

PRELIMINARY OFFICIAL STATEMENT DATED JULY 23, 2026

NEW ISSUE -Book-Entry-Only

RATING: (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 Bonds and the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See “Tax Matters” herein.

TOWN OF COVENTRY, CONNECTICUT

\$5,050,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026

(BANK QUALIFIED)

Dated: Date of Delivery

Due: Serially, August 1, 2028-2046 as detailed herein.

The Bonds will be general obligations of the Town of Coventry, Connecticut (the “Town”) and the Town will pledge its full faith and credit to pay the principal of, and interest on, the Bonds when due. (See “Security and Remedies” herein.)

The Bonds will bear interest payable February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity.

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

The Bonds are offered for sale in accordance with an official Notice of Sale dated July 23, 2026. Electronic bids via PARITY® for the Bonds will be received until 12:00 Noon (E.T.) on Thursday, July 30, 2026, at the Office of the Town Manager, 1712 Main Street, Coventry, Connecticut, as described in the official Notice of Sale. (See “Appendix F” herein).

RATING: (See “Rating” herein)

\$3,020,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

(BANK QUALIFIED)

Dated: August 13, 2026

Due: August 12, 2027

The Notes will be general obligations of the Town of Coventry, 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 will bear interest payable at maturity. The Notes are not subject to redemption prior to maturity.

The Notes are offered for sale in accordance with an official Notice of Sale dated July 23, 2026. Electronic bids via PARITY® for the Notes will be received until 11:30 A.M (E.T.) on Thursday, July 30, 2026, at the Office of the Town Manager, 1712 Main Street, Coventry, Connecticut, as described in the official Notice of Sale. (See “Appendix G” herein).

The Bonds and the Notes will be issued by means of a book-entry system and will be registered in the name of Cede & Co., as Bondowner and Noteowner, respectively, for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds and the Notes. Purchases of the Bonds and the Notes will be made in book-entry-only form, in denominations of \$5,000 and any integral multiples thereof, respectively. The Beneficial Owners will not receive certificates representing their ownership in the Bonds or the Notes. (See “Book-Entry-Only Transfer System” herein).

The Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Bond and the Notes will be U.S. Bank Trust Company, National Association, Hartford, Connecticut.

The Bonds and 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 Bonds and the Notes in book-entry form will be made to DTC on or about August 13, 2026.

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

TOWN OF COVENTRY, CONNECTICUT

\$5,050,000

GENERAL OBLIGATION BONDS, ISSUE OF 2026 (BANK QUALIFIED)

Dated: Date of Delivery

Due: Serially, August 1, 2028-2046 (as detailed below)

MATURITY SCHEDULE

Maturity	Amount	Coupon	Yield	CUSIP¹	Maturity	Amount	Coupon	Yield	CUSIP¹
2028	\$270,000	%	%	222849***	2038	\$265,000	%	%	222849***
2029	270,000			222849***	2039	265,000			222849***
2030	270,000			222849***	2040	265,000			222849***
2031	265,000			222849***	2041	265,000			222849***
2032	265,000			222849***	2042	265,000			222849***
2033	265,000			222849***	2043	265,000			222849***
2034	265,000			222849***	2044	265,000			222849***
2035	265,000			222849***	2045	265,000			222849***
2036	265,000			222849***	2046	265,000			222849***
2037	265,000			222849***					

\$3,020,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES (BANK QUALIFIED)

Dated: August 13, 2026

Due: August 12, 2027

Amount	Coupon	Yield	CUSIP¹
\$3,020,000	%	%	222849***

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds and the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds and the Notes.

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

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

The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds and the Notes shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The Town deems this Official Statement to be "final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, 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. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than matters expressly set forth as their opinions in Appendices B and C, respectively herein, 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 they have independently verified the same.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data with respect to the Bonds, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events with respect to the Bonds and the Notes, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds. The Continuing Disclosure Agreements are to be executed by the Town substantially in the forms attached as Appendices D and E, respectively to this Official Statement.

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).

BOND COUNSEL
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MUNICIPAL ADVISOR
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Madison, Connecticut
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BOND ISSUE SUMMARY

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

Date of Sale:	Thursday, July 30, 2026 at 12:00 Noon (E.T.).
Location of Sale:	Office of the Town Manager, 1712 Main Street, Coventry, Connecticut 06238.
Issuer:	Town of Coventry, Connecticut (the “Town”).
Issue:	\$5,050,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	Date of Delivery, August 13, 2026.
Interest Due:	February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption.
Principal Due:	Serially, August 1, 2028 through 2046, as set forth on the inside cover to this Official Statement.
Purpose and Authority:	The Bonds are being issued to finance and refund a portion of outstanding notes of the Town, maturing August 13, 2026 which were issued to finance HVAC upgrades, replacements and repairs at Coventry High School as authorized by voters of the Town. See “Authorization and Purpose” herein.
Redemption:	The Bonds are subject to redemption prior to maturity, as more fully described herein. See “Optional Redemption” herein.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. See “Security and Remedies” herein.
Credit Rating:	The Bonds have been rated [] by S&P Global Ratings (“S&P”). The rating on certain outstanding bonds of the Town has recently been affirmed as [] by S&P.
Basis of Award:	Lowest True Interest Cost (TIC), as of dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds SHALL 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 incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events within ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required annual financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut, will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 13, 2026 against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Cherie Trahan, Finance Director and Treasurer, 1712 Main Street, Coventry, Connecticut 06238, Telephone: (860) 742-3528.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

NOTE ISSUE SUMMARY

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

Date of Sale:	Thursday, July 30, 2026 at 11:30 A.M. (E.T.).
Location of Sale:	Office of the Town Manager, 1712 Main Street, Coventry, Connecticut 06238.
Issuer:	Town of Coventry, Connecticut (the “Town”).
Issue:	\$3,020,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of Delivery, August 13, 2026.
Interest Due:	At maturity on August 12, 2027.
Principal Due:	At maturity on August 12, 2027.
Purpose and Authority:	The Notes are being issued to finance and refund a portion outstanding notes of the Town, maturing August 13, 2026 which were issued to finance HVAC upgrades, replacements and repairs at Coventry High School and to finance school roof replacements at the Town’s High School/Middle School Complex as authorized by voters of the Town. See “Authorization and Purpose” herein.
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Notes have been rated [] by S&P Global Ratings (“S&P”).
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Notes SHALL 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 incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide or cause to be provided, notices of certain events within ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix E to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut, will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about August 13, 2026 against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Cherie Trahan, Finance Director and Treasurer, 1712 Main Street, Coventry, Connecticut 06238, Telephone: (860) 742-3528.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices, has been prepared by the Town of Coventry, Connecticut (the “Town”) with assistance from the Municipal Advisor (defined herein) in connection with the issuance and sale of \$5,050,000 of General Obligation Bonds, Issue of 2026 (the “Bonds”) and \$3,020,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Bonds and the Notes are being offered for sale at public bidding. Notices of Sale, each dated July 23, 2026, have been furnished to prospective bidders. Reference is made to the Notices of Sale (see Appendices F and G herein) for the terms and conditions of the bidding on the Bonds and the Notes.

This Official Statement (“Official Statement”) is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and 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.

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 Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

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

Munistat Services, Inc. (“Munistat” or the “Municipal Advisor”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds and the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds and the Notes is contingent upon the issuance and delivery of the Bonds and 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 Bonds and the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery, August 13, 2026, and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest will be payable on February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of July and January in each year, or the preceding business day if the fifteenth day is not a business day, in each year (record date). A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See “Book-Entry-Only Transfer System” herein.) The Registrar, Certifying Bank, Transfer Agent and Paying Agent will be U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP, of Hartford, Connecticut. The Bonds **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, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. The Bonds are subject to optional redemption prior to maturity as more fully described under “Optional Redemption” herein.

OPTIONAL REDEMPTION

The Bonds maturing on or before August 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2034, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid, to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 1, 2034 and thereafter	100.00%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company ("DTC") is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

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

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See "Book-Entry-Only Transfer System", herein for discussion of DTC and definitions of "Direct Participants", "Indirect Participants" and "Beneficial Owners".)

