community in the country with the name "Southbury", which is why the Town seal reads Unica Unaque, meaning "The One and Only". As of the 2022 U.S. Census Bureau, American Community Survey the Town was credited with a population of 19,936. The median home sales price according to the same report was \$359,600.

### LOCAL ECONOMY

Southbury last updated the Town's Plan of Conservation and Development ("POCD") in February 2023. The updated POCD is an advisory document intended to assess current conditions, anticipate important issues and provide Southbury a guide to aid in decision making regarding planning for land use now and in the future. Some key factors are:

- Reaffirms conviction that Southbury must continue to retain all remaining elements of our historic and rural nature
- Endorses protection of rural features such as dirt roads and scenic views
- Maintains the goal to preserve 25% of Southbury’s land as permanent open space during the next ten years
- Identifies protection of the quality of water
- Supports continued use of commercial and industrial zones

Heritage Village, a \$150 million retirement community, was completed in 1967. Its more than 4,000 residents come from all areas of the United States. The thriving adult community covers an area of 1,000 acres and includes private 9-hole and 18-hole championship golf courses, a woodworking shop, art studio, four swimming pools and a pond, the Heritage Inn and Conference Center and over 2,500 individual homes.

Southbury Training School is a residential facility for individuals with intellectual and developmental disabilities. The 1,400-acre campus includes modern health facilities and cottage-style residences and is a progressive model for long-term care.

International Business Machine Corporation (“IBM”) purchased 1,400 acres of land in Southbury, Middlebury and Oxford in December 1985. IBM subsequently built a one million square foot complex on 227 acres on Kettletown Road in Southbury. In December 2023 IBM announced they would be closing the complex on January 26, 2024. Currently the complex is listed for sale.

An array of retail establishments provide goods and services to residents. Five small to medium size shopping plazas are located in Southbury, the largest of which is the Southbury Plaza. There are three main commercial zones, Heritage Village, Southford and Main Street. Over the past year, 55 new businesses were registered with the Town Clerk’s office and over 20 businesses celebrated grand openings, business anniversaries, business expansions or renovations.

## **FORM OF GOVERNMENT**

The Town operates under a Town Meeting form of government and is governed by a Charter first adopted in 1975 and most recently revised in November 2019 (“Charter”). The First Selectman, elected to a two-year term of office every odd-numbered year, is the Chief Executive of the Town and is responsible for the administration of all Town business matters. The First Selectman also presides over the Board of Selectmen with full voting privileges. He is an ex-officio member of all Town boards, commissions, and committees. The Board of Selectman, consisting of six elected members serves as the Town’s legislative body. The Board of Finance, consisting of six elected members and three alternates, in conjunction with the First Selectman, Board of Selectman and Finance Director are responsible for the Town’s finances and recommending the Budget Referendum.

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**PRINCIPAL TOWN OFFICIALS**

| <u>Office</u>                   | <u>Name</u>              | <u>Manner of Selection</u> | <u>Term</u> | <u>Years of Service</u> |
|---------------------------------|--------------------------|----------------------------|-------------|-------------------------|
| First Selectman.....            | Jeff Manville.....       | Elected                    | 2023-2025   | 10 Years                |
| Selectman.....                  | Justin Bette.....        | Elected                    | 2023-2025   | 10 Years                |
| Selectman.....                  | Anne Armeno.....         | Elected                    | 2023-2025   | 6 Months <sup>1</sup>   |
| Selectman.....                  | Jason Van Stone.....     | Elected                    | 2023-2025   | 1 Year                  |
| Selectman.....                  | Tim O'Neil.....          | Elected                    | 2023-2025   | 2 Years                 |
| Selectman.....                  | Holly Sullivan.....      | Elected                    | 2023-2025   | 4 Years                 |
| Board of Finance Chairman.....  | John A. Michaels.....    | Elected                    | 2023-2027   | 52 Years                |
| Finance Director/Treasurer..... | Dan Colton.....          | Appointed                  | Indefinite  | 8 Years                 |
| Tax Collector.....              | Azra Sholtes, CCMC.....  | Appointed                  | 2022-2026   | 4 Years                 |
| Town Clerk.....                 | Alice Maisano, CCTC..... | Elected                    | 2022-2026   | 20 Years                |
| Assessor.....                   | Darcel Peters, CCMA..... | Appointed                  | Indefinite  | 6 Years                 |
| Superintendent of Schools.....  | Joshua Smith.....        | Appointed                  | Indefinite  | 8 Years                 |

<sup>1</sup> Anne Armeno replaced Jason Buchsbaum who resigned for a State Representative position.  
Source: Town Officials.

**SUMMARY OF MUNICIPAL SERVICES**

**Police** - Southbury has an independent Police Department. The Police Chief oversees the daily operations of the local department, which consists of twenty-two full time police officers (including one detective), one Resident Trooper Supervisor. All officers have completed basic training at the Connecticut Police Academy and are recertified every three years. All police officers utilize body-worn and in-car video cameras when interacting with the public. The Police Department also houses the Communications Center. The Communications Center has a staff of five full-time dispatchers, three part-time dispatchers, and two civilian employees and handles the calls for the Fire Department, Southbury Ambulance Association, and Heritage Village.

**Fire** - Fire suppression services are provided by the Southbury Volunteer Firemen’s Association (“SVFA”). The SVFA has seventy-five regular members and fifteen junior members and operates from four stations: Center Firehouse, Southford Firehouse, South Britian Firehouse, and the Purchase Firehouse. The Southbury Training School also maintains a fire department that can assist the SVFA when necessary.

**Ambulance Service** – The Southbury Ambulance Association (“SAA”), a volunteer organization of approximately forty members, operates the Town’s ambulatory services, providing emergency medical service and advanced life saving support skills. The ambulance is based at the Center Firehouse. Emergency calls and dispatching of personnel are handled by the Communications Center in the Town Hall Annex. The SAA provides back-up service to the Heritage Village Association and back-up service is also available to Southbury residents from the Southbury Training School. The Heritage Village Ambulance Association has Emergency Medical Technicians (“EMT”) to serve residents of Heritage Village. Full coverage is provided including weekends and holidays.

**Emergency Management Department** – The responsibilities of the Southbury Office of Emergency Management (“OEM”) include planning for emergencies and disasters, responding to incidents as a coordinating agency, directing mitigation against hazards, and assisting resident in recovery after an incident. OEM has one employee that works with residents, the local, state, federal and other agencies to save lives, protect property, and safeguard the environment. The Director of OEM also serves as the Chairperson for the Local Emergency Planning Committee.

**Information Technology Department** – The Information Technology Department (“IT Department”) consists of three employees who work to provide and maintain Southbury’s investment in technology. The IT Department is responsible for electronic platforms including the Town’s website and securing the Town’s electronic information.

**Public Works** - The Public Work Department is broken down into six divisions and provides a broad spectrum of services to the community, focused primarily on the maintenance and repair of Town roads, drainage facilities, and parks and recreation facilities as well as snow removal. The Town maintains 126 miles of roadway.

**Solid Waste Services** – The Town has a contract with Wheelabrator Corporation for the disposal of solid waste and recycling services. Wheelabrator Corporation operates a mass-burn solid waste, resource recovery, steam and electric generation facility located in the City of Bridgeport, Connecticut. Under a service contract dated July 1, 2023, the Town will deliver and pay for the disposal of, and Wheelabrator will accept and dispose of, acceptable solid waste and acceptable recyclables generated within its boundaries, in accordance with the terms and conditions set forth in the agreement. The term of the contract begins on July 1, 2023 and expires on June 30, 2026. Tipping fees for the fiscal year ending June 30, 2025 are \$89.50. For fiscal year ending June 30, 2026, the tipping fee will be \$91.50.

**Sewage** – The majority of the sewage disposal in Town is processed with on-site septic systems. Limited areas are served by community systems, which involve a centralized collection and treatment design. There are five community sewage disposal systems in Southbury. The Heritage Village Treatment Plant services Heritage Village and adjacent areas. The design flow rate is 780,000 gpd and daily flows vary between 370,000 and 440,000 gpd. The Southbury Training School Plant is a State-owned facility which services the residents and staff of the school. The International Business Machines (“IBM”) system services the corporate office complex. The system is designed for flows of 83,000 gpd, and has a current flow rate within the design capacity. The Middlebury Collection System (Naugatuck Wastewater Treatment Plant) services the Regional School District Number 15 High School and the Southbury Wyndham hotel. These two properties discharge into a pump station located in neighboring Middlebury. The pump station is at capacity. The Old Field Condominiums System consists of four septic fields that serve forty-eight units.

The Town has a sewer avoidance policy which has been in place since 1982. A continuation of that policy is a primary element of the Town’s Plan of Conservation and Development.

**Water** – Southbury’s water supply consists of private on-site wells serving individual homes, and four community systems. The community systems provide service to populations ranging from 40 to 8,370 customers. The principal water supply source is Pomperaug River Aquifer/watershed.

**Parks and Recreation** – The Town Parks and Recreation Commission, its Director, and staff operate a system of eleven parks and an active recreation program. Three full time and two part-time staff manage and direct the recreation programs. An additional fifteen to twenty part-time individuals and volunteers assist in providing seasonal programs. The total amount of land available for both active and passive recreation is approximately 3,214 acres. Ownership is as follows: 860 acres Town owned; 593 acres State owned; 783 acres owned by the Southbury Land Trust; 244 acres for golf courses; and 734 acres privately owned by the National Audubon Society, Quassapaug Meadows and Flanders Nature Preserve. Activities include tennis, pickleball and swimming programs, organized leagues, sponsored trips, children’s programs and dance classes. Facilities include soccer, baseball and softball field, tennis, pickleball and basketball courts, walking and fitness tracks and picnic areas.

**Library** – The staff of the Library consists of seven full time and nine part time members in addition to a Head librarian. There is a full time Children’s Librarian and a full time Reference Librarian, both assisted by part time staff members. The Library has a collection of more than 84,000 volumes, and electronic access to the holdings of 300 Connecticut libraries throughout the state, an extensive collection of talking books as well as music compact disc and audiocassettes. During the August 18, 2024 storm the Library was damaged so severely it has been closed until repairs can be done to bring it back into working order.

**Human Services** – Southbury provides social services to assist resident in obtaining Town welfare or general assistance. The Southbury Senior Center (“SSC”) is located in the former library building. A full time Director, under the direction of the First Selectman, develops, plans and administers elderly services and programs for the Town. These services include assistance with problems that include financial, emotional or home management. A number of activities take place daily at the SSC, ranging from exercise, discussion groups, arts and crafts, movies, card games and support groups. There are also special trips scheduled during the year along with picnics, luncheons and fairs.

**Utilities and Other Services** - Electric service in Town is provided by Eversource. Cable television is provided by Charter Communications. Woodbury Telephone, a subsidiary of SNET and ASBC Communications, provides telephone services in Town. Natural gas is provided by Yankee Gas. Yankee Gas service area is concentrated in Town mainly along Main Street South and Heritage Village entrance. Inter-city bus service is available in Southbury with Connections to Waterbury, Danbury and New York City. Transportation is also available to major Connecticut and New York airports. Transportation services are available for the elderly and disabled residents through multiple services such as taxis and minibus services.



**TOWN EMPLOYEES**

| <b>Fiscal Year</b> <sup>1</sup> | <b>2025</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Government.....         | 160         | 170         | 172         | 174         | 175         |

<sup>1</sup> Full-time and permanent part-time employees.  
Source: Town Officials, Town of Southbury.

**MUNICIPAL EMPLOYEES' BARGAINING UNITS**

| <b>Organization</b>  | <b>Number of Employee</b> | <b>Current Contract Expiration</b> |
|--|---------------------------|------------------------------------|
| <b><u>General Government</u></b>                               |                           |                                    |
| Police Officers, AFSCME, AFL-CIO.....                          | 24                        | June 30, 2025 <sup>1</sup>         |
| Highway, Transfer Station Workers, Teamsters - Local #677..... | 26                        | June 30, 2027                      |

<sup>1</sup> In negotiations.  
Source: Mayor's Office, Town of Southbury.

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

**EDUCATION SYSTEM**

Southbury is a member of Regional School District Number 15 established under the provisions of the General Statutes of Connecticut in 1968. The District provides educational facilities for grades pre-K through 12 for the Towns of Middlebury and Southbury. The Town of Southbury pays approximately 66.1383% of the District's budget for Fiscal Year 2024-2025. For fiscal year ending June 30, 2026 the Town's portion will be 65.6%.

Regional School District Number 15 offers a comprehensive program of courses throughout all grade levels. Approximately 90% of the high school seniors continue their education after graduation.

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**DISTRICT SCHOOL FACILITIES**

| <u>School</u>                      | <u>Grades</u> | <u>Construction/Addition/<br/>Renovation</u> | <u>Number of<br/>Classrooms</u> | <u>Enrollment<br/>10/01/24</u> | <u>Rated<br/>Capacity</u> |
|------------------------------------|---------------|--|---------------------------------|--------------------------------|---------------------------|
| Long Meadow Elementary.....        | Pre-K-5       | 1997   | 28                              | 518                            | 514                       |
| Middlebury Elementary.....         | K-5           | 1982, 1992                                   | 19                              | 309                            | 390                       |
| Grainfield Elementary.....         | K-5           | 1941, 1949, 1951, 1958, 1982,                | 19                              | 321                            | 390                       |
| Pomperaug Elementary.....          | K-5           | 1967, 1978, 1984, 1992                       | 23                              | 395                            | 473                       |
| Memorial Middle.....               | 6-8           | 1953, 1956, 1981, 1993, 2003                 | 19                              | 420                            | 472                       |
| Rochambeau Middle.....             | 6-8           | 1955, 1960, 1981, 2002                       | 22                              | 412                            | 548                       |
| Pomperaug High School.....         | 9-12          | 1979, 1996, 2004                             | 84                              | 970                            | 1,020                     |
| Central Office/Alternative School. | 9-12          | 1919, 2004                                   | N/A                             | N/A                            | N/A                       |
| <b>Total.....</b>                  |               |  |                                 | <b>3345</b>                    | <b>3807</b>               |

Source: Regional School District Number 15, Superintendent’s Office.

**DISTRICT SCHOOL ENROLLMENT AND PROJECTIONS**

| <u>School Year</u> | <u>Elementary<br/>Pre K-5</u> | <u>Middle School<br/>6-8</u> | <u>High School<br/>9-12</u> | <u>Special<br/>Education</u> | <u>Total</u> |
|--------------------|-------------------------------|------------------------------|-----------------------------|------------------------------|--------------|
| <i>Historical</i>  |                               |                              |                             |                              |              |
| 2020-21            | 1,478                         | 809                          | 1,152                       | 64                           | 3,503        |
| 2021-22            | 1,550                         | 795                          | 1,131                       | 88                           | 3,564        |
| 2022-23            | 1,557                         | 790                          | 1,048                       | 97                           | 3,492        |
| 2023-24            | 1,569                         | 795                          | 998                         | 100                          | 3,462        |
| 2024-25            | 1,543                         | 832                          | 975                         | 120                          | 3,470        |
| <i>Projected</i>   |                               |                              |                             |                              |              |
| 2025-26            | 1,534                         | 851                          | 973                         | 120                          | 3,478        |
| 2026-27            | 1,580                         | 838                          | 970                         | 125                          | 3,513        |
| 2027-28            | 1,594                         | 843                          | 983                         | 125                          | 3,545        |
| 2028-29            | 1,658                         | 813                          | 1,007                       | 130                          | 3,608        |
| 2029-30            | 1,690                         | 831                          | 996                         | 135                          | 3,652        |

Source: Regional School District Number 15, Superintendent’s Office.

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### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

| <u>Year</u> | <u>Population<sup>1</sup></u> | <u>% Increase</u> | <u>Density<sup>2</sup></u> |
|-------------|-------------------------------|-------------------|----------------------------|
| 1970        | 7,852                         | 51.4              | 192                        |
| 1980        | 14,156                        | 80.3              | 346                        |
| 1990        | 15,818                        | 11.7              | 387                        |
| 2000        | 18,567                        | 17.4              | 454                        |
| 2010        | 19,904                        | 7.2               | 487                        |
| 2020        | 19,879                        | (0.1)             | 486                        |
| 2023        | 19,973                        | 0.5               | 488                        |

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 1970 – 2020; U.S. Census Bureau, 2019-2023 American Community Survey;

<sup>2</sup> Per square mile: 40.9 square miles.

#### AGE DISTRIBUTION OF THE POPULATION

| <u>Age</u>               | <u>Town of Southbury</u> |                | <u>Naugatuck Valley<br/>Planning Region<sup>1</sup></u> |                | <u>State of Connecticut</u> |                |
|--------------------------|--------------------------|----------------|---|----------------|-----------------------------|----------------|
|                          | <u>Number</u>            | <u>Percent</u> | <u>Number</u>   | <u>Percent</u> | <u>Number</u>               | <u>Percent</u> |
| Under 5.....             | 926                      | 4.6            | 22,997  | 5.1            | 181,240                     | 5.0            |
| 5 - 9.....               | 986                      | 4.9            | 25,165  | 5.6            | 195,390                     | 5.4            |
| 10 - 14.....             | 1,375                    | 6.9            | 26,570  | 5.9            | 217,297                     | 6.0            |
| 15 - 19.....             | 850                      | 4.3            | 27,461  | 6.1            | 238,145                     | 6.6            |
| 20 - 24.....             | 935                      | 4.7            | 26,492  | 5.9            | 233,423                     | 6.5            |
| 25 - 34.....             | 1,460                    | 7.3            | 58,625  | 13.0           | 449,771                     | 12.5           |
| 35 - 44.....             | 2,143                    | 10.7           | 56,887  | 12.6           | 451,461                     | 12.5           |
| 45 - 54.....             | 2,213                    | 11.1           | 57,921  | 12.8           | 462,543                     | 12.9           |
| 55 - 59.....             | 1,422                    | 7.1            | 32,760  | 7.2            | 260,758                     | 7.2            |
| 60 - 64.....             | 1,640                    | 8.2            | 32,769  | 7.2            | 257,548                     | 7.2            |
| 65 - 74.....             | 2,909                    | 14.6           | 49,051  | 10.8           | 376,023                     | 10.4           |
| 75 - 84.....             | 2,162                    | 10.8           | 24,472  | 5.4            | 187,378                     | 5.2            |
| 85 and over..            | 952                      | 4.8            | 11,133  | 2.5            | 87,371                      | 2.4            |
| Total .....              | <u>19,973</u>            | <u>100.0</u>   | <u>452,303</u>  | <u>100.0</u>   | <u>3,598,348</u>            | <u>100.0</u>   |
| Median Age (years) ..... | 51.7                     |                | 41.9  |                | 41.2                        |                |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

## INCOME DISTRIBUTION

|                           | Naugatuck Valley  |              |                              |              |                      |              |
|---------------------------|-------------------|--------------|------------------------------|--------------|----------------------|--------------|
|                           | Town of Southbury |              | Planning Region <sup>1</sup> |              | State of Connecticut |              |
|                           | Families          | Percent      | Families                     | Percent      | Families             | Percent      |
| Less than \$10,000 .....  | 5                 | 0.1          | 3,608                        | 3.1          | 22,973               | 2.5          |
| \$ 10,000 to 14,999 ..... | 0                 | 0.0          | 1,903                        | 1.6          | 12,547               | 1.4          |
| \$ 15,000 to 24,999 ..... | 29                | 0.6          | 3,998                        | 3.4          | 29,893               | 3.3          |
| \$ 25,000 to 34,999 ..... | 143               | 2.8          | 4,177                        | 3.6          | 35,598               | 3.9          |
| \$ 35,000 to 49,999 ..... | 211               | 4.1          | 9,023                        | 7.7          | 61,793               | 6.7          |
| \$ 50,000 to 74,999 ..... | 420               | 8.2          | 14,833                       | 12.7         | 108,046              | 11.8         |
| \$ 75,000 to 99,999 ..... | 504               | 9.9          | 14,938                       | 12.8         | 108,216              | 11.8         |
| \$100,000 to 149,999 ..   | 978               | 19.2         | 26,248                       | 22.5         | 185,242              | 20.2         |
| \$150,000 to 199,999 ..   | 948               | 18.6         | 15,948                       | 13.7         | 128,574              | 14.0         |
| \$200,000 or more .....   | 1,863             | 36.5         | 21,911                       | 18.8         | 224,258              | 24.5         |
| <b>Total .....</b>        | <b>5,101</b>      | <b>100.0</b> | <b>116,587</b>               | <b>100.0</b> | <b>917,140</b>       | <b>100.0</b> |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

## INCOME LEVELS

|                                       | Town of<br>Southbury | Naugatuck Valley<br>Planning Region <sup>1</sup> | State of<br>Connecticut |
|---------------------------------------|----------------------|--|-------------------------|
| Per Capita Income, 2023.....          | \$65,768             | \$46,063   | \$54,409                |
| Per Capita Income, 2020.....          | \$55,478             | \$39,134   | \$45,668                |
| Per Capita Income, 2010.....          | \$40,022             | \$31,720   | \$36,775                |
| Per Capita Income, 2000.....          | \$32,545             | \$24,439   | \$28,766                |
| <br>                                  |                      |  |                         |
| Median Family Income, 2023.....       | \$161,676            | \$109,861  | \$120,011               |
| Median Family Income, 2020.....       | \$135,366            | \$92,508   | \$102,061               |
| Median Family Income, 2010.....       | \$104,838            | \$77,379   | \$84,170                |
| Median Family Income, 2000.....       | \$81,109             | \$60,549   | \$65,521                |
| <br>                                  |                      |  |                         |
| Percent Below Poverty Level 2023..... | 0.1%                 | 7.4%   | 6.8%                    |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

Source: U.S. Department of Commerce, Bureau of Census, 2000, 2010 and 2020; U.S. Census Bureau, 2019-2023 American Community Survey.

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

| <u><b>Educational Attainment Group</b></u>  | <u><b>Town of Southbury</b></u> |                       | <u><b>Naugatuck Valley Planning Region <sup>1</sup></b></u> |                       | <u><b>State of Connecticut</b></u> |                       |
|---|---------------------------------|-----------------------|---|-----------------------|------------------------------------|-----------------------|
|   | <u><b>Number</b></u>            | <u><b>Percent</b></u> | <u><b>Number</b></u>  | <u><b>Percent</b></u> | <u><b>Number</b></u>               | <u><b>Percent</b></u> |
| Less than 9th grade.....                    | 461                             | 3.1                   | 14,545  | 4.5                   | 101,530                            | 4.0                   |
| 9th to 12th grade.....                      | 320                             | 2.1                   | 16,739  | 5.2                   | 118,019                            | 4.7                   |
| High School graduate.....                   | 2,882                           | 19.3                  | 95,623  | 29.5                  | 647,094                            | 25.5                  |
| Some college - no degree.....               | 2,314                           | 15.5                  | 59,119  | 18.3                  | 410,591                            | 16.2                  |
| Associates degree.....                      | 1,245                           | 8.4                   | 28,246  | 8.7                   | 193,216                            | 7.6                   |
| Bachelor's degree.....                      | 4,010                           | 26.9                  | 61,123  | 18.9                  | 581,935                            | 23.0                  |
| Graduate or professional degree.....        | 3,669                           | 24.6                  | 48,223  | 14.9                  | 480,468                            | 19.0                  |
| <b>Total.....</b>                           | <u><b>14,901</b></u>            | <u><b>100.0</b></u>   | <u><b>323,618</b></u>                                       | <u><b>100.0</b></u>   | <u><b>2,532,853</b></u>            | <u><b>100.0</b></u>   |
| Percent High School Graduate or Higher..... |                                 | 94.8%                 |   | 90.3%                 |                                    | 91.3%                 |
| Percent Bachelor's Degree or Higher.....    |                                 | 51.5%                 |   | 33.8%                 |                                    | 41.9%                 |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

**MAJOR EMPLOYERS**

As of June 2025

| <u><b>Employer</b></u>                      | <u><b>Nature of Business</b></u>           | <u><b>Estimated Number of Employees</b></u> |
|---|--|---|
| Southbury Training School.....              | Training School.....                       | 1000-4999                                   |
| IBM.....                                    | Administrative Facilities.....             | 1   |
| Heritage Village.....                       | Retirement Community.....                  | 250-499                                     |
| East Hill Woods, Inc.....                   | Retirement & Long Term Care Community..... | 100-249                                     |
| Galata Chemicals.....                       | Manufacturer of PVC & Similar Products..   | 100-249                                     |
| Heritage Hotel, Golf, Spa & Conf. Center... | Hotel & Conference Center.....             | 100-249                                     |
| Inventure.....                              | Pharmaceutical Manufacturer.....           | 100-249                                     |
| Next Street.....                            | Driving School.....                        | 100-249                                     |
| Pomperaug Woods.....                        | Life Care Facility.....                    | 100-249                                     |
| Prestige Companion & Homemaker.....         | Home Health Service.....                   | 100-249                                     |
| River Glen Health Care Center.....          | Nursing & Convalescent Home.....           | 100-249                                     |
| Solar Industry Magazine.....                | Solar News Magazine.....                   | 100-249                                     |
| Southbury Health Group LLC.....             | Nursing & Convalescent Home.....           | 100-249                                     |
| Starion Energy.....                         | Energy Supplier.....                       | 100-249                                     |
| Stop & Shop Supermarket.....                | Grocers - Retail.....                      | 100-249                                     |
| Wyndham Hotel.....                          | Hotel.....                                 | 100-249                                     |
| O&G's Trap Rock Quarry.....                 | Quarry.....                                | 50-99                                       |
| Voices.....                                 | Newspaper.....                             | 50-99                                       |
| William Raveis Real Estate.....             | Real Estate.....                           | 50-99                                       |

<sup>1</sup> As of January 26, 2024 the complex has been closed. IBM is working with the local Towns to find an occupant(s) for the complex.  
Source: Town Officials.

## EMPLOYMENT BY INDUSTRY

|   | <u>Town of Southbury</u> |                     | <u>Naugatuck Valley<br/>Planning Region <sup>1</sup></u> |                     | <u>State of Connecticut</u> |                     |
|---|--------------------------|---------------------|--|---------------------|-----------------------------|---------------------|
|   | <u>Number</u>            | <u>Percent</u>      | <u>Number</u>  | <u>Percent</u>      | <u>Number</u>               | <u>Percent</u>      |
| Agriculture, forestry, fisheries.....       | 107                      | 1.1                 | 750  | 0.3                 | 7,261                       | 0.4                 |
| Construction.....                           | 469                      | 4.9                 | 15,064   | 6.6                 | 112,821                     | 6.1                 |
| Manufacturing.....                          | 1,092                    | 11.4                | 27,319   | 12.0                | 195,355                     | 10.6                |
| Wholesale trade.....                        | 196                      | 2.1                 | 4,431  | 1.9                 | 37,294                      | 2.0                 |
| Retail trade.....                           | 1,051                    | 11.0                | 25,665   | 11.2                | 192,535                     | 10.5                |
| Transportation & warehousing & utilities... | 327                      | 3.4                 | 10,641   | 4.7                 | 84,571                      | 4.6                 |
| Information.....                            | 190                      | 2.0                 | 4,130  | 1.8                 | 36,631                      | 2.0                 |
| Finance, insurance, real estate.....        | 523                      | 5.5                 | 15,928   | 7.0                 | 162,724                     | 8.9                 |
| Professional, scientific & management.....  | 1,560                    | 16.3                | 24,250   | 10.6                | 223,982                     | 12.2                |
| Educational, health & social services.....  | 2,698                    | 28.2                | 64,112   | 28.1                | 490,839                     | 26.7                |
| Arts, entertainment & recreation.....       | 603                      | 6.3                 | 16,307   | 7.1                 | 145,445                     | 7.9                 |
| Other professional services.....            | 388                      | 4.1                 | 10,646   | 4.7                 | 78,662                      | 4.3                 |
| Public administration.....                  | 350                      | 3.7                 | 9,289  | 4.1                 | 67,335                      | 3.7                 |
| <b>Total.....</b>                           | <b><u>9,554</u></b>      | <b><u>100.0</u></b> | <b><u>228,532</u></b>                                    | <b><u>100.0</u></b> | <b><u>1,835,455</u></b>     | <b><u>100.0</u></b> |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

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## EMPLOYMENT DATA

| Yearly<br>Average | Percentage Unemployed            |  |                         |                  |
|-------------------|----------------------------------|--|-------------------------|------------------|
|                   | Town of<br>Southbury             | Bridgeport - Stamford<br>Labor Market <sup>1</sup> | State of<br>Connecticut | United<br>States |
|                   | %                                | %  | %                       | %                |
| 2015              | 5.4                              | 5.5  | 5.6                     | 5.3              |
| 2016              | 4.7                              | 4.8  | 4.8                     | 4.9              |
| 2017              | 4.1                              | 4.4  | 4.4                     | 4.4              |
| 2018              | 3.7                              | 3.9  | 3.9                     | 3.9              |
| 2019              | 3.3                              | 3.6  | 3.6                     | 3.7              |
| 2020              | 7.3                              | 8.2  | 8.0                     | 8.1              |
| 2021              | 5.8                              | 6.4  | 6.4                     | 5.4              |
| 2022              | 4.2                              | 4.2  | 4.1                     | 3.7              |
| 2023              | 2.9                              | 3.1  | 3.2                     | 3.6              |
| 2024              | 2.7                              | 3.1  | 3.2                     | 4.0              |
| <hr/>             |                                  |  |                         |                  |
|                   | <b>2025 Monthly <sup>2</sup></b> |  |                         |                  |
| January           | 3.6                              | 3.8  | 4.0                     | 4.4              |
| February          | 4.2                              | 4.3  | 4.5                     | 4.5              |
| March             | 3.9                              | 3.9  | 4.1                     | 4.2              |
| April             | 3.4                              | 3.3  | 3.4                     | 3.9              |

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

<sup>2</sup> Estimated.

Source: Department of Labor, State of Connecticut.

## AGE DISTRIBUTION OF HOUSING

| Year Built                  | Town of Southbury |              | Naugatuck Valley<br>Planning Region <sup>1</sup> |              | State of Connecticut |              |
|-----------------------------|-------------------|--------------|--|--------------|----------------------|--------------|
|                             | Units             | Percent      | Units  | Percent      | Units                | Percent      |
| 1939 or earlier.....        | 749               | 8.5          | 37,835   | 19.7         | 313,434              | 20.4         |
| 1940 - 1949.....            | 191               | 2.2          | 11,778   | 6.1          | 95,842               | 6.2          |
| 1950 - 1959.....            | 267               | 3.0          | 25,910   | 13.5         | 221,879              | 14.4         |
| 1960 - 1969.....            | 1,263             | 14.3         | 22,482   | 11.7         | 198,807              | 12.9         |
| 1970 - 1979.....            | 2,837             | 32.1         | 30,069   | 15.7         | 210,611              | 13.7         |
| 1980 - 1989.....            | 1,429             | 16.2         | 28,343   | 14.8         | 197,533              | 12.9         |
| 1990 - 1999.....            | 821               | 9.3          | 15,364   | 8.0          | 116,617              | 7.6          |
| 2000 - 2009.....            | 1,028             | 11.6         | 13,511   | 7.0          | 108,430              | 7.1          |
| 2010 - 2019.....            | 222               | 2.5          | 6,017  | 3.1          | 66,546               | 4.3          |
| 2020 or later.....          | 19                | 0.2          | 675  | 0.4          | 6,350                | 0.4          |
| Total.....                  | <u>8,826</u>      | <u>100.0</u> | <u>191,984</u>                                   | <u>100.0</u> | <u>1,536,049</u>     | <u>100.0</u> |
| <hr/>                       |                   |              |  |              |                      |              |
| Percent Owner Occupied..... |                   | 87.3%        |  | 67.6%        |                      | 66.2%        |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

## HOUSING INVENTORY

| Type                          | Town of Southbury |              | Naugatuck Valley<br>Planning Region <sup>1</sup> |              | State of Connecticut |              |
|-------------------------------|-------------------|--------------|--|--------------|----------------------|--------------|
|                               | Number            | Percent      | Number   | Percent      | Number               | Percent      |
| 1-unit, detached.....         | 5,202             | 58.9         | 113,076  | 58.9         | 901,187              | 58.7         |
| 1-unit, attached.....         | 1,787             | 20.2         | 13,323   | 6.9          | 95,202               | 6.2          |
| 2 units.....                  | 546               | 6.2          | 17,208   | 9.0          | 118,295              | 7.7          |
| 3 or 4 units.....             | 598               | 6.8          | 17,978   | 9.4          | 126,755              | 8.3          |
| 5 to 9 units.....             | 259               | 2.9          | 10,875   | 5.7          | 76,750               | 5.0          |
| 10 to 19 units.....           | 182               | 2.1          | 6,360  | 3.3          | 55,290               | 3.6          |
| 20 or more units.....         | 252               | 2.9          | 11,470   | 6.0          | 150,986              | 9.8          |
| Mobile home, boat, other..... | 0                 | 0.0          | 1,694  | 0.9          | 11,584               | 0.8          |
| Total .....                   | <u>8,826</u>      | <u>100.0</u> | <u>191,984</u>                                   | <u>100.0</u> | <u>1,536,049</u>     | <u>100.0</u> |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

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

## OWNER-OCCUPIED HOUSING VALUES

| Sales Price Category            | Town of Southbury |              | Naugatuck Valley<br>Planning Region <sup>1</sup> |              | State of Connecticut |              |
|---------------------------------|-------------------|--------------|--|--------------|----------------------|--------------|
|                                 | Number            | Percent      | Number   | Percent      | Number               | Percent      |
| Less than \$50,000 .....        | 182               | 2.6          | 3,324  | 2.8          | 22,174               | 2.4          |
| \$ 50,000 to \$ 99,999 ...      | 81                | 1.1          | 2,895  | 2.4          | 15,116               | 1.6          |
| \$ 100,000 to \$149,999 ...     | 324               | 4.6          | 8,241  | 6.8          | 38,832               | 4.1          |
| \$ 150,000 to \$199,999 ...     | 631               | 8.9          | 14,985   | 12.4         | 77,152               | 8.2          |
| \$ 200,000 to \$299,999 ...     | 1,367             | 19.3         | 33,976   | 28.2         | 233,824              | 24.9         |
| \$ 300,000 to \$499,999 ...     | 2,628             | 37.1         | 40,290   | 33.4         | 319,703              | 34.0         |
| \$ 500,000 to \$999,999 ...     | 1,831             | 25.8         | 15,683   | 13.0         | 173,643              | 18.5         |
| \$1,000,000 and over .....      | 46                | 0.6          | 1,236  | 1.0          | 59,468               | 6.3          |
| Total .....                     | <u>7,090</u>      | <u>100.0</u> | <u>120,630</u>                                   | <u>100.0</u> | <u>939,912</u>       | <u>100.0</u> |
| Median Value <sup>2</sup> ..... | \$209,100         |              | \$151,900  |              | \$166,900            |              |
| Median Value <sup>3</sup> ..... | \$327,800         |              | \$252,300  |              | \$279,700            |              |
| Median Value <sup>4</sup> ..... | \$381,800         |              | \$290,800  |              | \$343,200            |              |

<sup>1</sup> Starting with the 2019-2023 American Community Survey (“ACS”) data, the area was adjusted to reflect the Naugatuck Valley Planning Region; prior to 2022 ACS used New Haven County data.

<sup>2</sup> Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

<sup>3</sup> Median Sales Price, U.S. Census Bureau, 2016-2020 American Community Survey.

<sup>4</sup> Median Sales Price, U.S. Census Bureau, 2019-2023 American Community Survey.

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



## BUILDING PERMITS

| Fiscal Year<br>Ending 6/30 | Total  |            |
|----------------------------|--------|------------|
|                            | Number | Value      |
| 2025 <sup>1</sup>          | 2,385  | \$ 523,222 |
| 2024                       | 2,352  | 503,286    |
| 2023                       | 2,276  | 477,964    |
| 2022                       | 2,378  | 503,286    |
| 2021                       | 1,550  | 323,196    |
| 2020                       | 1,345  | 281,979    |
| 2019                       | 1,185  | 245,974    |

<sup>1</sup> As of May, 31 2025.

Source: Building Department, Town of Southbury.

## LAND USE SUMMARY

| Classification                      | Total Area    |               |
|-------------------------------------|---------------|---------------|
|                                     | Acreage       | %             |
| Residential.....                    | 8,368         | 32.5%         |
| Commercial or Industrial.....       | 720           | 2.8%          |
| Open Space.....                     | 6,179         | 24.0%         |
| Community Facility & Institutional. | 1,620         | 6.3%          |
| Road Rights of Way.....             | 2,354         | 9.1%          |
| Vacant Land .....                   | 6,517         | 25.3%         |
| <b>Total Area.....</b>              | <b>25,758</b> | <b>100.0%</b> |

Source: Assessor's Office, Town of Southbury, as of June 30, 2024.

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## IV. TAX BASE DATA

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### ASSESSMENTS

The Town had a general property revaluation effective October 1, 2022. The next revaluation is scheduled for October 1, 2027. Under section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation. Assessments for personal property and motor vehicles are computed at 70 percent of the annual appraisal value.

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

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at 70 percent of present value.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are valued in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management. 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 July 31 are subject to a property tax as if the motor vehicle has 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. Motor vehicles 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 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70 percent of the annual appraisal of market value.

### PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1, respectively, become delinquent, with interest charged at the rate of 1.5% per month from the due date of the tax. 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 demand and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with State law.

### MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, provides that for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. Any municipality or district may establish a mill rate for motor vehicles that is equal to or lower than 32.46 mills, including zero mills. Such mill rate for motor vehicles may be different from the mill rate for real property and personal property, provided the mill rate for motor vehicles is lower than the mill rate for real property and personal property. Section 4-661 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 Town's motor vehicle tax rates for the 2023 assessment year (the fiscal year ending June 30, 2025) is 23.66 mills. For fiscal year ending June 30, 2026, the rate is 24.24 mills.

**COMPARATIVE ASSESSED VALUATIONS**

| <b>Grand List Dated</b> | <b>Real Property (%)</b> | <b>Personal Property (%)</b> | <b>Motor</b>                | <b>Gross Taxable Grand List</b> | <b>Less Exemptions <sup>1</sup></b> | <b>Net Taxable Grand List</b> | <b>% Growth</b> |
|-------------------------|--------------------------|------------------------------|-----------------------------|---------------------------------|-------------------------------------|-------------------------------|-----------------|
|                         |                          |                              | <b>Vehicle Property (%)</b> |                                 |                                     |                               |                 |
| 2024                    | 87.2                     | 5.2                          | 7.6                         | \$2,951,567,271                 | \$14,714,440                        | \$2,936,852,831               | 0.7%            |
| 2023                    | 86.8                     | 5.3                          | 7.8                         | 2,930,700,822                   | 14,730,971                          | 2,915,969,851                 | 1.1%            |
| 2022 <sup>2</sup>       | 86.8                     | 4.9                          | 8.3                         | 2,908,301,973                   | 22,748,167                          | 2,885,553,806                 | 29.2%           |
| 2021                    | 83.8                     | 10.2                         | 6.0                         | 2,252,237,777                   | 19,399,378                          | 2,232,838,399                 | 3.4%            |
| 2020                    | 85.9                     | 8.2                          | 5.9                         | 2,179,790,898                   | 19,485,408                          | 2,160,305,490                 | 0.5%            |
| 2019                    | 86.0                     | 6.2                          | 7.8                         | 2,169,721,364                   | 19,630,384                          | 2,150,090,980                 | 0.5%            |
| 2018                    | 87.0                     | 5.4                          | 7.6                         | 2,158,812,365                   | 19,851,194                          | 2,138,961,171                 | 0.8%            |
| 2017 <sup>2</sup>       | 86.7                     | 5.7                          | 7.6                         | 2,141,647,698                   | 19,620,655                          | 2,122,027,043                 | -0.4%           |
| 2016                    | 87.7                     | 5.0                          | 7.3                         | 2,149,378,608                   | 18,689,410                          | 2,130,689,198                 | 0.4%            |
| 2015                    | 87.0                     | 5.8                          | 7.2                         | 2,142,003,251                   | 20,816,888                          | 2,121,186,363                 | 0.0%            |

<sup>1</sup> Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

<sup>2</sup> Revaluation Year.

Source: Assessor’s Office, Town of Southbury.