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

DESCRIPTION OF THE NOTES

The Notes will be dated August 13, 2026 and will mature on August 12, 2027. Interest on the Notes will be payable at maturity on August 12, 2027. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. The Notes are **NOT** subject to redemption prior to maturity. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein.) The Registrar, Certifying Bank, Transfer Agent and Paying Agent will be U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Robinson & Cole LLP, of Hartford, Connecticut. 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, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

AUTHORIZATION AND PURPOSE

The Bonds and the Notes were authorized and are being issued pursuant to a resolution currently in the amount of \$5,094,367, adopted and approved by the Town voters at referendum held on November 3, 2020 and amended on November 2, 2021 and

again on November 4, 2025; and a resolution currently in the amount of \$12,642,000, adopted and approved by the Town voters at a referendum held on January 10, 2023 and amended on November 4, 2025.

The Bonds and Notes are being issued to finance or refinance the following capital improvement projects:

Project	Amount Authorization	Grants	Notes	Additions/ Reductions	The Notes This Issue	The Bonds This Issue
		Received/ Bond Proceeds	Maturing 8/13/2026			
School Roof Replacement.....	\$ 5,094,367	\$ 3,695,869 ¹	\$ 129,072	\$ 1,266,928	\$1,396,000	\$ -
Coventry High School HVAC Replacement 2023..	12,642,000	5,834,400 ²	9,011,928	(2,337,928)	1,624,000	5,050,000
Total All Projects.....	\$ 17,736,367	\$ 9,530,269	\$9,141,000	\$(1,071,000)	\$3,020,000	\$5,050,000

¹ The Town expects to receive up to an additional \$1.9 million in school construction grants. If received, the Town expects to use grant receipts to retire the outstanding bond anticipation notes.

² The Town expects to receive up to an additional \$1.6 million in school construction grants. If received, the Town expects to use grant receipts to retire the outstanding bond anticipation notes.

RATING

The Bonds have been rated [] by S&P Global Ratings ("S&P"). The rating on certain outstanding bonds of the Town has recently been affirmed as [] by S&P. The Notes have been rated [] by S&P. Such rating reflects only the views of such rating agency and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041-0003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's obligations.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate for each maturity of the Bonds in the principal amount of such maturity, and one Note certificate for each interest rate on the Notes, will be issued 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, 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 registered 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's has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect

Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Bonds and 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 Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the 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, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS AND NOTES

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

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

SECURITY AND REMEDIES

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

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

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

The Town is subject to suit on its general obligation 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 therefore 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 such debt 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. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

CONSIDERATIONS FOR BOND AND 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 Town revenues, expenses and financial condition.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. 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. The Town has purchased a 3-year endpoint protection package from Crowd Strike to mitigate the risks associated with cybersecurity threats. In calendar year 2023 the Town implemented multi-factor authentication for users. Monthly Microsoft updates are applied within a week of their release, and the Town's IT team monitors CVEs and receives monthly scans, cyber assessments and cyber hygiene from CISA (Cybersecurity and Infrastructure Security Agency). The Town also recently completed a Cyber Security Assessment by the Connecticut Military Department in conjunction with DEMHS. The CTMD performed on-site assessments using the CRE assessment and a baseline physical security questionnaire. After review and compilation of the data, the CTMD generated a final report of our cybersecurity posture. The Town will use this report to guide our cybersecurity measures going forward.

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. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. In an effort to address the potential future effects of climate change the Town has undertaken a number of initiatives including converting all buildings to LED lights and installing several additional electric charging stations. As a results of those and other efforts, the Town has been awarded the Silver Designation from Sustainable CT, an independently funded non-profit organization that offers technical assistance to Connecticut municipalities to advance sustainability initiatives; and recognizes and certifying those municipalities for their achievements.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town prepares, in accordance with State law, annual independent audited financial statements and files such annual reports 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 the rating agencies with ongoing disclosure information in the form of annual financial reports, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Bonds, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds and the Notes (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements with respect to the Bonds. The Continuing Disclosure Agreements are to be executed in substantially the forms attached in Appendices D and E to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements for the benefit of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in any material respects, with its previous undertakings in such agreements with the exception of the fiscal year ending June 30, 2023. For fiscal year 2023, the Town filed a notice of failure to provide financial information on February 29, 2024 and subsequently filed its audited financial statements and financial information and operating data on April 8, 2024 and April 17, 2024, respectively.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds and the Notes to be included in gross income retroactive to the date of issuance of the Bonds and the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds and the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the 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 Bonds and the Notes shall be excluded from gross income for federal income tax purposes under the Code.

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

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

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

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

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

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

Original Issue Discount

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

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond or Note during each day it is owned by a taxpayer is added to the owner’s adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds or Notes by such owner. Accrued original issue discount on the Bonds and the Notes is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such Bond or Note. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased

by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

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

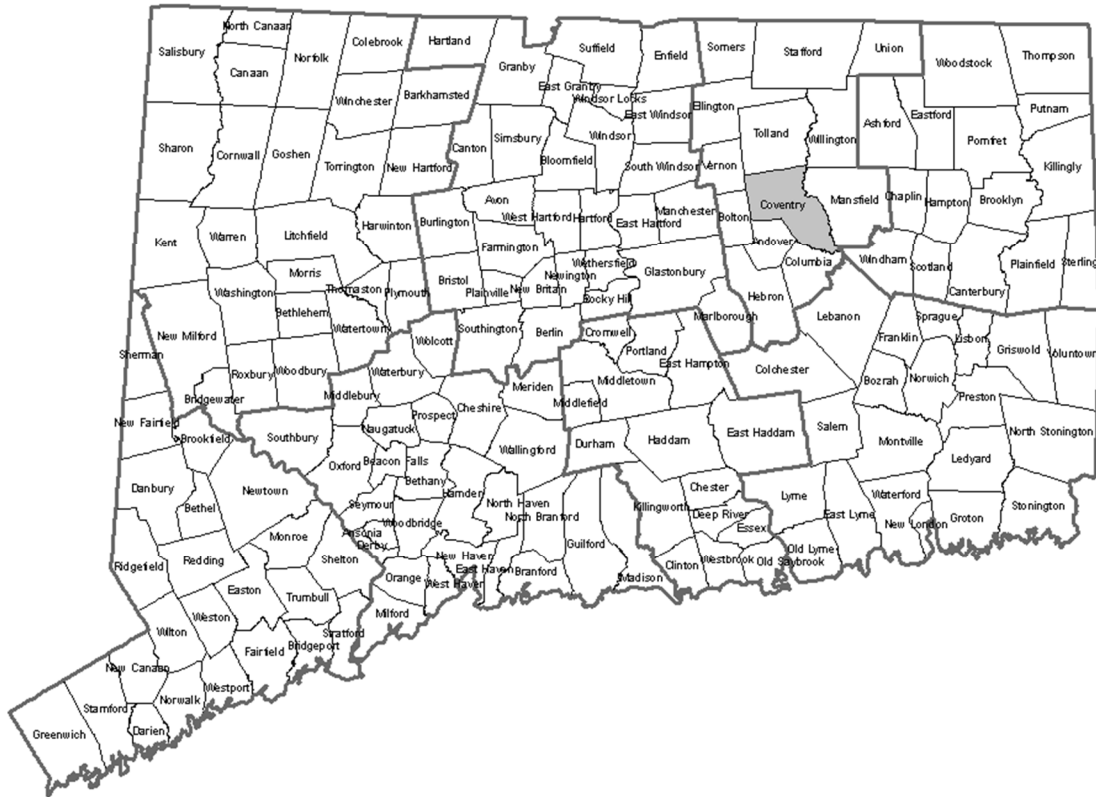
Original Issue Premium

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

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

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The area which is now the Town of Coventry was known to the Indians as "Wangumbaug" or "crooked pond" from the curved shape of the lake within the Town's present boundaries. The area was settled in 1711 and named after the City of Coventry in Warwickshire, England, and was incorporated in 1712, encompasses approximately 37.3 square miles within Tolland County, and is located 19 miles east of Hartford and 6 miles northwest of Willimantic. Coventry is bounded on the east by Mansfield; on the north by Tolland; on the south by Columbia and Andover; and to the west by Bolton and Vernon. The Town is primarily a suburban residential community with single-family homes mixed with agriculture and some manufacturing.