**PROPERTY TAX LEVIES AND COLLECTIONS**

| <b>Grand List 1-Oct</b> | <b>FY Ending 30-Jun</b> | <b>Net Taxable Grand List</b> | <b>Mill Rate</b> | <b>Tax Levy</b> | <b>Percent Collected</b>        | <b>Percent Uncollected</b>     | <b>Percent Annual Levy Uncollected</b> | <b>Amount Uncollected as of</b> |
|-------------------------|-------------------------|-------------------------------|------------------|-----------------|---------------------------------|--------------------------------|--|---------------------------------|
|                         |                         |                               |                  |                 | <b>End of Each Fiscal Year</b>  | <b>End of Each Fiscal Year</b> | <b>6/30/2024</b>                       | <b>6/30/2024</b>                |
| 2024                    | 2026                    | \$2,936,852,831               | 24.24            | \$69,947,893    | Collections 7/1/2025 and 1/1/26 |                                |  | N/A                             |
| 2023                    | 2025                    | 2,915,969,851                 | 23.66            | 68,983,277      | Collections 7/1/2024 and 1/1/25 |                                |  | N/A                             |
| 2022                    | 2024                    | 2,885,553,806                 | 22.55            | 64,967,390      | 99.3%                           | 0.7%                           | 0.7%                                   | \$470,127                       |
| 2021                    | 2023                    | 2,232,838,399                 | 28.60            | 63,854,219      | 99.2%                           | 0.8%                           | 0.3%                                   | 222,897                         |
| 2020                    | 2022                    | 2,160,305,490                 | 29.30            | 63,555,426      | 99.3%                           | 0.7%                           | 0.1%                                   | 69,203                          |
| 2019                    | 2021                    | 2,150,090,980                 | 29.30            | 62,955,473      | 99.3%                           | 0.7%                           | 0.0%                                   | 26,403                          |
| 2018                    | 2020                    | 2,138,961,171                 | 29.10            | 62,186,063      | 99.2%                           | 0.8%                           | 0.0%                                   | (41,857)                        |
| 2017                    | 2019                    | 2,122,027,043                 | 29.00            | 61,562,941      | 99.2%                           | 0.8%                           | 0.0%                                   | (3,713)                         |
| 2016                    | 2018                    | 2,130,689,198                 | 29.30            | 62,390,623      | 99.1%                           | 0.9%                           | 0.0%                                   | 12,933                          |
| 2015                    | 2017                    | 2,121,186,363                 | 28.80            | 61,139,258      | 99.2%                           | 0.8%                           | 0.0%                                   | 7,256                           |
| 2014                    | 2016                    | 2,120,359,529                 | 28.40            | 60,118,678      | 99.3%                           | 0.7%                           | 0.0%                                   | 11,464                          |

Source: Tax Collector’s Office, Town of Southbury.

**TEN LARGEST TAXPAYERS**

| <u>Business-Name</u>                         | <u>Nature Of Business</u>        | <u>Assessment<br/>Valuation as<br/>10/1/2024</u> | <u>Rank</u> | <u>Percent<br/>of Total</u> |
|--|----------------------------------|--|-------------|-----------------------------|
| Eversource.....                              | Utility.....                     | \$ 56,708,610                                    | 1           | 1.93%                       |
| Ketteltown, LLC.....                         | Former IBM Property.....         | 49,214,380                                       | 2           | 1.68%                       |
| Southbury 84 Assoc. Limited Partnership..... | Commercial Real Estate.....      | 23,100,000                                       | 3           | 0.79%                       |
| Southaven Associates LLC.....                | Southbury Plaza.....             | 20,538,880                                       | 4           | 0.70%                       |
| Firstlight Hydro Generating Company.....     | Hydro Electricity Generating.... | 14,520,110                                       | 5           | 0.49%                       |
| NHI Reit of Axel LLC.....                    | Real Estate.....                 | 13,477,450                                       | 6           | 0.46%                       |
| Health Care Reit Inc.....                    | Life Care Center.....            | 12,580,370                                       | 7           | 0.43%                       |
| Pompergaug Woods, Inc.....                   | Life Care Center.....            | 12,155,690                                       | 8           | 0.41%                       |
| The Connecticut Water Company.....           | Utility.....                     | 11,966,340                                       | 9           | 0.41%                       |
| WorldVu Development LLC.....                 | Information Systems.....         | 6,838,225  | 10          | 0.23%                       |
| <b>Total</b>                                 |                                  | <b>\$221,100,055</b>                             |             | <b>7.53%</b>                |

<sup>1</sup> Based on a 10/1/24 Net Taxable Grand List of \$2,936,852,831.  
Source: Assessor's Office, Town of Southbury.

**EQUALIZED NET GRAND LIST**

| <u>Grand List<br/>of 10/1</u> | <u>Equalized Net<br/>Grand List</u> | <u>%<br/>Growth</u> |
|-------------------------------|-------------------------------------|---------------------|
| 2022                          | \$4,135,113,791                     | -9.26%              |
| 2021                          | 4,557,064,404                       | 16.95%              |
| 2020                          | 3,896,437,889                       | 17.60%              |
| 2019                          | 3,313,326,363                       | 4.85%               |
| 2018                          | 3,160,107,070                       | 4.23%               |
| 2017                          | 3,031,733,541                       | -8.33%              |
| 2016                          | 3,307,258,040                       | 6.33%               |
| 2015                          | 3,110,267,822                       | -2.39%              |
| 2014                          | 3,186,299,045                       | -0.62%              |
| 2013                          | 3,206,264,994                       | 6.87%               |

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

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## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

The financial statements of the Town of Southbury, Connecticut 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. Please refer to Appendix A "Audited Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

*Management's Discussion and Analysis ("MD&A")* – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

*Government-wide financial statements* – consists of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

*Fund financial statements* – provides information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

*Required supplementary information* – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A "Basic Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Southbury.

### BUDGETARY PROCEDURES

The Town charter sets forth a specific process for development of an annual budget, which is summarized as follows:

- Not later than December 1, the head of each office or agency of the Town files with the First Selectman a detailed estimate of the expenditures to be made by that office or agency and the revenues, other than property tax revenues, to be collected thereby in the ensuing fiscal year.
- The First Selectman, with the assistance of the Finance Director, reviews the budget estimates with the heads of all Town supported offices and agencies, and by no later than February 15 presents to the Board of Selectmen, together with any recommended alterations or changes, the budget of all Town offices and agencies.
- The Board of Selectmen considers the budget estimates as submitted by the First Selectman and makes such further revisions as the Board deems desirable. The Board of Selectmen then submit its budget recommendations to the Board of Finance no later than March 15.
- Not later than March 25, the Board of Finance holds a public hearing at which any elector or taxpayer may have the opportunity to be heard regarding the appropriations proposed for the coming year. Subsequent to the public hearing, the Board of Finance makes its final revisions in the budget.
- Not later than April 15, the Board of Finance holds a public meeting at which it considers and acts upon the proposed appropriations and any other matters brought to its attention at such hearing.

- Within ten (10) days after the Board of Finance adopts a proposed budget the Board of Finance shall cause to be published, in a newspaper having general circulation in the Town and on the Town website and in the form prescribed by the General Statutes.
- Following approval of the annual budget, as provided for in the Charter and if the Board of Assessment Appeals has finished its duties and the grand list has been completed, the Board of Finance meets immediately following such approval to establish the tax rate on the taxable property of the Town for the next fiscal year. If the grand list has not been completed by the date of such meeting, the tax rate shall be set on the prior year's grand list and appropriate adjustment made when the current year's grand list has been completed.
- The Budget as recommended by the Board of Finance will be submitted to the Annual Town Meeting (the "Budget Referendum"). The Budget Referendum is held on the first Wednesday after the first Tuesday in May, or at such other date, hours and location as may be determined by the Board of Selectmen.
- If the budget is rejected at the Budget Referendum, the Board of Finance must convene as soon as practicable and shall adopt a budget to be submitted to a second referendum which shall be held no later than twenty-one (21) days after the prior referendum. This process continues until a budget is adopted at referendum. Notwithstanding the time constraints set forth in this paragraph, the Board of Selectmen may in its discretion adjust the time frame so that any subsequent referendum is held on the same date as any subsequent referendum for the Regional School District Number 15.
- If a budget is not adopted prior to the end of the fiscal year the budget adopted for the then current fiscal year shall be deemed to be the interim budget for the forthcoming fiscal year and expenditures may be made on a month-to-month basis in accordance therewith, until such a time as a new budget is adopted at referendum.

## **MUNICIPAL BUDGET EXPENDITURES**

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

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

## **ANNUAL AUDIT**

Pursuant to Connecticut law, the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with such Office of Policy within six months of the end of the fiscal year. For the fiscal year ended June 30, 2024 the examination was conducted by the firm of CliftonLarsonAllen LLP, West Hartford, Connecticut.

**PENSION PLANS**

***Defined Benefit Public Employee Retirement System***

The Town is the administrator of a single-employer Public Employee Retirement System (“PERS”) established and administered by the Town to provide retirement, disability, and death benefits for its employees. The PERS is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial reports as a pension trust fund. Management of the plan rests with the IPOC, which consists of two representatives from the Board of Selectmen, two representatives from the Board of Finance, the Controller/Treasurer of the Town, two members of the Southbury Public Library Board of Directors and two members and one alternate member, appoints by the Board of Selectman based on qualifications, who are residents of the Town.

The Town is required to contribute the amounts necessary to fund the PERS and cover all administrative charges. Police are required to contribute 1.9% of annual earnings

The PERS covers substantially all employees working more than 20 hours a week. The plan was closed to new entrants (except police) as of July 1, 2014.

The Town has obtained an actuarial valuation as of July 1, 2022:

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Determined<br/>Contribution (ADC)</b> | <b>Annual<br/>Contribution</b> | <b>% of ADEC<br/>Contributed</b> |
|---|--|--------------------------------|----------------------------------|
| <i>Town Plan</i>                        |  |                                |                                  |
| 2020                                    | \$1,049,437  | \$1,049,437                    | 100.00%                          |
| 2021                                    | 1,046,562  | 1,132,000                      | 108.16%                          |
| 2022                                    | 1,157,429  | 1,410,000                      | 121.82%                          |
| 2023                                    | 1,064,651  | 1,064,000                      | 99.94%                           |
| 2024                                    | 868,065  | 1,105,000                      | 127.29%                          |
| 2025 <sup>1</sup>                       | 872,000  | 1,134,000                      | 130.05%                          |

<sup>1</sup> Budgeted.

The following net pension liability of the Town Pension Plan at June 30, 2024, determined by an actuarial valuation as of July 1, 2022 and based on actuarial assumptions as of that date, were as follows:

|   | <b>Town Plan</b> |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | <b>2024</b>      | <b>2023</b>      | <b>2022</b>      | <b>2021</b>      | <b>2020</b>      |
| Total pension liability                                       | \$31,089,828     | \$30,240,236     | \$30,933,441     | \$29,798,225     | \$28,820,048     |
| Plan fiduciary net position                                   | 27,349,068       | 25,203,003       | 23,868,565       | 27,950,079       | 21,903,126       |
| Net pension liability   | <u>3,740,760</u> | <u>5,037,233</u> | <u>7,064,876</u> | <u>1,848,146</u> | <u>6,916,922</u> |
| Plan fiduciary net position as a % of total pension liability | 88.0%            | 83.3%            | 77.2%            | 93.8%            | 76.0%            |

The following presents the net pension liability, calculated using the discount rate of 6.25% as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate.

|                       | <b>Fiscal year ending June 30, 2024</b> |                      |                    |
|-----------------------|---|----------------------|--------------------|
|                       | <b>Current</b>                          |                      |                    |
|                       | <b>1% Decrease</b>                      | <b>Discount Rate</b> | <b>1% Increase</b> |
|                       | <b>5.25%</b>                            | <b>6.25%</b>         | <b>7.25%</b>       |
| Town Plan:            |   |                      |                    |
| Net Pension Liability | \$ 7,406,207                            | \$ 3,740,760         | \$ 672,728         |

*Please refer to the Town of Southbury’s “Notes to Basic Financial Statements”, Note 10, in “Appendix A” herein for further information on the Town’s Pension Plan.*

***Employees Defined Contribution Plan***

The Town established a defined contribution plan effective July 1, 2014. The Town will match employee contributions by 1% for every percent of the employee’s base salary contributed by the employee up to a total of 5% of the employee’s base salary for the relevant fiscal year. Employees have the right to self-direct their contributions to the defined contribution plan from among the investment options offered by the plan selected by the Town. Total contributions to the plan for the year ended June 30, 2024 were \$387,667 for employees and \$122,441 for the Town.

**OTHER POST-EMPLOYMENT BENEFITS**

The Town does not offer post-employment benefits to its retirees.

The Town is a member of Regional School District Number 15 (the “District”). The District, which is comprised of the Town of Middlebury and Southbury, has a net OPEB liability as of June 30, 2024 of \$8,419,918 (Source: 2024 Audited Financial Statements Regional School District Number 15)

**INVESTMENT POLICIES AND PRACTICES**

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to make. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

The Town’s investment practices are in compliance with the Connecticut General Statutes.

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

|   | <u>Fiscal Year 2023-24</u>   |                            |                            | <u>Fiscal Year</u>       | <u>Fiscal Year</u>       |
|---|------------------------------|----------------------------|----------------------------|--------------------------|--------------------------|
|   | <u>Final</u>                 | <u>Actual</u>              | <u>Variance</u>            | <u>2024-25</u>           | <u>2025-26</u>           |
|   | <u>Budget</u>                | <u>Operations</u>          | <u>Favorable</u>           | <u>Adopted</u>           | <u>Adopted</u>           |
|   |                              |                            | <u>(Unfavorable)</u>       | <u>Budget</u>            | <u>Budget</u>            |
| <b>REVENUES</b>   |                              |                            |                            |                          |                          |
| Property Taxes .....  | \$ 65,518,486                | \$ 65,570,037              | \$ 51,551                  | \$ 69,002,803            | \$ 69,947,893            |
| Intergovernmental .....   | 6,567,584                    | 7,180,314                  | 612,730                    | 7,570,614                | 9,056,724                |
| Licenses, Permits, and Fees.....  | 1,157,550                    | 1,596,889                  | 439,339                    | 1,181,550                | 1,466,400                |
| Investment Income.....  | 1,265,123                    | 1,805,669                  | 540,546                    | 1,223,878                | 1,173,207                |
| Other.....  | 368,500                      | 589,891                    | 221,391                    | 2,205,049                | 2,218,514                |
| <b>TOTAL REVENUES .....</b>   | <b><u>74,877,243</u></b>     | <b><u>76,742,800</u></b>   | <b><u>1,865,557</u></b>    | <b><u>81,183,894</u></b> | <b><u>83,862,738</u></b> |
| <b>EXPENDITURES</b>   |                              |                            |                            |                          |                          |
| Current:  |                              |                            |                            |                          |                          |
| General Government .....  | 9,551,785                    | 8,670,188                  | 881,597                    | 8,217,240                | 8,450,187                |
| Public Safety .....   | 4,450,677                    | 4,136,405                  | 314,272                    | 4,598,989                | 4,634,181                |
| Highway-Public Works.....   | 3,463,316                    | 2,792,026                  | 671,290                    | 4,787,118                | 4,816,071                |
| Conservation of Health.....   | 776,653                      | 770,397                    | 6,256                      | 782,515                  | 456,447                  |
| Community Activities.....   | 1,518,698                    | 1,435,530                  | 83,168                     | 1,658,889                | 2,131,140                |
| Education.....  | 53,858,679                   | 53,858,679                 | -                          | 57,650,446               | 59,586,094               |
| Capital Outlays.....  | 2,287,508                    | 2,287,508                  | -                          | 1,887,976                | 2,055,549                |
| <b>TOTAL EXPENDITURES .....</b>   | <b><u>75,907,316</u></b>     | <b><u>73,950,733</u></b>   | <b><u>1,956,583</u></b>    | <b><u>79,583,173</u></b> | <b><u>82,129,669</u></b> |
| Excess (deficiency) of revenues<br>over expenditures .....  | <u>(1,030,073)</u>           | <u>2,792,067</u>           | <u>3,822,140</u>           | <u>1,600,721</u>         | <u>1,733,069</u>         |
| Other financing sources (uses):   |                              |                            |                            |                          |                          |
| Appropriation of fund balance.....  | -                            | -                          | -                          | -                        | -                        |
| Transfers In .....  | 150,000                      | 140,000                    | (10,000)                   | 150,000                  | 150,000                  |
| Transfers Out (includes Debt Service)   | <u>(1,487,562)</u>           | <u>(1,487,562)</u>         | <u>-</u>                   | <u>(1,750,721)</u>       | <u>(1,883,069)</u>       |
| Total Other financing sources (uses) .....  | <u>(1,337,562)</u>           | <u>(1,347,562)</u>         | <u>(10,000)</u>            | <u>(1,600,721)</u>       | <u>(1,733,069)</u>       |
| <b>Excess (deficiency) of revenues<br/>and other financing sources<br/>over (under) expenditures and<br/>other financing uses .....</b> | <b><u>\$ (2,367,635)</u></b> | <b><u>\$ 4,419,629</u></b> | <b><u>\$ 3,812,140</u></b> | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>       |

Source: Annual Audited Financial Statement 2024, Adopted Budgets 2025 and 2026.

**GENERAL FUND BALANCE SHEET**  
Summary of Audited Assets and Liabilities  
**(GAAP Basis)**

| <b>FISCAL YEAR ENDED:</b>  | <b>2024</b>         | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |                     |                     |                     |
| Cash and cash equivalents .....  | \$21,633,107        | \$22,573,628        | \$20,055,640        | \$19,300,076        | \$13,766,557        |
| Investments.....   | -                   | -                   | -                   | -                   | 255,619             |
| Receivables, Net.....  | 1,009,595           | 1,129,327           | 746,655             | 823,916             | 1,066,652           |
| Due from Other Funds.....  | 258,020             | 2,538,985           | 1,133,431           | 635,379             | 923,491             |
| Prepays and other assets.....  | 39,418              | 49,974              | 163,297             | 43,183              | 31,955              |
| <b>TOTAL ASSETS.....</b>   | <b>\$22,940,140</b> | <b>\$26,291,914</b> | <b>\$22,099,023</b> | <b>\$20,802,554</b> | <b>\$16,044,274</b> |
| <b>LIABILITIES</b>   |                     |                     |                     |                     |                     |
| Accounts and Other payables .....  | \$ 448,616          | \$ 586,507          | \$ 825,058          | \$ 787,513          | \$ 706,950          |
| Due to Other Funds.....  | -                   | 3,398,979           | 1,702,764           | 1,416,001           | 1,102,035           |
| Unearned Revenue .....   | 1,728,166           | 2,862,131           | 2,649,802           | 2,896,024           | -                   |
| <b>Total Liabilities .....</b>   | <b>2,176,782</b>    | <b>6,847,617</b>    | <b>5,177,624</b>    | <b>5,099,538</b>    | <b>1,808,985</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                     |                     |                     |                     |                     |
| Unavailable Revenue - Taxes Paid in Advance....  | 69,338              | 69,338              | -                   | -                   | -                   |
| Unavailable Revenue - Property Taxes .....   | 567,852             | 534,737             | 311,255             | 490,644             | 642,897             |
| Unavailable Revenue - Interest Property Taxes..  | 334,112             | 361,551             | 268,863             | 284,239             | 302,034             |
| Unavailable Revenue - Loan Receivables.....  | -                   | -                   | -                   | -                   | -                   |
| <b>TOTAL DEFERRED INFLOWS.....</b>   | <b>971,302</b>      | <b>965,626</b>      | <b>580,118</b>      | <b>774,883</b>      | <b>944,931</b>      |
| <b>FUND BALANCE</b>  |                     |                     |                     |                     |                     |
| Nonspendable .....   | 39,418              | 49,974              | 163,297             | 43,183              | 31,955              |
| Restricted .....   | -                   | -                   | -                   | -                   | -                   |
| Committed .....  | 51,051              | 51,051              | 52,248              | 78,147              | 70,609              |
| Assigned .....   | 10,477,112          | 9,939,305           | 10,146,044          | 10,757,879          | 9,014,974           |
| Unassigned .....   | 9,224,475           | 8,438,341           | 5,979,692           | 4,048,924           | 4,172,820           |
| <b>TOTAL FUND BALANCE.....</b>   | <b>19,792,056</b>   | <b>18,478,671</b>   | <b>16,341,281</b>   | <b>14,928,133</b>   | <b>13,290,358</b>   |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES AND<br/>FUND BALANCES.....</b> | <b>\$22,940,140</b> | <b>\$26,291,914</b> | <b>\$22,099,023</b> | <b>\$20,802,554</b> | <b>\$16,044,274</b> |

Source: Annual Audited Financial Statements 2020-2024.

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**GENERAL FUND REVENUES AND EXPENDITURES**  
 Summary of Audited Revenues and Expenditures  
 (GAAP Basis)

| FISCAL YEAR ENDED:                                  | 2024                        | 2023                        | 2022                        | 2021                        | 2020                        |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>REVENUES</b>                                     |                             |                             |                             |                             |                             |
| Property Taxes .....                                | \$65,570,038                | \$63,980,938                | \$64,138,732                | \$63,546,730                | \$62,230,340                |
| Intergovernmental .....                             | 8,314,280                   | 9,035,471                   | 5,507,879                   | 4,749,602                   | 5,617,588                   |
| Charges for Services .....                          | 2,119,614                   | 2,054,646                   | 2,080,500                   | 1,707,014                   | 1,461,060                   |
| Investment Income.....                              | 1,805,669                   | 1,227,334                   | 76,933                      | 312,724                     | 649,768                     |
| Miscellaneous.....                                  | 207,165                     | 160,786                     | 332,237                     | 192,260                     | 235,656                     |
| Transfers In.....                                   | -                           | 650,254                     | 158,848                     | 150,000                     | 167,434                     |
| <b>Total Revenues &amp; Transfers In .....</b>      | <b><u>\$78,016,766</u></b>  | <b><u>\$77,109,429</u></b>  | <b><u>\$72,295,129</u></b>  | <b><u>\$70,658,330</u></b>  | <b><u>\$70,361,846</u></b>  |
| <b>EXPENDITURES</b>                                 |                             |                             |                             |                             |                             |
| General Government .....                            | 8,667,085                   | 8,573,228                   | 8,476,373                   | 8,000,910                   | 7,925,902                   |
| Public Safety .....                                 | 4,131,908                   | 3,963,833                   | 3,699,433                   | 3,896,522                   | 3,797,739                   |
| Public Works.....                                   | 2,994,719                   | 2,947,805                   | 3,121,259                   | 3,048,634                   | 3,119,472                   |
| Conservation of health.....                         | 341,980                     | 323,384                     | 307,435                     | 292,314                     | 615,994                     |
| Community Activities.....                           | 1,862,086                   | 1,711,618                   | 1,579,316                   | 1,414,111                   | 1,221,841                   |
| Education.....                                      | 53,858,679                  | 51,509,790                  | 49,792,018                  | 48,007,514                  | 47,644,384                  |
| Capital Outlay.....                                 | 1,133,966                   | 2,483,695                   | 246,222                     | -                           | -                           |
| Debt Service.....                                   | 267,800                     | 789,813                     | 825,750                     | 862,850                     | 891,025                     |
| Transfers Out.....                                  | 3,445,158                   | 2,668,873                   | 2,834,175                   | 3,497,700                   | 3,928,600                   |
| <b>Total Expenditures &amp; Transfers Out .....</b> | <b><u>76,703,381</u></b>    | <b><u>74,972,039</u></b>    | <b><u>70,881,981</u></b>    | <b><u>69,020,555</u></b>    | <b><u>69,144,957</u></b>    |
| Results from Operations.....                        | 1,313,385                   | 2,137,390                   | 1,413,148                   | 1,637,775                   | 1,216,889                   |
| <b>Fund Balance - July 1 .....</b>                  | <b><u>18,478,671</u></b>    | <b><u>16,341,281</u></b>    | <b><u>14,928,133</u></b>    | <b><u>13,290,358</u></b>    | <b><u>12,073,469</u></b>    |
| <b>Fund Balance - June 30 .....</b>                 | <b><u>\$ 19,792,056</u></b> | <b><u>\$ 18,478,671</u></b> | <b><u>\$ 16,341,281</u></b> | <b><u>\$ 14,928,133</u></b> | <b><u>\$ 13,290,358</u></b> |

Source: Annual Audited Financial Statements 2020-2024.

**ANALYSIS OF GENERAL FUND EQUITY**  
 (GAAP BASIS)

| FISCAL YEAR ENDED:                     | 2024                     | 2023                     | 2022                     | 2021                     | 2020                     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Nonspendable.....                      | \$ 39,418                | \$ 49,974                | \$ 163,297               | \$ 43,183                | \$ 31,955                |
| Committed.....                         | 51,051                   | 51,051                   | 52,248                   | 78,147                   | 70,609                   |
| Assigned.....                          | 10,477,112               | 9,939,305                | 10,146,044               | 10,757,879               | 9,014,974                |
| Unassigned.....                        | 9,224,475                | 8,438,341                | 5,979,692                | 4,048,924                | 4,172,820                |
| <b>Total Fund Balance.....</b>         | <b><u>19,792,056</u></b> | <b><u>18,478,671</u></b> | <b><u>16,341,281</u></b> | <b><u>14,928,133</u></b> | <b><u>13,290,358</u></b> |
| <b>Unassigned Fund Balance As % of</b> |                          |                          |                          |                          |                          |
| <b>Total Expenditures.....</b>         | <b>12.03%</b>            | <b>11.26%</b>            | <b>8.44%</b>             | <b>5.87%</b>             | <b>6.03%</b>             |

Source: Annual Audited Financial Statements 2020-2024.

**PROPERTY TAX REVENUES**

| <b>Fiscal Year</b> | <b>General Fund</b>                | <b>Property Tax</b> | <b>Property Tax</b>                                      |
|--------------------|------------------------------------|---------------------|--|
|                    | <b>Revenues &amp; Transfers in</b> |                     | <b>Revenues as a Percentage of General Fund Revenues</b> |
| 2026 <sup>1</sup>  | \$84,012,738                       | \$69,947,893        | 83.3 %   |
| 2025 <sup>1</sup>  | 81,333,894                         | 69,002,803          | 84.8   |
| 2024               | 78,016,766                         | 65,570,038          | 84.0   |
| 2023               | 77,109,429                         | 63,980,938          | 83.0   |
| 2022               | 72,295,129                         | 64,138,732          | 88.7   |
| 2021               | 70,658,330                         | 63,546,730          | 89.9   |
| 2020               | 70,361,846                         | 62,230,340          | 88.4   |

<sup>1</sup> Adopted budget.

**INTERGOVERNMENTAL REVENUES**

| <b>Fiscal Year</b> | <b>General Fund</b>                | <b>Intergovernmental</b> | <b>Aid as a</b>                            |
|--------------------|------------------------------------|--------------------------|--|
|                    | <b>Revenues &amp; Transfers in</b> |                          | <b>Percentage of General Fund Revenues</b> |
| 2026 <sup>1</sup>  | \$84,012,738                       | \$9,056,724              | 10.8 %                                     |
| 2025 <sup>1</sup>  | 81,333,894                         | 7,570,614                | 9.3  |
| 2024               | 78,016,766                         | 8,314,280                | 10.7                                       |
| 2023               | 77,109,429                         | 9,035,471                | 11.7                                       |
| 2022               | 72,295,129                         | 5,507,879                | 7.6  |
| 2021               | 70,658,330                         | 4,749,602                | 6.7  |
| 2020               | 70,361,846                         | 5,617,588                | 8.0  |

<sup>1</sup> Adopted budget.

**EXPENDITURES**

| <b>Fiscal Year</b> | <b>Education</b> | <b>Public Safety</b> | <b>General Government</b> | <b>Public Works</b> | <b>Debt Service</b> |
|--------------------|------------------|----------------------|---------------------------|---------------------|---------------------|
| 2026 <sup>1</sup>  | 70.9%            | 5.5%                 | 10.1%                     | 5.7%                | 0.4%                |
| 2025 <sup>1</sup>  | 70.9%            | 5.7%                 | 10.1%                     | 5.9%                | 0.4%                |
| 2024               | 70.2%            | 5.4%                 | 11.3%                     | 3.9%                | 0.3%                |
| 2023               | 68.7%            | 5.3%                 | 11.4%                     | 3.9%                | 1.1%                |
| 2022               | 70.2%            | 5.2%                 | 12.0%                     | 4.4%                | 1.2%                |
| 2021               | 69.6%            | 5.6%                 | 11.6%                     | 4.4%                | 1.3%                |
| 2020               | 68.9%            | 5.5%                 | 11.5%                     | 4.5%                | 1.3%                |

<sup>1</sup> Adopted budget.

**VI. DEBT SUMMARY**

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**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of July 8, 2025  
(Pro Forma)

The Town has no outstanding long-term bonded debt.

**Short-Term Debt:**

| <b>Project</b>                  | <b>Amount<br/>Authorized</b> | <b>Notes</b>                        | <b>Renewable<br/>Limit</b> |
|---------------------------------|------------------------------|-------------------------------------|----------------------------|
|                                 |                              | <b>This Issue<br/>Due: 7/7/2026</b> |                            |
| Storm Damage 2024 Projects..... | \$ 8,520,000                 | \$ 8,520,000                        | 7/8/2035                   |
| Total.....                      |                              | <u>\$ 8,520,000</u>                 |                            |

**Other Long-Term Debt:**

*None*

**COMBINED ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1,2</sup>**

As of July 8, 2025  
(Pro Forma)

The Town has no outstanding long-term bonded debt.

**OVERLAPPING/UNDERLYING DEBT**

Regional School District Number 15 is a political subdivision with power to issue debt in the Town of Southbury. The outstanding indebtedness of regional School District Number 15 is considered overlapping debt of the Town. The indebtedness of the District as of April 24, 2025 is shown below:

| <b>District's Net<br/>Direct<br/>Indebtedness</b> | <b>Applicable to Town<br/>of Southbury<br/>(65.6397%)</b> |
|---|---|
| <u>\$10,275,000</u>                               | <u>\$6,744,479</u>  |

Source: Regional School District Number 15, Official Statement dated April 17, 2025.

The Town of Southbury has no underlying debt.

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**DEBT STATEMENT**<sup>1</sup>  
As of July 8, 2025  
(Pro Forma)

|  |                      |
|--|----------------------|
| <b>Long-Term Indebtedness</b>                              |                      |
| General Purpose.....                                       | \$ -                 |
| Schools .....  | -                    |
| <b>Total Long-Term Indebtedness.....</b>                   | <b>-</b>             |
| <b>Short-Term Indebtedness (includes this issue)</b>       |                      |
| Note payable (this issue) .....                            | 8,520,000            |
| <b>Total Short-Term Indebtedness.....</b>                  | <b>8,520,000</b>     |
| <b>Total Direct Indebtedness.....</b>                      | <b>8,520,000</b>     |
| <b>Exclusions:</b>   | <b>-</b>             |
| <b>Net Direct Indebtedness.....</b>                        | <b>8,520,000</b>     |
| <b>Overlapping/Underlying Indebtedness<sup>2</sup> ...</b> | <b>6,744,479</b>     |
| <b>Total Overall Net Direct Indebtedness.....</b>          | <b>\$ 15,264,479</b> |

<sup>1</sup> Excludes capital lease obligations and authorized but unissued debt

<sup>2</sup> Represents Southbury's share of regional School District Number 15 Net Direct Indebtedness. The percentage of participation for the 2025-26 Fiscal Year is 65.6397%

**CURRENT DEBT RATIOS**  
July 8, 2025  
(Pro Forma)

|  |                 |
|--|-----------------|
| Population <sup>1</sup> .....                  | 19,973          |
| Net Taxable Grand List (10/1/24).....          | \$2,936,852,831 |
| Estimated Full Value.....                      | \$4,195,504,044 |
| Equalized Net Taxable Grand List (10/1/22).... | \$4,135,113,791 |
| Per Capita Income (2023).....                  | \$65,768        |

|   | <b>Total<br/>Direct debt<br/>\$8,520,000</b> | <b>Total Net<br/>Direct Debt<br/>\$8,520,000</b> | <b>Total Overall<br/>Net Debt<br/>\$15,264,479</b> |
|---|--|--|--|
| Per Capita.....                                 | \$426.58                                     | \$426.58   | \$764.26   |
| Ratio to Net Taxable Grand List.....            | 0.29%  | 0.29%  | 0.52%  |
| Ratio to Estimated Full Value.....              | 0.20%  | 0.20%  | 0.36%  |
| Ratio to Equalized Net Taxable Grand List.....  | 0.21%  | 0.21%  | 0.37%  |
| Debt per Capita to Money Income per Capita..... | 0.65%  | 0.65%  | 1.16%  |

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

## **BOND AUTHORIZATION**

The Town of Southbury has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the procedural requirements of the Town Charter. The issuance of bonds, except for tax anticipation notes in the aggregate principal amount of \$250,000 or less, and refunding bonds, are authorized by the Town Meeting, at which all electors and certain non-resident property owners can vote, and upon the approval of the Board of Selectmen and the Board of Finance. Refunding bonds and tax anticipation notes in the maximum amount of \$250,000 are approved by the Board of Selectmen.

## **TEMPORARY FINANCING**

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

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

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

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## **LIMITATION OF INDEBTEDNESS**

Municipalities shall not incur indebtedness through the issuance of bonds or notes, 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 |
| Pension Obligation Purposes: | 3.00 times annual receipts from taxation |

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

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) 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; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in amount sufficient, together with such investment earnings thereon as

are to be retained in said escrow, to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

**STATEMENT OF STATUTORY DEBT LIMITATION**  
As of July 8, 2025  
(Pro Forma)

|  |               |
|--|---------------|
| Total Receipts for fiscal year ended June 30, 2023 (including interest and lien fees) <sup>1</sup> | \$ 63,638,960 |
| State Reimbursement for Revenue Loss on:   |               |
| Tax Relief for Veterans & Disabled   | -             |
| Base for Establishing Debt Limit   | \$ 63,638,960 |

|  | General<br>Purpose | Schools       | Sewers        | Urban<br>Renewal | Past<br>Pension | Total<br>Debt |
|--|--------------------|---------------|---------------|------------------|-----------------|---------------|
| (2.25 times base).....   | \$143,187,660      |               |               |                  |                 |               |
| (4.50 times base).....   |                    | \$286,375,320 |               |                  |                 |               |
| (3.75 times base).....   |                    |               | \$238,646,100 |                  |                 |               |
| (3.25 times base).....   |                    |               |               | \$206,826,620    |                 |               |
| (3.00 times base).....   |                    |               |               |                  | \$190,916,880   |               |
| (7.00 times base).....   |                    |               |               |                  |                 | \$445,472,720 |
| <b>Indebtedness</b>  |                    |               |               |                  |                 |               |
| Bonds Payable.....   | \$ -               | \$ -          | \$ -          | \$ -             | \$ -            | \$ -          |
| Notes ( <i>This issue</i> ).....   | 8,520,000          | -             | -             | -                | -               | 8,520,000     |
| Overlapping Debt - RSD #15.....  | -                  | 6,744,479     | -             | -                | -               | 6,744,479     |
| Authorized but<br>Unissued Debt.....                                     | -                  | -             | -             | -                | -               | -             |
| Total Bonded Indebtedness.....   | 8,520,000          | 6,744,479     | -             | -                | -               | 15,264,479    |
| Less Sewer Assessments.....  | -                  | -             | -             | -                | -               | -             |
| Net Bonded Indebtedness.....   | 8,520,000          | 6,744,479     | -             | -                | -               | 15,264,479    |
| <b>Excess of Limit Over<br/>Outstanding and<br/>Authorized Debt.....</b> |                    |               |               |                  |                 |               |
|  | \$134,667,660      | \$279,630,841 | \$238,646,100 | \$206,826,620    | \$190,916,880   | \$430,208,241 |

<sup>1</sup> Represents Southbury's share of regional School District Number 15 Net Direct Indebtedness. The percentage of participation for the 2025-26 Fiscal Year is 65.6397%

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$445,472,720.

**AUTHORIZED BUT UNISSUED DEBT**  
As of July 8, 2025  
(Pro Forma)

|                                 | Amount of<br>Total<br>Authorization | Prior<br>Debt<br>Issued | Paydowns /<br>Grants /<br>Other Funds | Additions/<br>(Reductions) | Notes<br>This Issue | Authorized<br>But<br>Unissued |
|---------------------------------|-------------------------------------|-------------------------|---------------------------------------|----------------------------|---------------------|-------------------------------|
| Storm Damage 2024 Projects..... | \$ 8,520,000                        | \$ -                    | \$ -                                  | \$ -                       | \$ 8,520,000        | \$ -                          |
| Total All Projects              | \$ 8,520,000                        | \$ -                    | \$ -                                  | \$ -                       | \$ 8,520,000        | \$ -                          |



**PRINCIPAL AMOUNT OF OUTSTANDING DEBT <sup>1</sup>**

| <b>Long-Term Debt</b>       | <b>2025 Est.</b> | <b>2024</b> | <b>2023</b>      | <b>2022</b>        | <b>2021</b>        | <b>2020</b>        |
|-----------------------------|------------------|-------------|------------------|--------------------|--------------------|--------------------|
| Bonds.....                  | \$0              | \$0         | \$260,000        | \$1,025,000        | \$1,800,000        | \$2,580,000        |
| <b>Short-Term Debt</b>      |                  |             |                  |                    |                    |                    |
| Bond Anticipation Notes.... | 0                | 0           | 0                | 0                  | 0                  | 0                  |
| <b>Totals.....</b>          | <b>\$0</b>       | <b>\$0</b>  | <b>\$260,000</b> | <b>\$1,025,000</b> | <b>\$1,800,000</b> | <b>\$2,580,000</b> |

<sup>1</sup> Excludes capital lease obligations and overlapping debt.

Source: Annual Audited Financial Statements 2020-2024, Estimate 2025.

**RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME**

| <b>Fiscal Year Ended 6/30</b> | <b>Net Assessed Value</b> | <b>Estimated Full Value</b> | <b>Direct Debt<sup>1</sup></b> | <b>Ratio of Direct Debt to Net Assessed Value (%)</b> | <b>Ratio of Direct Debt to Estimated Full Value (%)</b> | <b>Population<sup>2</sup></b> | <b>Direct Debt per Capita</b> | <b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b> |
|-------------------------------|---------------------------|-----------------------------|--------------------------------|---|---|-------------------------------|-------------------------------|---|
| 2025 Est.                     | \$2,915,969,851           | \$4,165,671,216             | \$0                            | 0.00%   | 0.00%   | 19,973                        | \$0.00                        | 0.00%   |
| 2024                          | 2,885,553,806             | 4,122,219,723               | \$0                            | 0.00%   | 0.00%   | 19,973                        | \$0.00                        | 0.00%   |
| 2023                          | 2,232,838,399             | 3,189,769,141               | 260,000                        | 0.01%   | 0.01%   | 19,973                        | 13.02                         | 0.02%   |
| 2022                          | 2,160,305,490             | 3,086,150,700               | 1,025,000                      | 0.05%   | 0.03%   | 19,973                        | 51.32                         | 0.08%   |
| 2021                          | 2,150,090,980             | 3,071,558,543               | 1,800,000                      | 0.08%   | 0.06%   | 19,973                        | 90.12                         | 0.14%   |
| 2020                          | 2,138,961,171             | 3,055,658,816               | 2,580,000                      | 0.12%   | 0.08%   | 19,973                        | 129.17                        | 0.20%   |

<sup>1</sup> Excludes capital lease obligations and overlapping debt.

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

<sup>3</sup> Income per Capita: \$65,768: U.S. Census Bureau, 2019-2023 American Community Survey.

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

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

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### **LITIGATION**

The Town Attorney advised that the Town of Southbury, Connecticut its officers, employees, boards and commissions are named defendants in a few lawsuits. With regard to these pending lawsuits, it is the Town Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

### **MUNICIPAL ADVISOR**

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regards to the investment of Note proceeds.

### **CLOSING DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES**

Upon the delivery of the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery of the Notes no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay the principal of and interest on the Notes.
2. A certificate on behalf of the Town signed by the First Selectman and the Finance Director/Treasurer, which will be dated the date of delivery and certifying to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Notes, the descriptions and statements in the Preliminary Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact 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 Town from that set forth in or contemplated by the Preliminary Official Statement.
3. A receipt for the purchase price of the Notes.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, in substantially the form attached hereto as Appendix B.
5. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached hereto as Appendix C.
6. The Town of Southbury, Connecticut has prepared a Preliminary Official Statement for the Notes issue which is dated June 17, 2025. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(i), but it is subject to revision or amendment. The Town will make available to the winning bidder(s) of the Notes a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening.