The Town is traversed by State Routes 31 and 275 and U. S. Routes 6 and 44. Interstates 84 and 384 are approximately 10-minute drive, providing for east-west transportation to Hartford and New York or Worcester, Boston, or Providence, Rhode Island. Air passenger service and freight service is available at Bradley International Airport in Windsor Locks, which is approximately 45 minutes from Coventry. Rail service for passenger and freight is available in Hartford. The New England Central Railroad maintains a freight line on the eastern edge of Coventry, connecting between New Canada and New London, Connecticut.

The Town provides preschool early educational development courses and adult education courses in addition to grades K-12. Higher education courses are offered at the University of Connecticut main campus, 5 miles east of the Town or from Eastern Connecticut University, Manchester Community College or other institutions located in Hartford.

The Town has an Economic Development Commission to access various Town options for future growth and development. Additionally, the Town of Coventry Housing Authority maintains 80 units of elderly and handicapped housing. Senior citizens services provide meals-on-wheels and various activities supported by bus transportation provided by the Town and the Regional Transit District.

FORM OF GOVERNMENT

The Town of Coventry adopted its first charter on October 2, 1967, effective November 4, 1969. The latest revision to the Charter was effective November 5, 1991.

Legislative power of the Town is vested in the Town Council, which consists of an elected Council Chair and six additional Town Council members. Under the Charter, the Council has both fiscal and administrative authority and responsibility. The Town Manager is the Chief Executive Officer of the Town and is directly responsible to the Town Council for planning, organizing, and directing the activities of all municipal departments and agencies under his or her jurisdiction.

The Town Manager appoints the department heads with the approval of the Town Council. The Town Manager is responsible for the preparation of the Annual Town report, for the keeping of complete books of accounts on appropriations, and exercises other powers and duties as imposed upon him or her by the Town Council.

MUNICIPAL OFFICIALS

The current Town officials are:

Town Council	Name	Term Ending	Years of Service
Chair.....	Lisa Thomas.....	2027	15 Years
Vice Chair.....	Peter Larson.....	2027	Less than 1 Year
Secretary.....	Matthew Kyer.....	2027	2.5 Years
Councilor.....	Jonathan B. Hand.....	2027	9 Years
Councilor.....	Julie A. Blanchard.....	2027	20 Years
Councilor.....	Robyn Gallagher.....	2027	4 Years
Councilor.....	Mark Wheaton.....	2027	Less than 1 Year
Other Officials			
Town Manager.....	James Drumm.....	Appointed	2.5 years
Town Clerk.....	Lori Tollmann.....	Appointed	11.5 Years
Finance Director/Town Treasurer.....	Cherie Trahan.....	Appointed	Less than 1 Year
Assessor.....	Kimberly Bechard.....	Appointed	Less than 1 Year
Tax Collector.....	Kelly Lawer.....	Appointed	Less than 1 Year
Superintendent of Schools.....	David J. Petrone.....	Appointed	14.5 Years

SUMMARY OF MUNICIPAL SERVICES

Police: Police protection is provided by the Town police department consisting of the Chief, 1 Captain, 5 sergeants, 8 patrol officers and 1 detective. Three full-time clerks perform clerical and dispatch duties. Part-time dispatchers cover weekends and holidays. The police department also maintains a marine patrol boat for use at Wangumbaug Lake. The police department includes a Municipal Animal Control Officer, who works to enforce the Connecticut statutes with respect to dog and animal control.

Fire: The Town of Coventry Fire & EMS Department consists of 62 members (made up of 4 full-time, 9 part-time and 49 volunteers), 3 engine tankers and 1 reserve tanker, 1 engine, 1 ladder truck, 1 heavy rescue truck, 1 tanker, 1 forestry truck, 1 all-terrain vehicle, 2 marine boats and 2 service vehicles. The Town has two main fire stations and two substations. Members attend regular drills and training sessions.

Emergency Medical Assistance: The Town of Coventry Fire & EMS Department is also responsible for providing medical services with 2 ambulances and 4 first response vehicles. The Fire & EMS Department transports to hospitals located in Manchester, Windham, Rockville (Vernon), along with Hartford and St. Francis which are no more than 30 minutes away. In addition, we can request 2 Life Star helicopters from Hartford Hospital if available for extreme emergencies and paramedic services are available through Windham Hospital, Manchester Ambulance and Rockville Hospital.

Health Services: The Town is a member of the Eastern Highlands Health District which provides public health and environmental services to ten area towns. The Town also contracts with Visiting Nurses and Health Services of Connecticut, for visiting nurse's services.

Solid Waste: The Town instituted a volume-based collection system of refuse and recyclables on August 1, 1993 and closed its sanitary landfill in 1994. The Town, through the Coventry Resource Recovery Authority ("COVRRRA"), contracts with a private company for curbside pick-up of refuse and recycling and recently converted to tipper-barrel type collection. The Town offers a choice of three-barrel sizes for refuse and two-barrel sizes for recycling. Collection costs are paid for by annual user fees administered by COVRRRA. The Town has contracted with the Casella for disposal of refuse and recyclables. Average monthly curbside recycling is 256 tons. For fiscal year ending June 30, 2026, the tipping fee was \$91.24 per ton and \$60.67 per ton for the recycling. The Town operates a bulk waste transfer facility with all bulky waste being sent to Casella at a fee of 88.05 per ton. A Regional Household Chemical Collection Facility is located in Willington, use of which is fully covered by the COVRRRA annual user fee.

Water Pollution Control Authority: The Water Pollution Control Authority (the "Authority") of the Town was created March 17, 1980, pursuant to Section 7-246 of the Connecticut General Statutes. The Authority consists of five members appointed by the Town Council for two-year terms. The Authority is responsible for the effective management of the community sewerage system and for developing a sewer avoidance policy.

The sewerage treatment plant has been operational since February 1987. To date, there are 962 properties connected to the sewer system, primarily in the Wangumbaug Lake area and the central village section of Town. Other Town residents are served by individual private septic systems. A \$17,800,000 project to extend sewers further around the lake was completed in 2008. The Town financed the project through a series of grants and loans from the United States Department of Agriculture's Rural Development Authority and the State of Connecticut Clean Water Fund Program. The Town assessed benefiting property owners to recover a portion of the project costs. See "Clean Water Fund Program" herein.

The Town is currently working with the Towns of Vernon and Bolton to connect properties located on route 44 to Bolton's sewer system. In 2023 the Town began planning studies to upgrade the wastewater treatment plant and increase sewer capacity.

Public Library: The Booth & Dimock Memorial Library provides a full range of services to the Town of Coventry. The library welcomes over 32,000 visits per year, and maintains a physical collection of over 46,000 items, including books, magazines, DVDs, video games, board games, puzzles, activity kits, and more. The library has collections for children, teens, and adults, a robust large print collection, special collections for parents and teachers, and access to electronic items through OverDrive and Libby. Annual circulation of over 75,000, includes 11,000 in electronic circulation. The Booth & Dimock Memorial Library is a member of the Bibliomation Consortium, an online catalog that instantly connects Coventry library card holders to over 60 public libraries throughout the state. In addition to Bibliomation, Coventry residents can access materials from any library in the State through the Connecticut State Library Inter-Library Loan program - which includes FindIT, BorrowIT, and DeliverIT - and facilitates over 10,000 inter-library loan transactions annually. The library provides free access to the internet through desktop computers and high-speed wi-fi, with a combined annual use of over 75,000 sessions, and offers one-on-one technology assistance. The Library offers weekly programs and events for children of all ages, and its community room is available free of charge for local individuals and organizations.

Roads: The Town has approximately 125 miles of municipally paved roads and 8.5 miles of State roads within its boundaries.

Electricity: Electric power is delivered by Eversource Energy and supplied by BP Energy.

Natural Gas: Natural gas lines are currently available to Town residents in limited areas along the route to supply the Town Complex and Main Street. This new line has the capability of expansion when the market warrants it. The Spectra Energy's Algonquin Gas Transmission line bisects Town. Alternatively, bottled propane gas is available from private vendors.