**CONCLUDING STATEMENT**

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

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

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 Town 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.

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

**TOWN OF SOUTHBURY, CONNECTICUT**

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Jeff Manville, *First Selectman*

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Dan Colton, *Treasurer/Finance Director*

June \_\_, 2025

**APPENDIX A - BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Appendix A - Basic Financial Statements - is taken from the Financial Statements of the Town of Southbury for the Fiscal Year ended June 30, 2024 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Southbury, Southbury, Connecticut.



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Southbury, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Southbury, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Southbury, 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, each major fund, and the aggregate remaining fund information of the Town of Southbury, Connecticut, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Southbury, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Southbury, 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 the pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024, on our consideration of the Town of Southbury, Connecticut’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Southbury, Connecticut’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Southbury, Connecticut’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
September 17, 2024

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

This discussion and analysis of the Town of Southbury, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$126,158,770 (net position). Of this amount, \$32,187,063 represents the Town's unrestricted net position.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$35,757,644, an increase of \$2,335,387 in comparison with the prior year.
- During the year, the Town had revenue of \$80.1 million, an increase of 2.4% in tax and other revenues for governmental programs.
- The total cost of all the Town's programs was \$76.7 million, an increase of 3.6% with no new programs added this year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$9,224,475 or 12.6% of the Town' fiscal year 2024 adopted General Fund budgetary expenditure appropriation. The Town approved additional pension funding of \$0.4 million in fiscal year 23-24.

**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 Town as a whole and present a longer-term view of the Town'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 Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities 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.



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

These two statements report the Town's net position and changes to it. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town'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 Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- **Governmental Activities** – The Town's basic services are reported here, including education, general government, public safety, public works, conservation of health and community activities. Property taxes, charges for services, and state and federal grants finance most of these activities.

**Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (like the Revaluation Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the state of Connecticut). The Town's funds are divided into two categories: governmental and fiduciary.

- **Governmental Funds** (Exhibits III and IV) – Most of the Town'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 Town'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 Town'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 through VII) – The Town's short and long-term financial information about the activities the government operates like business, such as the Town's Medical internal service fund, are reported in the proprietary funds. These funds provide the same type of information as the government-wide financial statements, only in more detail.
- **Fiduciary Funds** (Exhibits VIII and IX) – The Town is the trustee, or fiduciary, for its employees' pension 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 Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**Government-Wide Financial Analysis**

The Town's combined net position increased from a year ago. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1  
NET POSITION**

|   | Governmental<br>Activities |                       |
|---|----------------------------|-----------------------|
|   | 2024                       | 2023                  |
| <b>Assets:</b>                                  |                            |                       |
| Current and Other Assets                        | \$ 40,508,920              | \$ 39,377,197         |
| Capital Assets, Net of Accumulated Depreciation | 92,827,185                 | 92,681,798            |
| Total Assets                                    | <u>133,336,105</u>         | <u>132,058,995</u>    |
| <b>Deferred Outflows of Resources</b>           | 339,679                    | 1,521,589             |
| <b>Liabilities:</b>                             |                            |                       |
| Long-Term Liabilities Outstanding               | 4,129,308                  | 5,661,083             |
| Other Liabilities                               | 2,841,683                  | 4,131,090             |
| Total Liabilities                               | <u>6,970,991</u>           | <u>9,792,173</u>      |
| <b>Deferred Inflows of Resources</b>            | <u>546,023</u>             | <u>1,075,673</u>      |
| <b>Net Position:</b>                            |                            |                       |
| Net Investment in Capital Assets                | 92,827,185                 | 91,848,746            |
| Restricted for:                                 |                            |                       |
| Grant Purposes                                  | 1,144,522                  | 1,161,838             |
| Unrestricted                                    | <u>32,187,063</u>          | <u>29,702,154</u>     |
| Total Net Position                              | <u>\$ 126,158,770</u>      | <u>\$ 122,712,738</u> |

Net position of the Town's governmental activities increases by 2.7% (\$126.2 million compared to \$122.7 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – was \$29.7 million on June 30, 2023, and \$32.2 million at the end of this fiscal year.

Net position invested in capital assets increased by \$978 thousand. When developers complete developments and turn over roads to the Town, a contribution is recognized along with the contributed asset.

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

**TABLE 2  
CHANGE IN NET POSITION**

|   | Governmental<br>Activities |                     |
|---|----------------------------|---------------------|
|   | 2024                       | 2023                |
| <b>Revenues:</b>  |                            |                     |
| Program Revenues:   |                            |                     |
| Charges for Services  | \$ 2,794,376               | \$ 2,822,394        |
| Operating Grants and Contributions                              | 7,780,556                  | 8,048,585           |
| General Revenues:   |                            |                     |
| Property Taxes  | 65,575,714                 | 64,297,108          |
| Grants and Contributions Not Restricted to<br>Specific Purposes | 735,885                    | 1,079,051           |
| Unrestricted Investment Earnings                                | 2,913,480                  | 1,796,308           |
| Miscellaneous   | 324,352                    | 221,394             |
| Total Revenues  | 80,124,363                 | 78,264,840          |
| <b>Program Expenses:</b>  |                            |                     |
| General Government  | 8,710,441                  | 8,894,791           |
| Public Safety   | 4,931,359                  | 4,837,549           |
| Public Works  | 6,490,171                  | 6,433,030           |
| Conservation of Health  | 341,980                    | 339,433             |
| Community Activities  | 2,301,437                  | 1,975,612           |
| Education   | 53,858,679                 | 51,509,790          |
| Debt Service  | 44,264                     | 49,669              |
| Total Program Expenses  | 76,678,331                 | 74,039,874          |
| <b>Increase in Net Position</b>                                 | <b>\$ 3,446,032</b>        | <b>\$ 4,224,966</b> |

The Town's total revenues were \$80.1 million. Total cost of all programs and services was \$76.7 million. Property tax collection rate was 99.4% and accounted for 82% of all revenues. Revenues from operating grants and contributions, the second largest component, were 9.7%. Education expenses were 70.2% of total expenses.

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

Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, conservation of health, community activities, education, and debt service - 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 Town's taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

|                        | Total Cost of Services |                      | Net Cost of Services |                      |
|------------------------|------------------------|----------------------|----------------------|----------------------|
|                        | 2024                   | 2023                 | 2024                 | 2023                 |
| General Government     | \$ 8,710,441           | \$ 8,894,791         | \$ 4,544,506         | \$ 3,837,512         |
| Public Safety          | 4,931,359              | 4,837,549            | 4,485,011            | 4,344,722            |
| Public Works           | 6,490,171              | 6,433,030            | 6,294,513            | 6,304,308            |
| Conservation of Health | 341,980                | 339,433              | 341,980              | 339,433              |
| Community Activities   | 2,301,437              | 1,975,612            | 2,121,165            | 1,745,275            |
| Education              | 53,858,679             | 51,509,790           | 48,271,960           | 46,547,976           |
| Debt Service           | 44,264                 | 49,669               | 44,264               | 49,669               |
|                        | <u>\$ 76,678,331</u>   | <u>\$ 74,039,874</u> | <u>\$ 66,103,399</u> | <u>\$ 63,168,895</u> |
| Totals                 |                        |                      |                      |                      |

**Town Funds Financial Analysis**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$35.8 million, which is an increase from last year's total of \$33.4 million. The original budget for 2024 also utilized \$1,355,634 of the prior year fund balance to balance it.

The Capital Projects Fund balance increased by \$0.7 million due primarily to road construction, equipment purchase and fluctuation in the markets due to COVID-19 and supply chain issues.

The Town's General Fund balance of \$19.8 million reported on Exhibit III differs from the General Fund's budgetary fund balance of \$19.6 million. This is because the governmental fund balance (Exhibit III) does not include \$274,600 of outstanding encumbrances at year end, which are reported as expenditures for budgetary purposes.

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

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2024, the Town had \$92.8 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads and bridges - Table 4. This amount represents a slight increase over the prior fiscal year.

**TABLE 4  
CAPITAL ASSETS (Net of Depreciation)  
(In Thousands)**

|                            | Governmental<br>Activities |           |
|----------------------------|----------------------------|-----------|
|                            | 2024                       | 2023      |
| Land                       | \$ 20,126                  | \$ 20,126 |
| Buildings and Improvements | 14,102                     | 13,257    |
| Equipment                  | 7,206                      | 4,886     |
| Infrastructure             | 49,989                     | 47,533    |
| Construction in Progress   | 1,404                      | 6,880     |
| Totals                     | \$ 92,827                  | \$ 92,682 |

This year's major additions included:

|                          |              |
|--------------------------|--------------|
| Fire and Police Vehicles | \$ 1,120,317 |
|--------------------------|--------------|

The Town's fiscal year 2024-25 capital plan calls for it to spend \$700,000 on vehicles. The Town also appropriated an additional \$1,737,976 million for road improvements.

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

**Long-Term Debt**

On June 30, 2023, the Town had \$0 in bonds and notes outstanding versus \$260,000 last year - a decrease of \$260,000. The Town refinanced a portion of its long-term debt in July 2012, which resulted in a savings of \$241,585 of interest over the life of the bonds.

The Town's general obligation bond rating continues to be Aa1 rating, a rating that has been assigned by national rating agencies to the Town's debt since June 2021. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$447.6 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

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

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

During May 2024, the Town adopted a General Fund budget for the fiscal year ending June 30, 2025. The budget reflected an overall increase in expenditures of \$4,898,342 or 6.41% over the final fiscal year 2024 amended budget. The budgeted expenditures of \$81,333,894 resulted in a mill rate increase and allows the Town to continue to maintain the same level of programs and services to its residents. The Town has planned to utilize \$1,737,182 of the fund balance for the purposes of balancing the budget.

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

- For purposes of calculating property tax revenues for fiscal year 2025, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers. Property tax revenues were planned to have an increasing role in funding the General Fund budget due to expected reductions in intergovernmental and other revenues.
- On August 18, 2024, the Town was hit by a historic storm that devastated the Town's infrastructure and equipment. The Administration will be working with all agencies to ensure that all losses are recovered through Federal Emergency Management Agency. The potential budget impact is not known at this time of this issuance.
- Intergovernmental grants were based on preliminary estimates from the State. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2024 and thereafter. The State General Assembly can and has changed these estimates over the years, for which such changes are typically made after the Town budget has been adopted. A decrease in intergovernmental revenues has been anticipated due to the financial condition of the State.
- It was unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of the conveyance taxes and interest income.

All of these factors were considered in the preparation of the Town's General Fund budget for the fiscal year 2025.

**Contacting The Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Southbury, 501 Main Street, Southbury, Connecticut 06488.

## **BASIC FINANCIAL STATEMENTS**

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

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Cash and Cash Equivalents                       | \$ 23,424,686                      |
| Investments                                     | 14,929,939                         |
| Receivables, Net                                | 2,114,877                          |
| Prepaid Items                                   | 39,418                             |
| Capital Assets Not Being Depreciated            | 21,530,352                         |
| Capital Assets, Net of Accumulated Depreciation | 71,296,833                         |
| Total Assets                                    | 133,336,105                        |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>          |                                    |
| Related to Pension                              | 339,679                            |
| Total Deferred Outflows of Resources            | 339,679                            |
| <b>LIABILITIES</b>                              |                                    |
| Current Liabilities:                            |                                    |
| Accounts and Other Payables                     | 1,113,517                          |
| Unearned Revenue                                | 1,728,166                          |
| Total Current Liabilities                       | 2,841,683                          |
| Noncurrent Liabilities:                         |                                    |
| Due Within One Year                             | 372,824                            |
| Due in More than One Year                       | 3,756,484                          |
| Total Noncurrent Liabilities                    | 4,129,308                          |
| Total Liabilities                               | 6,970,991                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                    |
| Taxes Paid in Advance                           | 69,338                             |
| Related to Pension                              | 476,685                            |
| Total Deferred Inflows of Resources             | 546,023                            |
| <b>NET POSITION</b>                             |                                    |
| Net Investment in Capital Assets                | 92,827,185                         |
| Restricted for:                                 |                                    |
| Grant Purposes                                  | 1,144,522                          |
| Unrestricted                                    | 32,187,063                         |
| Total Net Position                              | \$ 126,158,770                     |

See accompanying Notes to Basic Financial Statements.



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

| Functions/Programs   | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--|----------------------|-------------------------|--|--|--|
|  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 |
| <b>GOVERNMENTAL ACTIVITIES</b>                               |                      |                         |  |  |  |
| General Government   | \$ 8,710,441         | \$ 2,167,756            | \$ 1,998,179                             | \$ -                                   | \$ (4,544,506)   |
| Public Safety  | 4,931,359            | 446,348                 | -  | -                                      | (4,485,011)  |
| Public Works   | 6,490,171            | -                       | 195,658                                  | -                                      | (6,294,513)  |
| Conservation of Health                                       | 341,980              | -                       | -  | -                                      | (341,980)  |
| Community Activities   | 2,301,437            | 180,272                 | -  | -                                      | (2,121,165)  |
| Education  | 53,858,679           | -                       | 5,586,719                                | -                                      | (48,271,960)   |
| Debt Service   | 44,264               | -                       | -  | -                                      | (44,264)   |
| Total Governmental Activities                                | <u>\$ 76,678,331</u> | <u>\$ 2,794,376</u>     | <u>\$ 7,780,556</u>                      | <u>\$ -</u>                            | (66,103,399)   |
| <b>GENERAL REVENUES</b>                                      |                      |                         |  |  |  |
| Property Taxes   |                      |                         |  |  | 65,575,714   |
| Grants and Contributions Not Restricted to Specific Programs |                      |                         |  |  | 735,885  |
| Unrestricted Investment Earnings                             |                      |                         |  |  | 2,913,480  |
| Miscellaneous  |                      |                         |  |  | 324,352  |
| Total General Revenues                                       |                      |                         |  |  | <u>69,549,431</u>  |
| <b>CHANGE IN NET POSITION</b>                                |                      |                         |  |  |  |
|  |                      |                         |  |  | 3,446,032  |
| Net Position - Beginning of Year                             |                      |                         |  |  | <u>122,712,738</u>   |
| <b>NET POSITION - END OF YEAR</b>                            |                      |                         |  |  |  |
|  |                      |                         |  |  | <u>\$ 126,158,770</u>                                      |

See accompanying Notes to Basic Financial Statements.

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

|  | General              | Capital<br>Projects  | Small<br>Cities     | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                      |                     |                                   |                                |
| Cash and Cash Equivalents  | \$ 21,633,107        | \$ 268,649           | \$ 145,391          | \$ 1,377,539                      | \$ 23,424,686                  |
| Investments  | -                    | 11,639,794           | -                   | 3,290,145                         | 14,929,939                     |
| Receivables, Net   | 1,009,595            | -                    | 997,481             | 68,705                            | 2,075,781                      |
| Due from Other Funds   | 258,020              | -                    | 1,650               | 152,407                           | 412,077                        |
| Prepays  | 39,418               | -                    | -                   | -                                 | 39,418                         |
|  | <u>\$ 22,940,140</u> | <u>\$ 11,908,443</u> | <u>\$ 1,144,522</u> | <u>\$ 4,888,796</u>               | <u>\$ 40,881,901</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                      |                      |                     |                                   |                                |
| <b>LIABILITIES</b>   |                      |                      |                     |                                   |                                |
| Accounts and Other Payables  | \$ 448,616           | \$ 566,591           | \$ -                | \$ 24                             | \$ 1,015,231                   |
| Due to Other Funds   | -                    | 154,057              | -                   | 258,020                           | 412,077                        |
| Unearned Revenue   | 1,728,166            | -                    | -                   | -                                 | 1,728,166                      |
| Total Liabilities  | <u>2,176,782</u>     | <u>720,648</u>       | <u>-</u>            | <u>258,044</u>                    | <u>3,155,474</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                      |                      |                     |                                   |                                |
| Unavailable Revenue - Taxes Paid in Advance                          | 69,338               | -                    | -                   | -                                 | 69,338                         |
| Unavailable Revenue - Property Taxes                                 | 567,852              | -                    | -                   | -                                 | 567,852                        |
| Unavailable Revenue - Interest on Property Taxes                     | 334,112              | -                    | -                   | -                                 | 334,112                        |
| Unavailable Revenue - Loans Receivable                               | -                    | -                    | 997,481             | -                                 | 997,481                        |
| Total Deferred Inflows of Resources                                  | <u>971,302</u>       | <u>-</u>             | <u>997,481</u>      | <u>-</u>                          | <u>1,968,783</u>               |
| <b>FUND BALANCES</b>   |                      |                      |                     |                                   |                                |
| Nonspendable   | 39,418               | -                    | -                   | -                                 | 39,418                         |
| Restricted   | -                    | -                    | 147,041             | -                                 | 147,041                        |
| Committed  | 51,051               | 14,873,529           | -                   | 4,630,752                         | 19,555,332                     |
| Assigned   | 10,477,112           | -                    | -                   | -                                 | 10,477,112                     |
| Unassigned   | 9,224,475            | (3,685,734)          | -                   | -                                 | 5,538,741                      |
| Total Fund Balances  | <u>19,792,056</u>    | <u>11,187,795</u>    | <u>147,041</u>      | <u>4,630,752</u>                  | <u>35,757,644</u>              |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances  | <u>\$ 22,940,140</u> | <u>\$ 11,908,443</u> | <u>\$ 1,144,522</u> | <u>\$ 4,888,796</u>               | <u>\$ 40,881,901</u>           |

See accompanying Notes to Basic Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF NET POSITION

Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because of the following:

|  |                              |
|--|------------------------------|
| Fund Balances - Total Governmental Funds (Exhibit III)   | \$ 35,757,644                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:  |                              |
| Governmental Capital Assets  | 208,307,587                  |
| Less: Accumulated Depreciation   | <u>(115,480,402)</u>         |
| Net Capital Assets   | 92,827,185                   |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:   |                              |
| Property Tax Receivables Greater than 60 Days  | 567,852                      |
| Interest Receivable on Property Taxes  | 334,110                      |
| Housing and Mortgage Loans   | 997,481                      |
| Deferred Outflows of Resources Related to Pension  | 339,679                      |
| 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. | (59,188)                     |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:   |                              |
| Compensated Absences   | (388,548)                    |
| Deferred Inflows of Resources Related to Pension   | (476,685)                    |
| Net Pension Liability  | <u>(3,740,760)</u>           |
| Net Position of Governmental Activities (Exhibit I)  | <u><u>\$ 126,158,770</u></u> |

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

|  | General              | Capital<br>Projects  | Small<br>Cities   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|-------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                      |                   |                                   |                                |
| Property Taxes   | \$ 65,570,038        | \$ -                 | \$ -              | \$ -                              | \$ 65,570,038                  |
| Intergovernmental  | 8,314,280            | 155,099              | -                 | 47,062                            | 8,516,441                      |
| Charges for Services   | 2,119,614            | -                    | 28,996            | 645,766                           | 2,794,376                      |
| Income on Investments  | 1,805,669            | 796,073              | -                 | 311,738                           | 2,913,480                      |
| Miscellaneous  | 207,165              | -                    | -                 | 117,187                           | 324,352                        |
| Total Revenues   | <u>78,016,766</u>    | <u>951,172</u>       | <u>28,996</u>     | <u>1,121,753</u>                  | <u>80,118,687</u>              |
| <b>EXPENDITURES</b>  |                      |                      |                   |                                   |                                |
| Current:   |                      |                      |                   |                                   |                                |
| General Government   | 8,667,085            | -                    | -                 | 57,299                            | 8,724,384                      |
| Public Safety  | 4,131,908            | -                    | -                 | 432,109                           | 4,564,017                      |
| Public Works   | 2,994,719            | -                    | -                 | 912                               | 2,995,631                      |
| Conservation of Health                                       | 341,980              | -                    | -                 | -                                 | 341,980                        |
| Community Activities   | 1,862,086            | -                    | 117,322           | 192,830                           | 2,172,238                      |
| Education  | 53,858,679           | -                    | -                 | -                                 | 53,858,679                     |
| Capital Outlay   | 1,133,966            | 3,724,605            | -                 | -                                 | 4,858,571                      |
| Debt Service   | 267,800              | -                    | -                 | -                                 | 267,800                        |
| Total Expenditures   | <u>73,258,223</u>    | <u>3,724,605</u>     | <u>117,322</u>    | <u>683,150</u>                    | <u>77,783,300</u>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 4,758,543            | (2,773,433)          | (88,326)          | 438,603                           | 2,335,387                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                      |                   |                                   |                                |
| Transfers In   | -                    | 3,445,158            | -                 | -                                 | 3,445,158                      |
| Transfers Out  | (3,445,158)          | -                    | -                 | -                                 | (3,445,158)                    |
| Total Other Financing Sources (Uses)                         | <u>(3,445,158)</u>   | <u>3,445,158</u>     | <u>-</u>          | <u>-</u>                          | <u>-</u>                       |
| <b>NET CHANGES IN FUND BALANCES</b>                          | 1,313,385            | 671,725              | (88,326)          | 438,603                           | 2,335,387                      |
| Fund Balances - Beginning of Year                            | 18,478,671           | 10,516,070           | -                 | 4,427,516                         | 33,422,257                     |
| Change in Fund Presentation from Nonmajor to Major           | -                    | -                    | 235,367           | (235,367)                         | -                              |
| Fund Balance - As Adjusted                                   | <u>18,478,671</u>    | <u>10,516,070</u>    | <u>235,367</u>    | <u>4,192,149</u>                  | <u>33,422,257</u>              |
| <b>FUND BALANCES - END OF YEAR</b>                           | <u>\$ 19,792,056</u> | <u>\$ 11,187,795</u> | <u>\$ 147,041</u> | <u>\$ 4,630,752</u>               | <u>\$ 35,757,644</u>           |

See accompanying Notes to Basic Financial Statements.

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

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

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

|   |    |           |
|---|----|-----------|
| Net Change in Fund Balances - Governmental Funds (Exhibit IV) | \$ | 2,335,387 |
|---|----|-----------|

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 expense:

|                        |  |             |
|------------------------|--|-------------|
| Capital Outlay         |  | 4,431,496   |
| Depreciation Expense   |  | (4,182,968) |
| Loss on Sale of Assets |  | (103,141)   |

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                |  | 33,115      |
| Property Tax Interest and Lien Revenue - Accrual Basis Change |  | (27,439)    |
| Amortization of Bond Premium                                  |  | 2,747       |
| Mortgage Loan Receivables                                     |  | 71,010      |
| Change in Net Pension Liability                               |  | 1,296,473   |
| Change in Deferred Inflows Related to Pension                 |  | 529,650     |
| Change in Deferred Outflows Related to Pension                |  | (1,133,640) |

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 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:

|                         |  |         |
|-------------------------|--|---------|
| Bond Principal Payments |  | 260,000 |
|-------------------------|--|---------|

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                         |  | (27,445) |
| Amortization of Deferred Charge on Refunding |  | (48,270) |
| Accrued Interest                             |  | 9,057    |

|  |    |                  |
|--|----|------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | \$ | <u>3,446,032</u> |
|--|----|------------------|

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

|                                  | <u>Governmental<br/>Activities<br/>Internal<br/>Service Funds</u> |
|----------------------------------|---|
| <b>ASSETS</b>                    |   |
| Other Receivable                 | <u>\$ 39,096</u>  |
| <b>LIABILITIES</b>               |   |
| Claims Incurred But Not Reported | <u>98,284</u>   |
| <b>NET POSITION</b>              |   |
| Unrestricted                     | <u><u>\$ (59,188)</u></u>   |

See accompanying Notes to Basic Financial Statements.

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

|                                   | Governmental<br>Activities |
|-----------------------------------|----------------------------|
|                                   | Internal<br>Service Funds  |
| <b>OPERATING REVENUES</b>         |                            |
| Contributions                     | \$ -                       |
| <b>OPERATING EXPENSES</b>         |                            |
| Employee Benefits                 | -                          |
| Other Expenses                    | -                          |
| Total Operating Expenses          | -                          |
| <b>OPERATING INCOME</b>           | -                          |
| <b>OTHER FINANCING USES</b>       |                            |
| Transfer Out                      | -                          |
| <b>CHANGE IN NET POSITION</b>     | -                          |
| Net Position - Beginning of Year  | (59,188)                   |
| <b>NET POSITION - END OF YEAR</b> | \$ (59,188)                |

See accompanying Notes to Basic Financial Statements.

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

|  | Governmental<br>Activities |
|--|----------------------------|
|  | Internal<br>Service Funds  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                            |
| Cash Received from Customers and Users   | \$ -                       |
| Cash Paid to Suppliers   | -                          |
| Cash Received from Administrator   | -                          |
| Net Cash Used by Operating Activities  | -                          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                               |                            |
| Transfer out   | -                          |
|  | -                          |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                     | -                          |
| Cash and Cash Equivalents - Beginning of Year  | -                          |
|  | -                          |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                       | \$ -                       |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH<br/>USED BY OPERATING ACTIVITIES</b> |                            |
| Operating Loss   | \$ -                       |
| Adjustments to Reconcile Operating Loss to Net Cash<br>Used by Operating Activities: |                            |
| Decrease in Advance to Plan Administrators   | -                          |
| Net Cash Used by Operating Activities  | \$ -                       |

See accompanying Notes to Basic Financial Statements.



**TOWN OF SOUTHBURY, CONNECTICUT  
STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
JUNE 30, 2024**

|   | Pension<br>Trust<br>Funds |
|---|---------------------------|
|   |                           |
| <b>ASSETS</b>                                   |                           |
| Cash and Cash Equivalents                       | \$ 155,094                |
| Accounts Receivable                             | 13,683                    |
| Investments:                                    |                           |
| Mutual Funds and Equities                       | 31,810,336                |
| Total Assets                                    | 31,979,113                |
| <b>NET POSITION</b>                             |                           |
| Restricted - Held in Trust for Pension Benefits | \$ 31,979,113             |

See accompanying Notes to Basic Financial Statements.

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

|   | <u>Pension<br/>Trust<br/>Funds</u> |
|---|------------------------------------|
| <b>ADDITIONS</b>                        |                                    |
| Contributions:                          |                                    |
| Plan Members                            | \$ 165,851                         |
| Employer                                | <u>1,492,667</u>                   |
| Total Contributions                     | 1,658,518                          |
| Investment Earnings:                    |                                    |
| Net Change in Fair Value of Investments | 2,632,108                          |
| Interest and Dividends                  | <u>721,340</u>                     |
| Total Investment Gain (Loss)            | 3,353,448                          |
| Less Investment Expenses:               |                                    |
| Investment Management Fees              | <u>36,500</u>                      |
| Net Investment Gain (Loss)              | <u>3,316,948</u>                   |
| Total Additions                         | 4,975,466                          |
| <b>DEDUCTIONS</b>                       |                                    |
| Benefits                                | 2,511,794                          |
| Fees                                    | <u>17,583</u>                      |
| Total Deductions                        | <u>2,529,377</u>                   |
| <b>CHANGE IN NET POSITION</b>           | 2,446,089                          |
| Net Position - Beginning of Year        | <u>29,533,024</u>                  |
| <b>NET POSITION - END OF YEAR</b>       | <u><u>\$ 31,979,113</u></u>        |

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in 1787. Its legal authority is derived from its Charter, which was adopted in 1975 and most recently amended in 2014. The Town operates under a Board of Selectmen/Board of Finance/Town Meeting form of government. Services provided include street maintenance, recreation, police, and fire protection, planning and zoning, community services and health services. The Town is a member of Regional School District #15, which provides education services for all children.

The legislative power of the Town is vested with the Board of Selectmen and the Town Meeting. The Board of Selectmen may enact, amend, or repeal ordinances and resolutions. The administration of the Town offices and agencies is the responsibility of the First Selectman.

The Board of Finance is responsible for financial and taxation matters as prescribed by the Charter and Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

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

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

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

**A. Reporting Entity (Continued)**

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a 401/457 to provide retirement benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and 401/457 plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension 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 Town. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

**General Fund**

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

**Capital Projects Fund**

The Capital Projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities. The major source of revenue is from bond proceeds and General Fund transfers.

**Small Cities Fund**

The Small Cities Fund accounts for federal grants to be used for the rehabilitation of private residential structures.

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

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

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

Additionally, the Town reports the following fund types:

**Internal Service Fund**

The Internal Service Fund is used to account for the Town's self-insurance program for accident and health insurance coverage of Town employees.

**Pension Trust Fund**

The Pension Trust Fund accounts for the activities of the Town of Southbury Pension System, which accumulates resources for pension benefit payments to qualified Town employees and also the 457 and 401a plans which are established to provide additional retirement benefits to the employees of the Town.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to the Town and its employees for medical insurance premiums. Operating expenses for the funds include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town'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.

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

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

**D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town 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 Town 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." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1, and the following January 1. Liens on real property are filed on May 1 following the due date. Interest on delinquent taxes accrues at the rate of 1.5% per month.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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 governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life 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.

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

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

**G. Capital Assets (Continued)**

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

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                              |                |
|------------------------------|----------------|
| Buildings                    | 25 to 50 Years |
| Building Improvements        | 25 to 50 Years |
| Public Domain Infrastructure | 20 to 50 Years |
| System Infrastructure        | 20 to 50 Years |
| Vehicles                     | 5 to 15 Years  |
| Office Equipment             | 5 to 15 Years  |
| Land Improvements            | 10 to 20 Years |

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension 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 results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension 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 plan (active employees and inactive employees).



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

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

**H. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension 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 plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from grants, property taxes, interest on property taxes, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during in which the amounts become available.

**I. Compensated Absences**

Substantially all Town employees, other than those employed less than 20 hours per week or on a seasonal or temporary basis, are allowed to accumulate a limited amount of unused vacation and sick leave until termination of their employment. Upon termination of service, an employee with over six months of service is entitled to payment for unused vacation.

**J. 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.

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

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

**K. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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.

**Fund Equity**

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

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation 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* – Restrictions on net position are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

*Committed Fund Balance* – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Finance) through a resolution.

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

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

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

**Fund Equity (Continued)**

*Assigned Fund Balance* – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

*Unassigned Fund Balance* – This 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.

**L. Estimates**

The preparation of the 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 and reported revenues and expenditures/expenses during the fiscal year.

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

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

**A. Budgetary Information**

The Town adheres to the following procedures in establishing the budget for the General Fund. On the third Monday in May, the Board of Finance submits to a Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally adopted by vote of the Annual Town Meeting.
- The Board of Finance in concurrence with the Board of Selectmen is authorized to make additional appropriations up to \$20,000 to any single agency or department per year. Any appropriation causing the total to exceed or exceeding \$20,000 must be approved by Town Meeting.
- Budgets are adopted on the modified accrual basis of accounting.
- The legal budget is a departmental-level budget.
- There were supplemental appropriations of \$1,012,000 during the year ended June 30, 2024. All additional appropriations were made in accordance with the Charter.

Budgets for Special Revenue Funds are prepared in accordance with the requirements of the various grant agreements and/or provisions which control the expenditure of such funds. Since such budgets are adopted on a program basis, it is not practicable to present the results of budgetary operations at the combined level.

- Capital Projects appropriations for capital and reserve funds are approved in the annual budget. Projects in excess of \$20,000 not in the annual budget are approved at Town Meeting.

All General Fund appropriations lapse at year end. Appropriations for Capital Projects Funds and several Special Revenue Funds are continued until completion of the project, even when projects extend for more than one fiscal year. If three years lapse without any expenditure or any encumbrance of said funds, the appropriation will lapse.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as either assigned or committed fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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

**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 the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

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

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

**A. Deposits**

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town has a formal 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.

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

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

**A. Deposits (Continued)**

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$4,144,139 of the Town's bank balance of \$24,427,677 was exposed to custodial credit risk as follows:

|   |                            |
|---|----------------------------|
| Uninsured and Uncollateralized  | \$ 3,679,725               |
| Uninsured and Collateralized, Held by the Pledging<br>Bank's Trust Department, Not in the Town's Name | <u>464,414</u>             |
| Total Amount Subject to Custodial<br>Credit Risk  | <u><u>\$ 4,144,139</u></u> |

Cash Equivalents

At June 30, 2024, the Town's cash equivalents amounted to \$327,203. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

|             | <u>Balance June 30,<br/>2024</u> | <u>Standard &amp;<br/>Poor's Rating</u> |
|-------------|----------------------------------|---|
| Wells Fargo | \$ 327,203                       | *                                       |

\* Not Rated

**B. Investments**

As of June 30, 2024, the Town had the following investments:

|                    |                             |
|--------------------|-----------------------------|
| Other Investments: |                             |
| Mutual Funds       | <u>\$ 46,740,275</u>        |
| Total Investments  | <u><u>\$ 46,740,275</u></u> |

Interest Rate Risk

The Town does not limit its maximum final stated maturities to fifteen years. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

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

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

**B. Investments (Continued)**

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town has a policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments. The Town does not have any investments that are in excess of 5% at June 30, 2024.

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 Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has a policy for custodial credit risk. At June 30, 2024, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Reserve Investment Plan

The Town has established a Reserve Investment Plan (the Plan) to invest the Town's reserve funds in a fashion consistent with Connecticut General Statutes (Chapter 108, Section 7-359 to 7-368) as well as the Town's specific risk tolerance constraints (asset allocation) as dictated by the Southbury Board of Finance.

Management of the Plan rests with the Investment Portfolio Oversight Committee (IPOC), which consists of two representatives from the Board of Selectmen, two representatives from the Board of Finance, the Controller/Treasurer of the Town, two members of the Southbury Public Library Board of Directors, and two members and one alternate member, appointed by the Board of Selectmen based on qualifications, who are residents of the Town.

In addition to investing funds according to the applicable statutes and Town policies, and looking to achieve the maximum target return, the IPOC has established a stability fund where the gains and losses of the portfolio will be tracked.

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

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

**B. Investments (Continued)**

Fair Value Measurements

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

|                                       | June 30,<br>2024     | Fair Value Measurements Using |                   |             |
|---------------------------------------|----------------------|-------------------------------|-------------------|-------------|
|                                       |                      | Level 1                       | Level 2           | Level 3     |
| Investments by Fair Value Level:      |                      |                               |                   |             |
| Mutual Funds                          | \$ 46,740,275        | \$ 46,263,043                 | \$ 477,232        | \$ -        |
| Total Investments by Fair Value Level | <u>\$ 46,740,275</u> | <u>\$ 46,263,043</u>          | <u>\$ 477,232</u> | <u>\$ -</u> |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments managed by others classified in Level 2 are valued using prices for similar investments quoted in active markets for those securities.

**NOTE 4 RECEIVABLES**

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

|                        | General             | Capital<br>Projects | Small<br>Cities   | Nonmajor<br>and Other<br>Funds | Total               |
|------------------------|---------------------|---------------------|-------------------|--------------------------------|---------------------|
| Receivables:           |                     |                     |                   |                                |                     |
| Taxes                  | \$ 809,788          | \$ -                | \$ -              | \$ -                           | \$ 809,788          |
| Interest on Taxes      | 334,112             | -                   | -                 | -                              | 334,112             |
| Accounts               | 49,017              | -                   | -                 | 107,801                        | 156,818             |
| Housing Loans          | -                   | -                   | 997,481           | -                              | 997,481             |
| Gross Receivables      | <u>1,192,917</u>    | <u>-</u>            | <u>997,481</u>    | <u>107,801</u>                 | <u>2,298,199</u>    |
| Less: Allowance for    |                     |                     |                   |                                |                     |
| Uncollectibles Taxes   | <u>(183,322)</u>    | <u>-</u>            | <u>-</u>          | <u>-</u>                       | <u>(183,322)</u>    |
| Total Receivables, Net | <u>\$ 1,009,595</u> | <u>\$ -</u>         | <u>\$ 997,481</u> | <u>\$ 107,801</u>              | <u>\$ 2,114,877</u> |



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

**NOTE 5 CAPITAL ASSETS**

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

|   | Beginning<br>Balance | Increases            | Decreases           | Transfers             | Ending<br>Balance    |
|---|----------------------|----------------------|---------------------|-----------------------|----------------------|
| Governmental Activities:                    |                      |                      |                     |                       |                      |
| Capital Assets Not Being Depreciated:       |                      |                      |                     |                       |                      |
| Land  | \$ 20,126,477        | \$ -                 | \$ -                | \$ -                  | \$ 20,126,477        |
| Construction in Progress                    | 6,880,409            | 4,431,496            | (103,141)           | (9,804,889)           | 1,403,875            |
| Total Capital Assets Not Being Depreciated  | 27,006,886           | 4,431,496            | (103,141)           | (9,804,889)           | 21,530,352           |
| Capital Assets Being Depreciated:           |                      |                      |                     |                       |                      |
| Buildings                                   | 21,230,548           | 1,254,121            | -                   | -                     | 22,484,669           |
| Furniture and Equipment                     | 20,122,456           | 3,133,681            | -                   | -                     | 23,256,137           |
| Infrastructure                              | 135,619,342          | 5,417,087            | -                   | -                     | 141,036,429          |
| Total Capital Assets Being Depreciated      | 176,972,346          | 9,804,889            | -                   | -                     | 186,777,235          |
| Less Accumulated Depreciation for:          |                      |                      |                     |                       |                      |
| Buildings                                   | 7,974,862            | 408,130              | -                   | -                     | 8,382,992            |
| Furniture and Equipment                     | 15,236,109           | 814,083              | -                   | -                     | 16,050,192           |
| Infrastructure                              | 88,086,463           | 2,960,755            | -                   | -                     | 91,047,218           |
| Total Accumulated Depreciation              | 111,297,434          | 4,182,968            | -                   | -                     | 115,480,402          |
| Total Capital Assets Being Depreciated, Net | 65,674,912           | 5,621,921            | -                   | -                     | 71,296,833           |
| Governmental Activities Capital Assets, Net | <u>\$ 92,681,798</u> | <u>\$ 10,053,417</u> | <u>\$ (103,141)</u> | <u>\$ (9,804,889)</u> | <u>\$ 92,827,185</u> |

Depreciation expense was charged to functions/programs as follows:

|  |                     |
|--|---------------------|
| Governmental Activities:                             |                     |
| General Government                                   | \$ 336,041          |
| Public Safety  | 355,043             |
| Public Works   | 3,412,013           |
| Community Activities                                 | 79,871              |
| Total Depreciation Expense - Governmental Activities | <u>\$ 4,182,968</u> |

**Capital Project Commitments**

The Town has active long-term projects as of June 30, 2024. The projects include:

|                          | Appropriation | Expended      | Encumbrances | Remaining<br>Balance |
|--------------------------|---------------|---------------|--------------|----------------------|
| Capital                  | \$ 52,458,386 | \$ 45,519,948 | \$ 2,900,755 | \$ 4,037,683         |
| Reserve Accounts         | 42,474,523    | 36,281,746    | 355,002      | 5,837,775            |
| Limited Reserve Accounts | 24,483,451    | 23,230,032    | -            | 1,253,419            |

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

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2024, the interfund receivables and payables are as follows:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>         | <u>Amount</u>     |
|-----------------------------|-----------------------------|-------------------|
| General Fund                | Nonmajor Governmental Funds | \$ 258,020        |
| Nonmajor Governmental Funds | Capital Projects            | 152,407           |
| Small Cities                | Capital Projects            | <u>1,650</u>      |
| Total                       |                             | <u>\$ 412,077</u> |

All balances reflect recurring reimbursement-type transactions expected to be repaid in the current period.

Interfund transfers:

|                    | <u>Transfers In</u> | <u>Total</u>         |
|--------------------|---------------------|----------------------|
|                    | <u>Capital</u>      | <u>Transfers Out</u> |
|                    | <u>Projects</u>     |                      |
| Transfers Out:     |                     |                      |
| General Fund       | <u>\$ 3,445,158</u> | <u>\$ 3,445,158</u>  |
| Total Transfers In | <u>\$ 3,445,158</u> | <u>\$ 3,445,158</u>  |

All transfers are for regularly recurring operational transfers.