Water: Individual private wells provide the majority of households in Town with water. Approximately 30% of all dwellings are served by small neighborhood water companies serving limited areas. A majority of these systems are owned or operated by Connecticut Water. Connecticut Water is investing in major system upgrades and additional supply.

The Town is in the process of designing and permitting a water tower which, in conjunction with the Connecticut Water Company water infrastructure on Stonehouse Road, will serve as a water supply redundancy and to increase water pressure to allow for fire suppression in the South Coventry Village District.

MUNICIPAL EMPLOYMENT

Fiscal Year	2027	2026	2025	2024	2023
General Government.....	72	72	72	70	70
Board of Education.....	307	307	309	322	325
Total.....	379	379	381	392	395

Source: Town Officials.

MUNICIPAL EMPLOYEES BY CATEGORY

General Government	Employees
Town Manager.....	3.0
Department of Finance.....	8.0
Building/Fire.....	3.0
Town Clerk.....	3.0
Public Safety.....	28.0
Public Works ¹	17.0
Planning, Zoning & Inland Wetlands....	4.0
Recreation.....	2.0
Human Services.....	4.0
General Government Total.....	72.0
 Board of Education	
Teachers.....	171.0
Principal & Administration.....	7.0
Secretaries & Aides.....	69.0
Nurses.....	4.0
Cafeteria.....	8.0
Custodial & Maintenance.....	18.0
Non-bargaining.....	29.8
Board of Education Total.....	306.8
 Total.....	378.8

¹ Includes COVRRA and WPCA employees.

Source: Town Officials.

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MUNICIPAL EMPLOYEES BARGAINING UNITS

Employees Represented	Union Organization	Number of Employees	Current Contract Expiration
<u>General Government</u>			
Police.....	United Service Employees, COPS Division.....	18.0	June 30, 2026 ¹
Highway Department....	Local 1303-05, Council 4, AFSCME, AFLCIO.....	17.0	June 30, 2026 ¹
Town Hall Employees..	Local 1303-84, Council 4, AFSCME, AFLCIO.....	16.0	June 30, 2027
Supervisors.....	Local 818, Council 4, ADSCME, AFL-CIO.....	7.0	June 30, 2026 ¹
	General Government sub-total.....	58.0	
<u>Board of Education</u>			
Administrators.....	Coventry Administrative Association.....	7.0	June 30, 2028
Teachers.....	Coventry Education Association.....	171.0	June 30, 2027
Secretaries.....	Local 1303, Council 4, AFSCME, AFLCIO.....	18.0	June 30, 2027
Custodians.....	Local 1303, Council 4, AFSCME, AFLCIO.....	18.0	June 30, 2027
Paraprofessionals.....	Coventry Paraprofessional Association.....	51.0	June 30, 2027
School Nurses.....	Local 1303, Council 4, AFSCME, AFLCIO.....	4.0	June 30, 2026 ¹
Cafeteria Workers.....	Local 1303, Council 4, AFSCME, AFLCIO.....	8.0	June 30, 2026 ¹
	Board of Education sub-total.....	277.0	
<u>Non-Bargaining Employees</u>			
	General Government.....	14.0	
	Board of Education.....	29.8	
		43.8	
Grand Total		378.8	

¹ In negotiations.

Source: Town Officials.

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

EDUCATIONAL SYSTEM

The Town provides pre-kindergarten (Pre-K) through high school education in five (5) school facilities, which consist of one school for pupils in pre-K; one school for grades K through 2; one school for grades 3-5; one school for grades 6-8; and one high school for grades 9-12. The schools are governed by a seven-member Board of Education.

EDUCATIONAL FACILITIES

School	Grades	Date of Construction (Additions)	Number of Classrooms	Type of Construction	Enrollment 10/01/25
Hale Early Education Center...	PreK	2015	4	Wood	127
Coventry Grammar.....	K-2	1956 (1991) (1999)	26	Brick	324
G.H. Robertson.....	3-5	1948 (1989) (1999)	17	Brick	378
Captain Nathan Hale.....	6-8	1967 (1991) (1999)	33	Cinder Block	362
Coventry High School.....	9-12	1962 (1983) (1999)	45	Brick	406
Total			<u>125</u>		<u>1,597</u>

Source: Office of the Superintendent of Schools.

SCHOOL ENROLLMENT

School Year	Grade Pre-K	Grades K-5	Grades 6-8	Grades 9-12	Total
<i>Historical</i>					
2020-21	80	704	387	431	1,602
2021-22	104	730	398	423	1,655
2022-23	107	732	389	425	1,653
2023-24	116	710	381	420	1,627
2024-25	107	731	363	408	1,609
2025-26	127	702	362	406	1,597
<i>Projected</i>					
2026-27	128	714	361	398	1,601
2027-28	128	710	390	389	1,617
2028-29	128	701	401	383	1,613
2029-30	128	707	389	399	1,623
2030-31	128	701	389	399	1,617

Source: Office of the Superintendent of Schools.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of Coventry	Tolland County	Capital Planning Region ¹	State of Connecticut
1980	8,895	114,823	n/a	3,107,576
1990	10,063	128,699	n/a	3,287,116
2000	11,504	136,364	n/a	3,405,565
2010	12,435	152,691	n/a	3,574,097
2024	12,326	n/a	977,290	3,624,508

¹ Starting with the 2018-22 American Community Survey, the county level area has been changed to reflect the Capital Planning Region.

Source: U.S. Department of Commerce, Bureau of the Census, 1980-2010; 2020-2024 American Community Survey.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Coventry		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	607	4.9	49,409	5.1	181,691	5.0
5 - 9.....	657	5.3	52,844	5.4	195,164	5.4
10 - 14.....	766	6.2	57,866	5.9	214,972	5.9
15 - 19.....	699	5.7	65,900	6.7	239,710	6.6
20 - 24.....	700	5.7	69,952	7.2	238,387	6.6
25 - 34.....	1,255	10.2	127,530	13.0	454,892	12.6
35 - 44.....	1,436	11.7	126,899	13.0	460,916	12.7
45 - 54.....	1,640	13.3	118,277	12.1	453,917	12.5
55 - 59.....	861	7.0	67,227	6.9	256,068	7.1
60 - 64.....	1,211	9.8	65,081	6.7	258,234	7.1
65 - 74.....	1,682	13.6	100,900	10.3	386,232	10.7
75 - 84.....	674	5.5	51,797	5.3	196,373	5.4
85 and over.....	138	1.1	23,608	2.4	87,952	2.4
Total	<u>12,326</u>	<u>100.0</u>	<u>977,290</u>	<u>100.0</u>	<u>3,624,508</u>	<u>100.0</u>
Median age.....	45.4		40		41.1	

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

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INCOME DISTRIBUTION

	Capital					
	Town of Coventry		Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	29	0.8	7,092	2.9	24,004	2.6
\$ 10,000 to 14,999	33	0.9	3,069	1.2	12,584	1.4
\$ 15,000 to 24,999	48	1.3	7,544	3.1	27,285	3.0
\$ 25,000 to 34,999	76	2.1	8,950	3.6	33,429	3.6
\$ 35,000 to 49,999	284	7.9	15,981	6.5	59,826	6.5
\$ 50,000 to 74,999	466	12.9	27,904	11.3	106,611	11.6
\$ 75,000 to 99,999	391	10.8	29,550	12.0	106,893	11.6
\$100,000 to 149,999 ..	744	20.6	50,328	20.4	182,785	19.8
\$150,000 to 199,999 ..	740	20.5	37,410	15.2	131,310	14.3
\$200,000 or more	800	22.2	58,377	23.7	236,661	25.7
Total	<u>3,611</u>	<u>100.0</u>	<u>246,205</u>	<u>100.0</u>	<u>921,388</u>	<u>100.0</u>

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

INCOME LEVELS

	Median Family Income		Per Capita Income	
	(2010)	(2024)	(2010)	(2024)
Town of Coventry.....	\$ 91,931	\$124,544	\$34,524	\$51,064
Tolland County.....	91,631	n/a	33,108	n/a
Capital Planning Region.....	n/a	121,211	n/a	51,016
Connecticut.....	84,170	122,706	36,775	55,915
United States.....	62,982	99,999	27,334	44,673

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

	Capital			
	Town of Coventry		Planning Region	
	Number	Percent	Number	Percent
Less than 9th grade.....	59	0.7	25,463	3.8
9th to 12th grade.....	140	1.6	34,247	5.1
High School graduate.....	2,533	28.5	169,580	25.1
Some college - no degree.....	1,180	13.3	110,639	16.4
Associates degree.....	982	11.0	55,519	8.2
Bachelor's degree.....	2,175	24.4	154,618	22.9
Graduate or professional degree.....	1,828	20.5	125,785	18.6
Total.....	<u>8,897</u>	<u>100.0</u>	<u>675,851</u>	<u>100.0</u>
Percent High School Graduate or Higher..	97.8%		91.2%	
Percent Bachelor's Degree or Higher.....	45.0%		41.5%	

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

MAJOR EMPLOYERS

Employer	Nature of Business	Estimated Number of Employees
Town of Coventry.....	Government/Education.....	379
Coventry Public Market.....	Retail Grocer.....	76
Teleflex Medical.....	Surgical Sutures/Medical.....	67
Dunkin Donuts.....	Coffee Shop.....	38
Bidwell Tavern.....	Restaurant.....	35
CVS Pharmacy.....	Retail Pharmacy.....	23
Walgreens.....	Retail Pharmacy.....	18
Dimitri's.....	Restaurant.....	16
Sadlak Industries.....	Manufacturing.....	15
Cumberland Farms.....	Gas Station.....	12

Source: Town of Coventry.

EMPLOYMENT BY INDUSTRY

	Town of Coventry		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	-	-	1,679	0.3	7,132	0.4
Construction.....	394	6.4	25,100	5.0	113,006	6.1
Manufacturing.....	804	13.1	53,830	10.7	198,526	10.7
Wholesale trade.....	190	3.1	9,930	2.0	35,592	1.9
Retail trade.....	603	9.8	53,136	10.6	192,698	10.4
Transportation & warehousing & utilities...	210	3.4	27,678	5.5	87,076	4.7
Information.....	114	1.9	8,212	1.6	37,488	2.0
Finance, insurance, real estate.....	627	10.2	52,430	10.4	161,226	8.7
Professional, scientific & management.....	490	8.0	58,810	11.7	228,229	12.3
Educational, health & social services.....	1,919	31.2	131,914	26.3	496,559	26.8
Arts, entertainment & recreation.....	543	8.8	37,232	7.4	143,851	7.8
Other professional services.....	70	1.1	20,247	4.0	80,617	4.4
Public administration.....	182	3.0	21,656	4.3	67,864	3.7
Total.....	<u>6,146</u>	<u>100.0</u>	<u>501,854</u>	<u>100.0</u>	<u>1,849,864</u>	<u>100.0</u>

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

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UNEMPLOYMENT RATE STATISTICS
(Non-seasonally adjusted)

Period	Town of Coventry		Percentage Unemployed		
	Employed	Unemployed	Town of Coventry (%)	Hartford Labor Market (%)	State of Connecticut (%)
Jan-May 2026.....	6,106	320	5.0	5.3	5.3
Annual Average					
2025.....	6298	247	3.8	4.0	3.9
2024.....	7,653	227	2.9	3.5	3.5
2023.....	7,564	238	3.1	3.7	3.8
2022.....	7,610	284	3.6	4.1	4.1
2021.....	7,208	379	5.0	6.4	6.4
2020.....	7,274	454	5.9	7.8	8.0
2019.....	7,793	226	2.8	3.6	3.6
2018.....	7,716	254	3.2	3.9	3.9
2017.....	7,763	313	3.9	4.4	4.4
2016.....	7,487	310	4.0	4.9	4.8

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Coventry		Capital Planning Region		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
Built 2020 or later.....	18	0.4	2,543	0.6	10,811	0.7
Built 2010 to 2019.....	303	6.0	17,843	4.3	69,596	4.5
Built 2000 to 2009.....	425	8.4	26,094	6.3	109,783	7.1
Built 1990 to 1999.....	564	11.1	31,035	7.5	115,803	7.5
Built 1980 to 1989.....	666	13.1	54,222	13.0	199,083	12.9
Built 1970 to 1979.....	395	7.8	55,074	13.2	210,797	13.7
Built 1960 to 1969.....	426	8.4	59,457	14.3	199,847	13.0
Built 1950 to 1959.....	1,007	19.8	66,307	15.9	217,807	14.1
Built 1940 to 1949.....	564	11.1	28,178	6.8	96,711	6.3
Built 1939 or earlier...	720	14.2	75,806	18.2	311,584	20.2
Total.....	<u>5,088</u>	<u>100.0</u>	<u>416,559</u>	<u>100.0</u>	<u>1,541,822</u>	<u>100.0</u>

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024

CHARACTERISTICS OF HOUSING UNITS

Type	Town of Coventry	
	Number	Percent
1-unit, detached.....	4,549	89.4
1-unit, attached.....	112	2.2
2 units.....	212	4.2
3 or 4 units.....	53	1.0
5 to 9 units.....	70	1.4
10 to 19 units.....	12	0.2
20 or more units.....	57	1.1
Mobile home, boat, other....	23	0.5
Total	<u>5,088</u>	<u>100.0</u>

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

OWNER OCCUPIED HOUSING VALUES

Sales Price Category	Town of Coventry		Capital Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	88	2.0	6,241	2.4	23,262	2.4
\$50,000 to \$99,999.....	-	0.0	4,429	1.7	14,209	1.5
\$100,000 to \$149,999.....	256	5.7	8,272	3.2	31,134	3.3
\$150,000 to \$199,999.....	227	5.1	22,110	8.6	65,851	6.9
\$200,000 to \$299,999.....	1,311	29.3	72,223	28.1	205,349	21.5
\$300,000 to \$499,999.....	2,178	48.8	102,287	39.8	350,277	36.8
\$500,000 to \$999,999.....	392	8.8	37,877	14.7	197,853	20.8
\$1,000,000 or more.....	15	0.3	3,615	1.4	65,054	6.8
Total	<u>4,467</u>	<u>100.0</u>	<u>257,054</u>	<u>100.0</u>	<u>952,989</u>	<u>100.0</u>
Median Value.....	\$330,000		\$323,700		\$366,900	

Source: U. S. Bureau of the Census, American Community Survey, 2020-2024.

BUILDING PERMITS

Fiscal Year Ending 6/30	Town of Coventry	
	Number	Value
2026 ¹	979	\$20,112,413
2025	912	25,587,234
2024	1,078	31,857,696
2023	1,018	32,064,059
2022	1,013	19,627,363
2021	1,161	19,108,430
2020	937	17,498,397
2019	899	13,016,222
2018	917	14,710,298
2017	810	12,139,797

¹ As of June 24, 2026.

Source: Town Officials; Building Inspector's Office.

IV. TAX BASE DATA

ASSESSMENT PRACTICES

In accordance with State law, the Town last completed a general revaluation of real property as of October 1, 2024, which was effective for fiscal year 2025-26. Next revaluation is scheduled for October 1, 2029. Connecticut General Statutes Section 12-62, as amended in 2006, requires a revaluation every five years and requires the assessor to 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 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 Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. Each year, the Town's 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% of the estimated market value at the time of the last general revaluation.

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

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

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the State of Connecticut Office of Policy and Management. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 1, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. For assessment years commencing on or after October 1, 2024 assessments for motor vehicles are computed at 70% of the vehicle's depreciated manufacturer's suggested retail price ("MSRP") pursuant to Section 12-63(7) of the Connecticut General Statutes.

PROPERTY TAX COLLECTION PROCEDURE

Real estate property 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. Personal property and motor vehicle taxes are payable in one installment on July 1, with motor vehicle supplemental bills payable on January 1. Payments not received by August 1 and February 1 become delinquent and are subject to interest at the rate of 1.5% per month for all delinquent property taxes. In accordance with State law, the oldest outstanding tax is collected first.

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 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2025 assessment year (the fiscal year ending June 30, 2027) is 24.21 mills.