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

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

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

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities:                               |                              |                     |                     |                           |                                |
| Bonds Payable and Other:                               |                              |                     |                     |                           |                                |
| General Obligation Bonds                               | \$ 260,000                   | \$ -                | \$ 260,000          | \$ -                      | \$ -                           |
| For Issuance Premiums                                  | 2,747                        | -                   | 2,747               | -                         | -                              |
| Total Bonds Payable<br>and Other                       | 262,747                      | -                   | 262,747             | -                         | -                              |
| Compensated Absences                                   | 361,103                      | 369,173             | 341,728             | 388,548                   | 372,824                        |
| Net Pension Liability                                  | 5,037,233                    | 2,498,839           | 3,795,312           | 3,740,760                 | -                              |
| Total Governmental Activities<br>Long-Term Liabilities | <u>\$ 5,661,083</u>          | <u>\$ 2,868,012</u> | <u>\$ 4,399,787</u> | <u>\$ 4,129,308</u>       | <u>\$ 372,824</u>              |

**Overlapping Debt**

The Town is a member of Regional School District #15, which provides education facilities for grades kindergarten through 12 for the Towns of Southbury and Middlebury. As of June 30, 2024, the outstanding bonded indebtedness of the District was \$526,373. The Town's share will be approximately 65% of the remaining balance. These are general obligations of Regional School District #15 and its member towns.

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

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Overlapping Debt (Continued)**

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

| Category        | Debt<br>Limitation | Indebtedness* | Balance        |
|-----------------|--------------------|---------------|----------------|
| General Purpose | \$ 143,187,660     | \$ -          | \$ 143,187,660 |
| Schools         | 286,375,320        | 526,373       | 285,848,947    |
| Sewers          | 238,646,100        | -             | 238,646,100    |
| Urban Renewal   | 206,826,620        | -             | 206,826,620    |
| Pension Deficit | 190,916,880        | -             | 190,916,880    |

\* Portion of Regional School District #15 indebtedness as described above. Also includes bonds authorized unissued when debt has been issued.

In no case shall total indebtedness exceed seven times annual receipts from taxation of \$445,472,720.

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

**NOTE 8 FUND BALANCE**

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

|                               | General<br>Fund      | Capital<br>Projects<br>Fund | Small<br>Cities   | Nonmajor<br>Governmental<br>Funds | Total                |
|-------------------------------|----------------------|-----------------------------|-------------------|-----------------------------------|----------------------|
| Fund Balances:                |                      |                             |                   |                                   |                      |
| Nonspendable:                 |                      |                             |                   |                                   |                      |
| Supplies                      | \$ 39,418            | \$ -                        | \$ -              | \$ -                              | \$ 39,418            |
| Restricted to:                |                      |                             |                   |                                   |                      |
| Grant Purposes                | -                    | -                           | 147,041           | -                                 | 147,041              |
| Committed to:                 |                      |                             |                   |                                   |                      |
| Investments - Reserve Fund    | -                    | 9,500,000                   | -                 | -                                 | 9,500,000            |
| Stability Fund - Reserve Fund | -                    | 2,117,772                   | -                 | -                                 | 2,117,772            |
| General Government            | -                    | -                           | -                 | 503,026                           | 503,026              |
| Public Safety                 | -                    | -                           | -                 | 349,033                           | 349,033              |
| Public Works                  | -                    | 3,255,757                   | -                 | 12,131                            | 3,267,888            |
| Community Activities          | -                    | -                           | -                 | 3,766,562                         | 3,766,562            |
| Historical Buildings          | 51,051               | -                           | -                 | -                                 | 51,051               |
| Assigned to:                  |                      |                             |                   |                                   |                      |
| Purchases on Order:           |                      |                             |                   |                                   |                      |
| General Government            | 24,726               | -                           | -                 | -                                 | 24,726               |
| Public Safety                 | 9,862                | -                           | -                 | -                                 | 9,862                |
| Public Works                  | 236,982              | -                           | -                 | -                                 | 236,982              |
| Conservation of Health        | 105                  | -                           | -                 | -                                 | 105                  |
| Community Activities          | 2,926                | -                           | -                 | -                                 | 2,926                |
| Reserve for Future Use        | 5,789,822            | -                           | -                 | -                                 | 5,789,822            |
| Subsequent Year's Budget      | 1,737,182            | -                           | -                 | -                                 | 1,737,182            |
| Ballantine Pool Project       | 2,115,000            | -                           | -                 | -                                 | 2,115,000            |
| Gas and Diesel Tanks          | 10,713               | -                           | -                 | -                                 | 10,713               |
| Debt Service                  | 549,794              | -                           | -                 | -                                 | 549,794              |
| Unassigned                    | 9,224,475            | (3,685,734)                 | -                 | -                                 | 5,538,741            |
| Total Fund Balances           | <u>\$ 19,792,056</u> | <u>\$ 11,187,795</u>        | <u>\$ 147,041</u> | <u>\$ 4,630,752</u>               | <u>\$ 35,757,644</u> |

Significant encumbrances of \$274,600 are included in the General Fund assigned fund balance and \$3,255,757 are included in the Capital Projects Fund committed fund balances as of June 30, 2024.

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

**NOTE 9 RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except as disclosed below.

**Medical Self-Insurance**

The Town entered into a Cooperative Agreement with the Town of Middlebury and the Regional School District #15 Board of Education, effective July 1, 2013, to facilitate the group purchase of health benefits for active employees and non-Medicare eligible retirees. The Town withdrew from the Cooperative Agreement as of June 30, 2022, and has purchased insurance from an independent third party.

The Fund established claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund has an additional liability at June 30, 2024 of \$98,284.

A schedule of changes in the claims liability for the year ended June 30, 2024 is presented below:

|           | Accrued<br>Liability<br>Beginning of<br>Fiscal Year | Current Year<br>Claims Paid<br>and Changes<br>in Estimates | Accrued<br>Liability<br>Claim<br>Payments | Accrued<br>Liability<br>End of<br>Fiscal Year |
|-----------|---|--|---|---|
| 2023-2024 | \$ 98,284   | \$ -   | \$ -                                      | \$ 98,284                                     |
| 2022-2023 | 98,284  | 57,949   | 57,949                                    | 98,284  |

**NOTE 10 EMPLOYEE RETIREMENT PLAN**

**A. Pension Trust Fund**

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide retirement, disability, and death benefits for its employees. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The system was established by vote of the Board of Selectmen July 1, 1970.

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**A. Pension Trust Fund (Continued)**

Management of the plan rests with the IPOC, which consists of two representatives from the Board of Selectmen, two representatives from the Board of Finance, the Controller/Treasurer of the Town, two members of the Southbury Public Library Board of Directors and two members and one alternate member, appointed by the Board of Selectmen based on qualifications, who are residents of the Town.

**Plan Description and Benefits Provided**

The Town of Southbury Retirement System covers substantially all employees working more than 20 hours a week.

Participants who retire at normal retirement date are entitled to a monthly retirement benefit in an amount equal to 1.5% and 2.5% (police) of their average monthly earnings multiplied by years of service up to a maximum of 35 years. Average monthly compensation is the average salary over the 60 consecutive month period that provides the highest average (36 months for police). The plan also produces a preretirement death benefit. Participants become 100% vested on completing 5 years of vesting service. Normal retirement eligibility is later of age 50 and completing 20 years of service but not later than age 55 for police and the later of age 65 or 5 years for all others.

The membership of the plan consisted of the following at July 1, 2023:

|   |     |
|---|-----|
| Retirees and Beneficiaries Currently Receiving Benefits             | 102 |
| Terminated Plan Members Entitled to Benefits But Not Receiving Them | 41  |
| Current Plan Members  | 44  |
| Total   | 187 |

The pension plan was closed to new entrants (except police) as of July 1, 2014.

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

All assets are valued at fair value. All investments are invested in government bonds, corporate bonds, and equity mutual funds. Investment income is recognized as earned.

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**B. Funding Policy**

The Town is required to contribute the amounts necessary to fund the PERS and cover all administrative charges. Police are required to contribute 1.9% of annual earnings. All amounts are determined by annual actuarial valuations and are included as part of the annual budget expenditures. The contribution requirements of the Town and plan members may be amended by the Board of Selectmen and subject to bargaining unit approval.

**C. Investments**

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS 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, 2024:

| <u>Asset Class</u>           | <u>Allocation</u> |
|------------------------------|-------------------|
| U.S. Cash                    | 3.00              |
| U.S. Core Fixed Income       | 26.00             |
| U.S. Long STRIPS (20+ Years) | 0.75              |
| Global Bonds                 | 5.50              |
| U.S. Large Caps              | 20.00             |
| U.S. Small and Mid Caps      | 13.00             |
| Global Equity                | 3.00              |
| Non-U.S. Equity              | 20.00             |
| Emerging Markets Equity      | 2.00              |
| Global REITs                 | 2.25              |
| Farmland                     | 1.13              |
| Infrastructure - Public      | 2.25              |
| Commodities                  | 1.12              |
|                              | <u>100.00%</u>    |

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

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

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

|                             |                     |
|-----------------------------|---------------------|
| Total Pension Liability     | \$ 31,089,828       |
| Plan Fiduciary Net Position | 27,349,068          |
| Net Pension Liability       | <u>\$ 3,740,760</u> |

|   |        |
|---|--------|
| Plan Fiduciary Net Position as a Percentage<br>of the Total Pension Liability | 87.97% |
|---|--------|

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurements:

|                           |       |
|---------------------------|-------|
| Inflation                 | 2.5%  |
| Salary Increases          | 3.00% |
| Investment Rate of Return | 6.25% |

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

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

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

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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u>           | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|------------------------------|---|
| U.S. Cash                    | 0.49%   |
| U.S. Core Fixed Income       | 1.93  |
| U.S. Long STRIPS (20+ Years) | 1.46  |
| Global Bonds                 | 0.49  |
| U.S. Large Caps              | 3.87  |
| U.S. Small and Mid Caps      | 4.06  |
| Global Equity                | 4.63  |
| Non-U.S. Equity              | 5.75  |
| Emerging Markets Equity      | 6.18  |
| Global REITs                 | 5.16  |
| Farmland                     | 4.19  |
| Infrastructure - Public      | 4.16  |
| Commodities                  | 1.36  |

**Discount Rate**

The discount rate used to measure the total pension liability was 6.25% for June 30, 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the 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.

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

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

|   | Employees' Pension Plan    |                                |                          |
|---|----------------------------|--------------------------------|--------------------------|
|   | Increase (Decrease)        |                                |                          |
|   | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| Balances as of July 1, 2023                       | \$ 30,240,236              | \$ 25,203,003                  | \$ 5,037,233             |
| Changes for the Year:                             |                            |                                |                          |
| Service Cost                                      | 459,534                    | -                              | 459,534                  |
| Interest on Total Pension Liability               | 1,868,510                  | -                              | 1,868,510                |
| Effect of Economic/Demographic<br>Gains or Losses | 153,512                    | -                              | 153,512                  |
| Employer Contributions                            | -                          | 1,105,000                      | (1,105,000)              |
| Member Contributions                              | -                          | 43,410                         | (43,410)                 |
| Net Investment Income                             | -                          | 2,646,902                      | (2,646,902)              |
| Benefit Payments                                  | (1,631,964)                | (1,631,964)                    | -                        |
| Administrative Expenses                           | -                          | (17,283)                       | 17,283                   |
| Net Changes                                       | <u>849,592</u>             | <u>2,146,065</u>               | <u>(1,296,473)</u>       |
| Balances as of June 30, 2024                      | <u>\$ 31,089,828</u>       | <u>\$ 27,349,068</u>           | <u>\$ 3,740,760</u>      |

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

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

|                       | 1% Decrease<br>5.25% | Current<br>Discount Rate<br>6.25% | 1% Increase<br>7.25% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability | \$ 7,406,207         | \$ 3,740,760                      | \$ 672,728           |

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

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

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

For the year ended June 30, 2024, the Town recognized pension expense of \$412,517. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|   | Employees' Pension Plan             |                                      |
|---|-------------------------------------|--------------------------------------|
|   | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources |
| Differences Between Expected and Actual Experience                                  | \$ -                                | \$ 105,169                           |
| Changes of Assumptions  | (476,685)                           | -                                    |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                   | 234,510                              |
| Total   | \$ (476,685)                        | \$ 339,679                           |

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

| Year Ending June 30 | Amount       |
|---------------------|--------------|
| 2025                | \$ (530,047) |
| 2026                | 901,789      |
| 2027                | (291,208)    |
| 2028                | (217,540)    |
| Total               | \$ (137,006) |

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

**NOTE 10 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**E. Pension Trust Fund Financial Statements**

The financial statements of the pension trust funds as of and for the year ended June 30, 2024 are as follows:

|  | Pension<br>Trust<br>Fund  | 401(a)/457<br>Defined<br>Contribution<br>Trust Fund    | Total Pension<br>and Other Post<br>Employment<br>Benefit Trust<br>Funds |
|--|---------------------------|--|---|
| <b>ASSETS</b>  |                           |  |   |
| Cash and Cash Equivalents                                    | \$ 155,094                | \$ -   | \$ 155,094  |
| Accounts Receivable  | -                         | 13,683   | 13,683  |
| Investments - Mutual Funds, at Fair Value                    | 27,193,974                | 4,616,362  | 31,810,336  |
| Total Assets   | 27,349,068                | 4,630,045  | 31,979,113  |
| <b>NET POSITION</b>  |                           |  |   |
| Restricted for Pension and Other<br>Post Employment Benefits | \$ 27,349,068             | \$ 4,630,045   | \$ 31,979,113   |
| <br>   |                           |  |   |
|  | Pension<br>Trust<br>Funds | 401(a)/457<br>Defined<br>Contribution<br>Trust<br>Fund | Total Pension<br>and Other Post<br>Employment<br>Benefit Trust<br>Funds |
| <b>ADDITIONS:</b>  |                           |  |   |
| Contributions:   |                           |  |   |
| Employer   | \$ 43,410                 | \$ 122,441   | \$ 165,851  |
| Plan Members   | 1,105,000                 | 387,667  | 1,492,667   |
| Total Contributions  | 1,148,410                 | 510,108  | 1,658,518   |
| Investment Income:   |                           |  |   |
| Change in Fair Value of Investments                          | 1,962,062                 | 670,046  | 2,632,108   |
| Interest and Dividends                                       | 721,340                   | -  | 721,340   |
|  | 2,683,402                 | 670,046  | 3,353,448   |
| Less Investment Expenses:                                    |                           |  |   |
| Investment Management Fees                                   | 36,500                    | -  | 36,500  |
| Net Investment Income  | 2,646,902                 | 670,046  | 3,316,948   |
| Total Additions  | 3,795,312                 | 1,180,154  | 4,975,466   |
| <b>DEDUCTIONS:</b>   |                           |  |   |
| Benefits   | 1,631,964                 | 879,830  | 2,511,794   |
| Administration   | 17,283                    | 300  | 17,583  |
| Total Deductions   | 1,649,247                 | 880,130  | 2,529,377   |
| <b>CHANGE IN NET POSITION</b>                                | 2,146,065                 | 300,024  | 2,446,089   |
| Net Position - Beginning of Year                             | 25,203,003                | 4,330,021  | 29,533,024  |
| <b>NET POSITION - END OF YEAR</b>                            | \$ 27,349,068             | \$ 4,630,045   | \$ 31,979,113   |

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

**NOTE 11 DEFINED CONTRIBUTION PLAN**

The Town established a defined contribution plan effective July 1, 2014. The Town will match employee contributions by 1% for every percent of the employee’s base salary contributed by the employee up to a total of 5% of the employee’s base salary for the relevant fiscal year. If an employee’s employment is terminated for other than just cause during the fiscal year, the employee shall receive a pro rata Town contribution based on the number of full months of employment the employee completes during the fiscal year, subject to the vesting requirements set forth below.

|                                     |      |
|-------------------------------------|------|
| After one (1) year of employment    | 20%  |
| After two (2) years of employment   | 40%  |
| After three (3) years of employment | 60%  |
| After four (4) years of employment  | 80%  |
| After five (5) years of employment  | 100% |

Employees will have the right to self-direct their contributions to the defined contribution plan from among the investment options offered by the plan selected by the Town.

Total contributions to the plan for the year ended June 30, 2024 were \$387,667 for employees and \$122,441 for the Town.

**NOTE 12 CONTINGENT LIABILITIES**

The Town is currently a defendant in a number of lawsuits including tax appeals. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

**NOTE 13 ACCOUNTING CHANGES AND ERROR CORRECTIONS**

**A. CHANGES TO OR WITHIN FINANCIAL REPORTING ENTITY**

Change in Fund Presentation from Major to Nonmajor

Special Revenue Fund Small Cities previously met the criteria to be reported as a nonmajor governmental fund. However, effective July 1, 2023, the fund no longer met the criteria to be reported as a nonmajor fund and is reported as a major governmental fund for the fiscal year ended June 30, 2024. The effect of that change to or within the financial reporting entity is shown in the table below.

|  | Small<br>Cities | Nonmajor<br>Governmental<br>Funds |
|--|-----------------|-----------------------------------|
| June 30, 2023, As Previously Reported              | \$ -            | \$ 235,367                        |
| Change in Fund Presentation from Nonmajor to Major | 235,367         | (235,367)                         |
| June 30, 2024, As Adjusted or Restated             | \$ 235,367      | \$ -                              |

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF SOUTHBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

|                                   | Budgeted Amounts |               | Actual        | Variance -<br>Favorable<br>(Unfavorable) |
|-----------------------------------|------------------|---------------|---------------|--|
|                                   | Original         | Final         |               |  |
| Property Taxes:                   |                  |               |               |  |
| Property Taxes                    | \$ 64,426,486    | \$ 64,426,486 | \$ 64,040,691 | \$ (385,795)                             |
| Prior Year's Taxes                | 282,000          | 282,000       | 607,676       | 325,676                                  |
| Motor Vehicle Supplement          | 625,000          | 625,000       | 570,186       | (54,814)                                 |
| Interest and Liens                | 185,000          | 185,000       | 351,484       | 166,484                                  |
| Total Property Taxes              | 65,518,486       | 65,518,486    | 65,570,037    | 51,551                                   |
| Intergovernmental Revenues:       |                  |               |               |  |
| State of Connecticut:             |                  |               |               |  |
| Education Cost Sharing            | 5,585,910        | 5,585,910     | 5,586,719     | 809                                      |
| Other                             | 911,324          | 911,324       | 1,495,572     | 584,248                                  |
| Telecommunication Property Tax    | 70,350           | 70,350        | 98,023        | 27,673                                   |
| Total Intergovernmental Revenues  | 6,567,584        | 6,567,584     | 7,180,314     | 612,730                                  |
| Licenses, Permits, and Fees:      |                  |               |               |  |
| Building and Regulatory           | 298,750          | 298,750       | 543,387       | 244,637                                  |
| Recreation                        | 385,000          | 385,000       | 466,801       | 81,801                                   |
| Town Clerk                        | 468,800          | 468,800       | 583,092       | 114,292                                  |
| Dog Licenses and Fees             | 5,000            | 5,000         | 3,609         | (1,391)                                  |
| Total Licenses, Permits, and Fees | 1,157,550        | 1,157,550     | 1,596,889     | 439,339                                  |
| Investment Income                 | 1,265,123        | 1,265,123     | 1,805,669     | 540,546                                  |
| Other                             | 368,500          | 368,500       | 589,891       | 221,391                                  |
| Transferred in from Other Funds   | 150,000          | 150,000       | 140,000       | (10,000)                                 |
| Total                             | \$ 75,027,243    | \$ 75,027,243 | 76,882,800    | \$ 1,855,557                             |

Budgetary revenues are different than GAAP revenues because:

|                             |           |
|-----------------------------|-----------|
| Grant revenues not budgeted | 1,133,966 |
|-----------------------------|-----------|