TAXABLE GRAND LIST

Grand List Dated	Fiscal Year	Real Property	Personal Property	Motor Vehicle Property	Net Taxable Grand List	% Growth
2025	2027	\$1,423,671,926	\$59,123,985	\$116,680,530	\$1,599,476,441	1.3%
2024 ¹	2026	1,413,220,950	54,939,470	110,629,010	1,578,789,430	43.7%
2023	2025	912,907,350	53,374,670	132,014,700	1,098,296,720	0.2%
2022	2024	906,317,550	51,278,060	138,987,000	1,096,582,610	1.8%
2021	2023	895,237,200	48,496,700	133,118,745	1,076,852,645	3.6%
2020	2022	886,831,100	45,049,697	107,131,280	1,039,012,077	1.6%
2019 ¹	2021	879,842,800	43,177,230	99,666,280	1,022,686,310	4.6%
2018	2020	839,596,750	40,658,100	97,637,790	977,892,640	1.2%
2017	2019	832,566,850	38,363,265	95,031,720	965,961,835	1.5%
2016	2018	826,763,250	32,368,638	92,835,480	951,967,368	0.2%

¹ Revaluation.

Source: Assessor's Office, Town of Coventry.

PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Annual Levy Uncollected	Amount Uncollected as of 6/30/2026
2025	2027 ¹	\$1,599,476,441	24.21	\$38,414,549	In process	In process	In process
2024 ²	2026	1,578,789,430	23.76	37,792,950	98.8%	1.3%	\$467,946
2023	2025	1,098,296,720	33.31	36,812,541	98.9%	1.1%	176,275
2022	2024	1,096,582,610	31.74	35,146,367	98.5%	1.5%	21,042
2021	2023	1,076,852,645	31.15	33,947,435	98.7%	0.0%	10,888
2020	2022	1,039,012,077	31.15	32,757,199	98.8%	0.0%	10,461
2019 ²	2021	1,022,686,310	31.17	32,117,205	98.9%	0.0%	9,168
2018	2020	977,892,640	32.20	31,735,559	98.7%	0.0%	7,206
2017	2019	965,961,835	32.20	31,436,880	98.7%	0.0%	7,132
2016	2018	951,967,368	32.00	30,712,349	98.8%	0.0%	6,579

¹ Adopted Budget.

² Revaluation.

Source: Tax Collector's Office, Town of Coventry.

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TEN LARGEST TAXPAYERS

Business-Name	Nature Of Business	Assessment Valuation as 10/1/2025	Rank	Percent of Total ¹
Eversource.....	Utility.....	\$ 30,168,190	1	1.89%
Connecticut Water Company.....	Utility.....	6,367,870	2	0.40%
White Mountain-Coventry LLC.....	Retail.....	3,250,600	3	0.20%
Chester Investment Trust LLC.....	Retail.....	3,055,200	4	0.19%
Teleflex - CT Devices.....	Manufacturing.....	2,514,120	5	0.16%
Meadow Brook of Coventry LLC.....	Retail.....	2,350,300	6	0.15%
Coventry Self Storage.....	Self-Storage.....	1,982,640	7	0.12%
Cumberland Farms, Inc.....	Retail.....	1,814,250	8	0.11%
Algonquin Gas Transmission LLC.....	Utility.....	1,788,320	9	0.11%
Earth Dynamics LLC.....	Construction.....	1,359,460	10	0.08%
Total		\$ 54,650,950		3.42%

¹ Based on 10/1/25 Net Taxable Grand List of \$1,599,476,441.

Source: Assessor's Office, Town of Coventry.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2024	\$2,253,705,855	-5.00%
2023	2,372,304,869	10.59%
2022	2,145,079,936	7.64%
2021	1,992,805,819	13.22%
2020	1,760,193,623	20.44%
2019 ¹	1,461,430,484	-5.23%
2018	1,542,001,856	4.01%
2017	1,482,536,634	1.98%
2016	1,453,811,079	1.97%
2015	1,425,790,912	7.21%

Source: Assessor's Office, Town of Coventry.

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to the Financial Statements (Appendix A).

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to the Financial Statements (Appendix A).

ANNUAL AUDIT

The Town has engaged outside independent auditors, CliftonLarsonAllen LLP, of West Hartford, Connecticut. The most recently completed audit report covers the fiscal year ended June 30, 2025. Included in this Official Statement and made a part hereof as Appendix A are the "Audited Financial Statements" as of June 30, 2025. Appendix A includes the auditor's opinion on the general-purpose financial statements and does not include all schedules, management letter or supplemental schedules from the complete audit report.

Certificate of Achievement for Excellence in Financial Reporting - The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual financial reports for fiscal years ended June 30, 2008 through 2024. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audit standards. The report also contains a wide variety of information useful in evaluating the financial condition of a government and conforms to certain generally accepted terminology and formatting standards established for the Certificate Program. The Town will submit its annual financial report for fiscal year ended June 30, 2024 to the GFOA to determine its eligibility for another certificate.

BUDGETARY PROCEDURES

The process of compiling the annual budget begins in December when guidelines are provided to individual boards and commissions. Budget requests are submitted in early February and a series of meetings are held with representatives of key agencies reviewing them. Sources of revenue other than property taxes are also analyzed. The Town Council makes preliminary budget determinations in early April. They are presented at the Public Hearing in April for discussion and comment by residents. The Town Council then makes any adjustments it considers appropriate and approves a final budget plan which is presented at the Town Meeting to be held on the fourth Saturday in April. The Town meeting is adjourned to a budget referendum of qualified voters on the second Tuesday following the Town Meeting.

EMPLOYEE PENSION SYSTEMS

Coventry Employee Retirement System - The Town of Coventry Employee Retirement System ("CERS") is a single-employer retirement system established and administered by the Town to provide pension benefits to substantially all employees of the Town and Board of Education, except for professional employees of the Board of Education who are covered by the State of Connecticut Teachers Retirement System. The Town pension plan is a defined benefit plan to which town employees contribute a percentage of covered payroll equal to one half of the normal cost, adjusted annually, not to exceed 4%, except for police employees who contribute a rate equal to 7.0% of covered payroll. The membership of the plan consisted of 295 members, as of July 1, 2025, the date of the latest actuarial valuation. (See Appendix A, "Pension Plans", of the "Notes to Financial Statements").

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 regarding the financial reporting of its pension plans. In accordance with GASB Statement No. 67, the net position is based on the fair market value as of the end of the fiscal year and the total pension liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net pension liability of the Town Plan were as follows over the past five years:

Municipal Employees Plan

	2025	2024	2023	2022	2021
Total pension liability on June 30, 2025....	\$26,015,252	\$24,789,696	\$23,846,372	\$22,520,572	\$21,706,341
Plan fiduciary net position.....	21,028,446	19,283,368	17,251,837	16,126,850	18,213,577
Town's net pension liability.....	<u>\$4,986,806</u>	<u>\$5,506,328</u>	<u>\$6,594,535</u>	<u>\$6,393,722</u>	<u>\$3,492,764</u>

Plan fiduciary net position as					
a % of total pension liability.....	80.83%	77.79%	72.35%	71.61%	83.91%

The following represents the net pension liability of the Town Plan, 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	Current	1% Increase
	5.90%	Discount Rate	7.90%
		6.90%	
Net pension liability.....	\$ 7,624,806	\$ 4,986,806	\$ 2,785,999

An actuarial valuation is prepared annually and the Town's most recent actuarial valuation is dated as of July 1, 2025. The following presents historical information regarding the pension system.

Schedule of Funding Progress

Valuation	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
Date	Value	Liability	AAL	Ratio	Payroll	Percentage
	of Assets	(AAL)	(UAAL)			of Covered
						Payroll
7/1/2025	\$20,085,750	\$26,203,255	\$ 6,117,505	76.7%	\$ 7,604,595	80.44%
7/1/2024	19,276,349	25,173,031	5,896,682	76.6%	7,796,788	75.63%
7/1/2023	17,386,731	23,539,435	6,152,704	73.9%	6,915,382	88.97%
7/1/2022	16,820,980	23,076,499	6,255,519	72.9%	7,243,714	86.36%
7/1/2021	16,917,266	22,370,408	5,453,142	75.6%	7,343,619	74.26%

Schedule of Employer Contributions

Fiscal	Actuarially		
Year	Determined	Annual	% of ARC
Ended	Employer	Contribution	Contributed
	Contribution		
	(ADEC)		
2027 ¹	\$ 1,194,231	\$ 1,194,231	100.0
2026 ²	1,198,004	1,198,004	100.0
2025	1,069,118	1,069,118	100.0
2024	1,040,759	1,040,759	100.0
2023	935,296	935,296	100.0

¹ Adopted budget.

² Unaudited estimate.

State of Connecticut Teachers' Retirement System – Teachers, principals, superintendents or supervisors engaged in service of public schools in the Town participate in a contributory defined benefit plan established under Chapter 167a of Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Certain certified teachers are eligible to participate in the plan and are required to contribute 7.0% of their annual earnings. Neither the Board of Education nor the Town contributes to the plan. The State of Connecticut is legally responsible for making contributions to the plan.

For further information on the plans, please refer to Appendix A under the Town of Coventry's "Notes to Financial Statements, Note 9", herein.

OTHER POST-EMPLOYMENT BENEFITS

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses, under a single-employer plan. The Post-Retirement Medical Program ("RMP") covers Town and Board of Education employees. All Town of Coventry employees are eligible to purchase medical insurance. The benefits include individual, two-person or family coverage under the CIGNA (or equivalent), including hospitalization, surgical, prescriptions, dental and major medical. Employees who choose to participate must pay the full premium cost. Board of Education employees may also purchase life insurance at the full premium cost. Spouses can continue coverage after the retiree's death. The Town does not issue a separate stand-alone financial statement for this program.

The Town funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town of Coventry's annual other postemployment benefit ("OPEB") cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Town implemented GASB Statement No. 74 effective for fiscal year ended June 30, 2018. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. Under GASB Statement No. 74, the components of the Town's net OPEB liability over the past five years were as follows:

	Total OPEB Liability				
	2025	2024	2023	2022	2021
Beginning Balance.....	\$4,819,570	\$4,738,162	\$6,437,133	\$7,282,967	\$7,931,299
Changes for the year:					
Services cost.....	159,117	201,346	256,281	281,855	569,867
Interest on total OPEB liability.....	193,004	177,308	233,737	161,248	186,042
Difference between expected and actual experience.....	(1,177,327)	-	(1,539,187)	-	-
Effect of economic/demographic gains or (losses).....		-	-	-	1,236,192
Effect of assumption changes or other inputs.....	(406,373)	(132,259)	(466,838)	(1,088,649)	(2,473,533)
Benefits payments.....	(136,571)	(164,987)	(182,964)	(200,288)	(166,900)
Net changes.....	(1,368,150)	81,408	(1,698,971)	(845,834)	(648,332)
Ending balance.....	<u>\$3,451,420</u>	<u>\$4,819,570</u>	<u>\$4,738,162</u>	<u>\$6,437,133</u>	<u>\$7,282,967</u>

The following represents the net OPEB liability of the Town, calculated using a discount rate that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.20%	5.20%	6.20%
Town Employees net OPEB liability.....	\$ 3,781,207	\$ 3,451,420	\$ 3,158,401

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Town Employees net OPEB liability.....	\$ 3,072,584	\$ 3,451,420	\$ 3,895,347

The following presents historical information regarding the post-employment benefit funding progress. The Town's most recent complete actuarial valuation was effective July 1, 2024.

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2024	\$ -	\$3,704,440	\$3,704,440	0.00%	\$23,134,357	16.01%
7/1/2022	-	4,607,409	4,607,409	0.00%	25,363,848	18.17%
7/1/2020	-	6,976,815	6,976,815	0.00%	21,073,024	33.11%
7/1/2018	-	6,352,993	6,352,993	0.00%	21,659,935	29.33%
7/1/2016	-	7,362,047	7,362,047	0.00%	20,377,000	36.13%

For further information on the plans, please refer to Appendix A under the Town of Coventry's "Notes to Financial Statements, Note 10", herein.

INVESTMENT POLICIES AND PROCEDURES

Under the Town Charter and under Connecticut General Statutes Section 7-400, the Town may invest in certificate of deposits, repurchase agreements, municipal notes, bonds, 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, mutual funds and money market mutual funds.

The Town's investment practices have been to invest in certificates of deposit, repurchase agreements, U. S. Treasury bonds, bills and notes, demand accounts, the State of Connecticut Short Term Investment Fund (STIF).

MUNICIPAL BUDGET EXPENDITURE CAP

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the 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 4-66l requires each municipality to annually certify to the Secretary of

OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

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

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

	Fiscal Year 2024-25			Fiscal Year	Fiscal Year
	Final	Actual	Variance	2025-26	2026-27
	Budget	Operations	Favorable	Unaudited	Adopted
			(Unfavorable)	Estimate	Budget
REVENUES					
Property Taxes, Interest & Liens.....	\$37,113,081	\$ 37,243,645	\$ 130,564	\$38,160,841	\$39,289,549
Intergovernmental	8,174,353	8,110,141	(64,212)	8,294,380	8,546,524
Investment Income.....	110,000	437,103	327,103	300,000	350,000
Local Revenues.....	640,100	714,311	74,211	613,050	619,050
TOTAL REVENUES	46,037,534	46,505,200	467,666	47,368,271	48,805,123
EXPENDITURES					
Current:					
General Government	2,149,200	2,154,567	(5,367)	2,248,207	2,371,468
Public Safety	2,946,240	2,994,979	(48,739)	3,389,032	3,351,889
Public Works.....	2,703,220	2,714,750	(11,530)	2,806,572	2,900,587
Human Services.....	340,343	287,570	52,773	356,276	334,523
Culture & Recreation.....	691,880	691,646	234	761,999	733,950
Insurance & Sundry.....	3,069,465	3,155,347	(85,882)	3,031,690	3,401,319
Education.....	30,599,700	30,457,020	142,680	31,457,874	32,489,696
Capital Outlays.....	878,412	878,427	(15)	462,315	583,854
Debt Service.....	2,972,506	2,862,128	110,378	3,314,306	2,912,837
TOTAL EXPENDITURES	46,350,966	46,196,434	154,532	47,828,271	49,080,123
Excess (deficiency) of revenues over expenditures	(313,432)	308,766	622,198	(460,000)	(275,000)
Other Financing Sources (Uses):					
Use of fund balance.....	295,999	-	(295,999)	-	100,000
Cancellation of prior year encumbrances..	-	-	-	-	-
Operating Transfers In.....	382,500	292,500	(90,000)	255,000	175,000
Operating Transfers Out.....	(365,067)	(365,067)	-	-	-
Total Other Financing Sources (Uses).....	313,432	(72,567)	(385,999)	255,000	275,000
Excess (deficiency) of Revenues Over and Other Financing Sources Expenditures and Other Financing Uses.....	\$ -	\$ 236,199	\$ 236,199	\$ (205,000)	\$ -

Source: Audited Financial Statements Fiscal Year 2024-25; Fiscal Year 2025-26 unaudited estimate; Fiscal Year 2026-27 Adopted Budget.