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

\$ 78,016,766



**TOWN OF SOUTHBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

|                                 | Budgeted Amounts |            | Actual     | Variance -                 |
|---------------------------------|------------------|------------|------------|----------------------------|
|                                 | Original         | Final      |            | Favorable<br>(Unfavorable) |
| <b>General Government:</b>      |                  |            |            |                            |
| Board of Selectmen              | \$ 419,838       | \$ 435,714 | \$ 415,621 | \$ 20,093                  |
| Town Hall Service Expense       | 59,400           | 59,400     | 48,775     | 10,625                     |
| Other Expense                   | 164,971          | 164,971    | 101,411    | 63,560                     |
| Labor Related Expense           | 3,836,334        | 4,060,520  | 3,769,075  | 291,445                    |
| Computers                       | 473,756          | 490,747    | 478,398    | 12,349                     |
| Probate Court                   | 8,108            | 8,108      | 8,108      | -                          |
| Elections                       | 168,745          | 169,715    | 137,615    | 32,100                     |
| Board of Finance                | 90,000           | 90,000     | 73,674     | 16,326                     |
| Board of Assessment Appeals     | 6,000            | 6,000      | 4,812      | 1,188                      |
| Controller                      | 420,774          | 428,098    | 425,849    | 2,249                      |
| Tax Collector                   | 160,641          | 173,377    | 167,783    | 5,594                      |
| Assessor                        | 187,791          | 190,437    | 179,553    | 10,884                     |
| Town Clerk                      | 251,448          | 264,369    | 228,013    | 36,356                     |
| Building Inspector              | 183,760          | 194,881    | 194,124    | 757                        |
| Insurance and Bonds             | 743,352          | 743,352    | 722,392    | 20,960                     |
| Legal Expense                   | 125,000          | 125,000    | 78,459     | 46,541                     |
| Planning Commission             | 157,396          | 161,169    | 120,866    | 40,303                     |
| Inland Wetlands Commission      | 112,876          | 117,696    | 99,295     | 18,401                     |
| Zoning Commission               | 7,092            | 7,092      | 3,374      | 3,718                      |
| Zoning Board of Appeals         | 1,204            | 1,204      | 130        | 1,074                      |
| Economic Development Commission | 118,087          | 120,242    | 106,084    | 14,158                     |
| Town Properties - Inside        | 391,358          | 394,076    | 385,258    | 8,818                      |
| Energy                          | 380,000          | 380,000    | 219,459    | 160,541                    |
| Town Properties - Outside       | 522,199          | 522,199    | 488,743    | 33,456                     |
| Contingency                     | 150,000          | 62,828     | 39,421     | 23,407                     |
| Refunds                         | 115,000          | 180,590    | 173,896    | 6,694                      |
| Total                           | 9,255,130        | 9,551,785  | 8,670,188  | 881,597                    |
| <b>Public Safety:</b>           |                  |            |            |                            |
| Fire Department/Hydrants        | 647,380          | 647,380    | 642,027    | 5,353                      |
| Communications                  | 436,593          | 448,899    | 395,316    | 53,583                     |
| Police Protection               | 2,961,038        | 2,977,189  | 2,770,015  | 207,174                    |
| Emergency Management            | 92,805           | 92,805     | 84,516     | 8,289                      |
| Fire Marshal                    | 99,597           | 101,345    | 82,470     | 18,875                     |
| Tree Warden                     | 34,430           | 34,430     | 29,079     | 5,351                      |
| Canine Control                  | 100,429          | 100,429    | 89,934     | 10,495                     |
| Emergency Services              | 48,200           | 48,200     | 43,048     | 5,152                      |
| Total                           | 4,420,472        | 4,450,677  | 4,136,405  | 314,272                    |
| <b>Highway-Public Works:</b>    |                  |            |            |                            |
| General Maintenance             | 2,541,632        | 2,541,633  | 2,089,860  | 451,773                    |
| Solid Waste Disposal            | 919,483          | 921,683    | 702,166    | 219,517                    |
| Total                           | 3,461,115        | 3,463,316  | 2,792,026  | 671,290                    |

**TOWN OF SOUTHBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NONGAAP BUDGETARY BASIS)**

|  | Budgeted Amounts     |                      | Actual               | Variance -                 |
|--|----------------------|----------------------|----------------------|----------------------------|
|  | Original             | Final                |                      | Favorable<br>(Unfavorable) |
| Conservation of Health:  |                      |                      |                      |                            |
| Conservation Commission  | \$ 18,175            | \$ 18,175            | \$ 16,848            | \$ 1,327                   |
| Department of Health   | 212,958              | 212,958              | 212,015              | 943                        |
| P. River Watershed Coalition   | 40,800               | 40,800               | 40,000               | 800                        |
| Lake Zoar Authority  | 28,327               | 28,327               | 28,327               | -                          |
| Lake Lillinonah Authority  | 44,790               | 44,790               | 44,790               | -                          |
| Pomperaug Valley Water Authority   | 100                  | 100                  | -                    | 100                        |
| Water Pollution Authority  | 100                  | 100                  | -                    | 100                        |
| Commission of Services for Elderly   | 412,027              | 431,403              | 428,417              | 2,986                      |
| Total  | <u>757,277</u>       | <u>776,653</u>       | <u>770,397</u>       | <u>6,256</u>               |
| Community Activities:  |                      |                      |                      |                            |
| Committee Expenses   | 33,319               | 33,319               | 25,701               | 7,618                      |
| Historic Buildings Commission  | 6,930                | 6,930                | 6,244                | 686                        |
| Library  | 792,056              | 841,336              | 827,277              | 14,059                     |
| Recreation Commission  | 622,329              | 636,613              | 576,308              | 60,305                     |
| Other Community Activities   | 500                  | 500                  | -                    | 500                        |
| Total  | <u>1,455,134</u>     | <u>1,518,698</u>     | <u>1,435,530</u>     | <u>83,168</u>              |
| Education - Region #15   | 53,858,679           | 53,858,679           | 53,858,679           | -                          |
| Capital Outlay - Roads   | <u>1,687,508</u>     | <u>2,287,508</u>     | <u>2,287,508</u>     | <u>-</u>                   |
| Total Expenditures   | 74,895,315           | 75,907,316           | 73,950,733           | 1,956,583                  |
| Transfers Out:   |                      |                      |                      |                            |
| Capital Reserve Fund   | 1,157,650            | 1,157,650            | 1,157,650            | -                          |
| Debt Service   | 329,912              | 329,912              | 329,912              | -                          |
| Total Transfers Out  | <u>1,487,562</u>     | <u>1,487,562</u>     | <u>1,487,562</u>     | <u>-</u>                   |
| Total Expenditures and Transfers   | <u>\$ 76,382,877</u> | <u>\$ 77,394,878</u> | 75,438,295           | <u>\$ 1,956,583</u>        |
| Budgetary expenditures are different than GAAP expenditures because:   |                      |                      |                      |                            |
| Encumbrances for purchases and commitments ordered but not received<br>are reported in the year the order is placed for budgetary purposes, but<br>in the year received for financial reporting purposes |                      |                      | 193,232              |                            |
| Nonbudgetary items and eliminations related to Debt Management<br>and Historical Buildings funds   |                      |                      | (62,112)             |                            |
| Grant expenditures not budgeted  |                      |                      | <u>1,133,966</u>     |                            |
| Total Expenditures and Other Financing Uses as Reported on the Statement<br>of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds - Exhibit IV                                  |                      |                      | <u>\$ 76,703,381</u> |                            |

**TOWN OF SOUTHBURY, CONNECTICUT  
PENSION TRUST FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TOWN PENSION PLAN  
LAST TEN FISCAL YEARS**

|  | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability:   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service Cost   | \$ 465,632          | \$ 486,569          | \$ 425,211          | \$ 441,526          | \$ 479,314          | \$ 485,928          | \$ 601,362          | \$ 556,624          | \$ 485,418          | \$ 459,534          |
| Interest on Total Pension Liability  | 1,396,685           | 1,508,808           | 1,559,415           | 1,561,887           | 1,631,465           | 1,691,989           | 1,793,950           | 1,852,642           | 1,914,462           | 1,868,510           |
| Effect of Plan Changes   | -                   | -                   | -                   | (31,584)            | (34,303)            | -                   | -                   | -                   | -                   | -                   |
| Effect of Economic/Demographic Gains or Losses                             | (248,639)           | 215,336             | (321,772)           | 204,174             | 60,007              | (201,602)           | 41,390              | 173,042             | 42,090              | 153,512             |
| Effect of Assumption Changes or Inputs                                     | 530,487             | -                   | 1,005,067           | -                   | -                   | 1,930,527           | -                   | -                   | (1,535,985)         | -                   |
| Benefit Payments, Including Refunds of Member Contributions                | (527,123)           | (596,355)           | (763,276)           | (1,106,371)         | (1,181,511)         | (1,243,376)         | (1,458,525)         | (1,447,092)         | (1,599,190)         | (1,631,964)         |
| Net Change in Total Pension Liability                                      | 1,617,042           | 1,614,358           | 1,904,645           | 1,069,632           | 954,972             | 2,663,466           | 978,177             | 1,135,216           | (693,205)           | 849,592             |
| Total Pension Liability - Beginning  | 18,995,933          | 20,612,975          | 22,227,333          | 24,131,978          | 25,201,610          | 26,156,582          | 28,820,048          | 29,798,225          | 30,933,441          | 30,240,236          |
| Total Pension Liability - Ending   | 20,612,975          | 22,227,333          | 24,131,978          | 25,201,610          | 26,156,582          | 28,820,048          | 29,798,225          | 30,933,441          | 30,240,236          | 31,089,828          |
| Plan Fiduciary Net Position:   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - Employer   | 1,075,764           | 989,000             | 1,119,000           | 1,354,000           | 1,023,840           | 1,049,437           | 1,132,000           | 1,410,000           | 1,064,000           | 1,105,000           |
| Contributions - Member   | 34,709              | 34,734              | 27,557              | 25,135              | 31,940              | 35,669              | 36,000              | 38,219              | 41,887              | 43,410              |
| Net Investment Income (Loss)   | 171,680             | (117,785)           | 2,015,608           | 1,211,098           | 1,087,543           | 420,462             | 6,354,073           | (4,065,091)         | 1,844,020           | 2,646,902           |
| Benefit Payments, Including Refunds of Member Contributions                | (527,123)           | (596,355)           | (763,276)           | (1,106,371)         | (1,181,511)         | (1,243,376)         | (1,458,525)         | (1,447,092)         | (1,599,190)         | (1,631,964)         |
| Administrative Expense   | (11,455)            | (11,278)            | (12,288)            | (14,181)            | (13,880)            | (14,712)            | (16,595)            | (17,550)            | (16,279)            | (17,283)            |
| Net Change in Plan Fiduciary Net Position                                  | 743,575             | 298,316             | 2,386,601           | 1,469,681           | 947,932             | 247,480             | 6,046,953           | (4,081,514)         | 1,334,438           | 2,146,065           |
| Plan Fiduciary Net Position - Beginning                                    | 15,809,541          | 16,553,116          | 16,851,432          | 19,238,033          | 20,707,714          | 21,655,646          | 21,903,126          | 27,950,079          | 23,868,565          | 25,203,003          |
| Plan Fiduciary Net Position - Ending                                       | 16,553,116          | 16,851,432          | 19,238,033          | 20,707,714          | 21,655,646          | 21,903,126          | 27,950,079          | 23,868,565          | 25,203,003          | 27,349,068          |
| Net Pension Liability - Ending   | <u>\$ 4,059,859</u> | <u>\$ 5,375,901</u> | <u>\$ 4,893,945</u> | <u>\$ 4,493,896</u> | <u>\$ 4,500,936</u> | <u>\$ 6,916,922</u> | <u>\$ 1,848,146</u> | <u>\$ 7,064,876</u> | <u>\$ 5,037,233</u> | <u>\$ 3,740,760</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 80.30%              | 75.81%              | 79.72%              | 82.17%              | 82.79%              | 76.00%              | 93.80%              | 77.16%              | 83.34%              | 87.97%              |
| Covered Payroll  | \$ 5,161,863        | \$ 5,096,060        | \$ 5,806,805        | \$ 5,347,606        | \$ 4,909,578        | \$ 4,923,303        | \$ 4,353,572        | \$ 4,557,790        | \$ 4,243,726        | \$ 4,093,450        |
| Net Pension Liability as a Percentage of Covered Payroll                   | 78.65%              | 105.49%             | 84.28%              | 84.04%              | 91.68%              | 140.49%             | 42.45%              | 155.01%             | 118.70%             | 91.38%              |

**TOWN OF SOUTHBURY, CONNECTICUT  
PENSION TRUST FUND  
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

|  | 2015         | 2016       | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         |
|--|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution                                  | \$ 950,764   | \$ 988,541 | \$ 1,013,607 | \$ 1,098,703 | \$ 1,023,597 | \$ 1,049,437 | \$ 1,046,562 | \$ 1,157,429 | \$ 1,064,651 | \$ 868,065   |
| Contributions in Relation to the Actuarially Determined Contribution | 1,075,764    | 989,000    | 1,119,000    | 1,354,000    | 1,023,840    | 1,049,437    | 1,132,000    | 1,410,000    | 1,064,000    | 1,105,000    |
| Contribution Deficiency (Excess)                                     | \$ (125,000) | \$ (459)   | \$ (105,393) | \$ (255,297) | \$ (243)     | \$ -         | \$ (85,438)  | \$ (252,571) | \$ 651       | \$ (236,935) |
| Covered Payroll  | 5,161,863    | 5,096,060  | 5,806,805    | 5,347,606    | 4,909,578    | 4,923,303    | 4,353,572    | 4,557,790    | 4,243,726    | 4,093,450    |
| Contributions as a Percentage of Covered Payroll                     | 20.84%       | 19.41%     | 19.27%       | 25.32%       | 20.85%       | 21.32%       | 26.00%       | 30.94%       | 25.07%       | 26.99%       |

Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine

Contribution Rates:

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level Percent, Closed   |
| Remaining Amortization Period | 11 Years  |
| Asset Valuation Method        | 5 Years, Non-Asymptotic   |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.00%   |
| Investment Rate of Return     | 6.25%   |
| Retirement Age                | Graded by age   |
| Mortality                     | Pub-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with generational projection of future improvements per the MP-2021 Ultimate scale |

**TOWN OF SOUTHBURY, CONNECTICUT  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENT RETURNS – PENSION PLAN  
LAST TEN FISCAL YEARS**

|   | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 1.06%       | (0.70%)     | 11.80%      | 6.23%       | 5.25%       | 1.94%       | 29.05%      | (14.54%)    | 7.82%       | 10.59%      |



One State Street  
Hartford, CT 06103  
Main (860) 275-8200  
Fax (860) 275-8299

**[FORM OF OPINION OF BOND COUNSEL]**

July \_\_\_, 2025

Town of Southbury,  
Southbury, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Southbury, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated July \_\_\_, 2025 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$8,520,000 Town of Southbury, Connecticut General Obligation Bond Anticipation Notes, dated July \_\_\_, 2025 and maturing July \_\_\_, 2026, consisting of Note R-\_\_ in the aggregate principal amount of \$8,520,000, bearing interest at the rate of \_\_\_% per annum, with principal and interest payable at maturity (the “Notes”). The Notes are not subject to redemption prior to maturity.

The Notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Notes. So long as DTC or its nominee is the registered owner, principal and interest payments on the Notes will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Notes under authority of the Constitution and General Statutes of Connecticut and that the Notes are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Notes.

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

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

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

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Notes and the enforceability of the Notes and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Respectfully,

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

### [FORM OF CONTINUING DISCLOSURE AGREEMENT]

#### CONTINUING DISCLOSURE AGREEMENT

Town of Southbury, Connecticut  
\$8,520,000 General Obligation Bond Anticipation Notes  
dated July \_\_\_, 2025

July \_\_\_, 2025

WHEREAS, the Town of Southbury, Connecticut (the “Town”) has heretofore authorized the issuance of \$8,520,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated July \_\_\_, 2025 (the “Notes”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated July \_\_\_, 2025 describing the Notes (the “Official Statement”); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated July \_\_\_, 2025 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Notes to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Notes and to be described in the Official Statement, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.



Section 2. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (vii) modifications to rights of Noteholders, if material;
- (viii) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Noteholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 3. Termination of Reporting Obligation. The Town'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 Town 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 Town 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 Town, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The Town 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 Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Notes.

**IN WITNESS WHEREOF**, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**TOWN OF SOUTHBURY, CONNECTICUT**

By: \_\_\_\_\_  
Name: Jeff Manville  
Title: First Selectman

By: \_\_\_\_\_  
Name: Dan Colton  
Title: Treasurer/Finance Director

## APPENDIX D – NOTICE OF SALE

**NOTICE OF SALE**  
**\$8,520,000**  
**TOWN OF SOUTHURY, CONNECTICUT**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**  
**(BANK QUALIFIED)**

Electronic bids (as described herein) will be received by the **TOWN OF SOUTHURY, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Tuesday,

**JUNE 24, 2025**

(the “Sale Date”) for the purchase of all or a portion of the \$8,520,000 Town of Southbury, Connecticut General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

### **The Notes**

The Notes will be dated July 8, 2025, and will be payable to the registered owner on July 7, 2026, as further described in the Preliminary Official Statement for the Notes dated June 17, 2025 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on the basis of twelve 30-day months and a 360-day year) payable at maturity at the rate or rates per annum set forth in the bid or bids accepted for their purchase, which rates shall be multiples of 1/1000 of one percent (1%) per annum.

The Notes are not subject to redemption prior to maturity.

### **Nature of Obligation**

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Notes when due. The Notes will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

### **Bank Qualification**

The Notes **SHALL** be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

### **Registration**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry

system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

### **Electronic Bidding Procedures**

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town 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 Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

### **Bid Specifications/Basis of Award**

Proposals for the purchase of the Notes must provide the information set forth in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the Town, 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 Town 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 Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Town, computed and rounded to six decimal places.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes or a portion thereof at the lowest net interest cost computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

### **Closing Documents and Legal Opinion**

The Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Hartford, Connecticut (“Bond Counsel”), and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Notes, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

### **Obligation to Deliver Issue Price Certificate**

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Notes. In order to assist the Town, each winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Susan Caron, Vice President, Munistat Services, Inc., Email: [susan.caron@munistat.com](mailto:susan.caron@munistat.com), Telephone: (860) 372-1887, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal notes which has an established industry reputation for underwriting new issuances of municipal notes, (ii) its bid is a firm offer to purchase the Notes, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received on all of the Notes from at least three (3)

underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidders if the Competitive Sale Rule was met at the same time it notifies the winning bidders of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

***Competitive Sale Rule Met.*** If the Municipal Advisor advises the winning bidders that the Competitive Sale Rule has been met, the winning bidders shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of the Notes as of the Sale Date.

***Competitive Sale Rule Not Met.*** By submitting a bid, the winning bidders agree (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidders promptly after the award of the Notes. The winning bidders shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made, the winning bidders agree that the Hold the Offering Price Rule shall apply to such Notes.**

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity of the Notes, the winning bidders:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes (or each maturity thereof, if applicable) have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or third party distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity of the Notes, the winning bidders:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering price(s) and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes at a price that is higher than the initial offering price of such Notes until the earlier of (i) the date on which the winning bidder has

sold to the public at least ten percent (10%) of such maturity of the Notes at a price that is no higher than the initial offering price of such maturity of the Notes or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which each winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If a winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidders or any person that agrees pursuant to a written contract with the winning bidders to participate in the initial sale of the Notes to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidders must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the winning bidder in connection with the initial sale of any of the Notes.

### **Settlement of the Notes**

The Notes will be available for delivery on or about July 8, 2025. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidders to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidders will be furnished a reasonable number of copies of the final Official Statement prepared for the Notes at the Town’s expense. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidders no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidders by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the names of the winning bidders of the Notes.

### **Continuing Disclosure**

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes. Each winning bidder’s obligation to purchase the Notes shall be conditioned upon its

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

**Related Information**

For more information regarding the Notes and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Susan Caron, Vice President, Munistat Services, Inc., Email: [susan.caron@munistat.com](mailto:susan.caron@munistat.com), Telephone: (860) 372-1887, municipal advisor to the Town.

**JEFF MANVILLE**

First Selectman

**DAN COLTON**

Treasurer/Finance Director

June 17, 2025



**ISSUE PRICE RULE SELECTION CERTIFICATE**

Town of Southbury, Connecticut  
 \$8,520,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDER/REP], [on behalf of itself and [OTHER UNDER], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated June 17, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

| <u>Date of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <b>10% Sale Rule</b><br>(Underwriter has or will comply with 10% Sale Price Rule for this Maturity) |                    | <b>Hold the Offering Price Rule</b><br>(Underwriter will comply with Hold the Offering Price Rule for this Maturity) |                               |
|-------------------------|-------------------------|----------------------|---|--------------------|--|-------------------------------|
|                         |                         |                      | <u>Check Box</u>  | <u>Sales Price</u> | <u>Check Box</u>   | <u>Initial Offering Price</u> |
| 07/07/2026              | \$8,520,000             | ____%                | <input type="checkbox"/>  | \$_____            | <input type="checkbox"/>   | \$_____                       |

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Notes.)

[NAME OF UNDER/REP]

By: \_\_\_\_\_  
 Name:  
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. on June 25, 2025:

**Bond Counsel:** kpalmer@rc.com      **Municipal Advisor:** susan.caron@munistat.com