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

FISCAL YEAR ENDED:	2021	2022	2023	2024	2025
ASSETS					
Cash and cash equivalents	\$ 2,811,016	\$ 1,996,561	\$ 2,660,085	\$ 2,021,701	\$ 2,579,003
Investments.....	4,117,020	4,125,361	4,157,000	4,158,000	4,137,000
Receivables, net.....	810,134	876,220	803,027	925,637	758,794
Due from Other Funds.....	555,069	839,233	394,000	1,389,405	953,627
Other.....	-	-	-	46,299	190,358
Prepaid items.....	62,071	192,457	194,172	-	-
TOTAL ASSETS.....	\$ 8,355,310	\$ 8,029,832	\$ 8,208,284	\$ 8,541,042	\$ 8,618,782
LIABILITIES					
Accounts and other payables.....	\$ 1,071,230	\$ 820,629	\$ 615,448	\$ 607,334	\$ 855,579
Accrued payroll.....	-	-	190,187	190,613	224,963
Unearned revenue.....	181,337	35,208	106,112	49,706	37,493
Total Liabilities	1,252,567	855,837	911,747	847,653	1,118,035
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes.....	649,723	693,498	581,408	730,174	579,327
TOTAL DEFERRED INFLOWS.....	649,723	693,498	581,408	730,174	579,327
FUND BALANCE					
Nonspendable	62,071	192,457	194,172	46,299	190,358
Restricted	11,597	11,407	11,407	-	-
Committed	5,697	46,192	49,275	4,121	6,621
Assigned	658,425	531,953	335,199	303,559	424,519
Unassigned	5,715,230	5,698,488	6,125,076	6,609,236	6,299,922
TOTAL FUND BALANCE.....	6,453,020	6,480,497	6,715,129	6,963,215	6,921,420
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 8,355,310	\$ 8,029,832	\$ 8,208,284	\$ 8,541,042	\$ 8,618,782

Source: Audited Financial Statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

FISCAL YEAR ENDED:	2021	2022	2023	2024	2025
Nonspendable.....	\$ 62,071	\$ 192,457	\$ 194,172	\$ 46,299	\$ 190,358
Restricted.....	11,597	11,407	11,407	-	-
Committed.....	5,697	46,192	49,275	4,121	6,621
Assigned.....	658,425	531,953	335,199	303,559	424,519
Unassigned.....	5,715,230	5,698,488	6,125,076	6,609,236	6,299,922
Total Fund Balance.....	\$ 6,453,020	\$ 6,480,497	\$ 6,715,129	\$ 6,963,215	\$ 6,921,420
Unassigned Fund Balance As % of					
Total Expenditures.....	12.43%	12.11%	12.54%	13.11%	12.15%

Source: Audited Financial Statements.

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

FISCAL YEAR ENDED:	2021	2022	2023	2024	2025
REVENUES					
Property taxes.....	\$32,290,548	\$32,863,240	\$34,267,117	\$35,175,443	\$37,243,645
Intergovernmental revenue.....	12,527,265	12,876,409	13,362,511	14,036,695	13,141,956
Charges for Services	808,109	803,959	739,174	657,483	713,749
Investment income.....	15,911	18,533	204,019	343,573	437,103
Miscellaneous.....	-	-	-	100,538	562
Transfers In.....	578,976	529,720	505,000	355,000	292,500
Total Revenues & Transfers In	\$46,220,809	\$47,091,861	\$49,077,821	\$50,668,732	\$51,829,515
EXPENDITURES					
Current:					
General Government	1,843,713	1,887,179	1,926,713	2,108,974	2,197,965
Public Safety	2,529,851	2,497,460	2,648,732	2,767,639	2,959,692
Public Works.....	2,525,978	2,634,217	2,627,061	2,616,371	2,709,790
Human Services.....	277,118	306,681	317,689	347,624	286,642
Culture & recreation.....	575,612	594,775	630,742	655,909	691,147
Insurance & sundry.....	2,336,134	2,437,002	2,682,041	2,769,495	3,151,919
Education.....	31,939,561	32,721,486	33,482,245	34,822,387	35,468,835
Debt Service.....	2,910,360	2,789,656	3,052,166	3,017,948	2,862,130
Transfers Out.....	1,059,350	1,195,928	1,475,800	1,314,299	1,543,190
Total Expenditures & Transfers Out ..	45,997,677	47,064,384	48,843,189	50,420,646	51,871,310
Net change in Fund Balance.....	223,132	27,477	234,632	248,086	(41,795)
Fund Balance - July 1	6,229,888	6,453,020	6,480,497	6,715,129	6,963,215
Fund Balance - June 30	\$ 6,453,020	\$ 6,480,497	\$ 6,715,129	\$ 6,963,215	\$ 6,921,420

Source: Audited Financial Statements.

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PROPERTY TAX REVENUES

Fiscal Year	General Fund	Property Tax	
	Revenues & Transfers in	Revenues	Revenues as a % of General Fund Revenues
2027 ¹	\$49,080,123	\$39,289,549	80.1 %
2026 ²	47,828,271	38,160,841	79.8
2025	46,971,055	37,175,970	79.1
2024	50,668,732	35,135,677	69.3
2023	49,077,821	35,175,443	71.7

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund	Aid as a	
	Revenues & Transfers in	Intergovernmental Revenue	% of General Fund Revenues
2027 ¹	\$ 49,080,123	\$ 8,546,524	17.4 %
2026 ²	47,828,271	8,294,380	17.3
2025	46,971,055	8,351,103	17.8
2024	50,668,732	14,036,695	27.7
2023	49,077,821	13,362,511	27.2

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

EXPENDITURES

Fiscal Year	Education	Public Safety	Public Works	General Government	Debt Service
2027 ¹	66.2%	6.8%	5.9%	4.7%	6.9%
2026 ²	65.8%	7.1%	5.9%	4.7%	6.9%
2025	68.4%	5.7%	5.2%	4.2%	5.5%
2024	69.1%	5.5%	5.2%	4.2%	6.0%
2023	68.6%	5.4%	5.4%	3.9%	6.2%
2022	69.5%	5.3%	5.6%	4.0%	5.9%
2021	69.4%	5.5%	5.5%	4.0%	5.9%
2020	69.4%	5.5%	5.3%	3.8%	6.3%
2019	68.1%	5.8%	5.5%	3.7%	6.1%
2018	71.0%	5.2%	5.2%	3.3%	1.1%

¹ Adopted Budget, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

² Unaudited estimate, budgetary basis, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 13, 2026
(Pro Forma)

Long-Term Debt				Debt	Date of
Date	Purpose	Rate %	Original Issue	Outstanding As of 8/13/2026	Fiscal Year Maturity
<u>General Purpose</u>					
3/27/2012	General Purpose Bonds.....	2.00-3.38%	\$ 1,675,000	\$ 510,000	2032
3/24/2015	General Purpose, Refunding.....	2.00-4.00%	2,473,000	765,000	2031
3/12/2016	General Purpose Bonds.....	2.00-4.00%	3,400,000	1,850,000	2036
9/26/2019	General Purpose Bonds.....	2.00-5.00%	4,700,000	3,055,000	2039
6/15/2022	General Purpose Bonds.....	4.00-5.00%	1,075,000	835,000	2042
8/16/2023	General Purpose Bonds.....	4.00-5.00%	4,865,000	4,605,000	2043
	Sub-Total.....		\$18,188,000	\$ 11,620,000	
<u>Schools</u>					
3/24/2015	School Bonds.....	2.00-4.00%	1,802,000	385,000	2031
9/26/2019	School Bonds.....	2.00-5.00%	2,570,000	1,660,000	2039
6/15/2022	School Bonds.....	4.00-5.00%	3,105,000	2,480,000	2042
8/13/2026	School Bonds (This Issue).....	TBD	5,050,000	5,050,000	2046
	Total Long-Term Debt.....		\$12,527,000	\$ 9,575,000	
<u>Sewers</u>					
12/31/2008	Sewers, CWF - PLO.....	2.000%	8,456,516	500,401	2027
	Total Long-Term Debt.....		\$ 8,456,516	\$ 500,401	
	Total.....		\$39,171,516	\$ 21,695,401	

OTHER LONG-TERM DEBT:

Capital Leases Payable as of June 30, 2026:

	2027	202,142
	Thereafter	467,866
		<u>\$670,008</u>
Less interest		(49,472)
Present value of minimum note payments		<u>\$620,536</u>

OUTSTANDING SHORT-TERM DEBT

Project	Amount Authorization	Notes	Additions/ Reductions	The Notes This Issue
		Maturing 8/13/2026		
School Roof Replacement.....	\$ 5,094,367	\$ 129,072	\$ 1,266,928	\$ 1,396,000
Coventry High School HVAC Replacement 2023..	12,642,000	9,011,928	(7,387,928)	1,624,000
Total All Projects.....	\$ 17,736,367	\$ 9,141,000	\$(6,121,000)	\$ 3,020,000

CLEAN WATER FUND PROGRAM

The Town is a participant in the State of Connecticut Clean Water Fund Program (General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and de-nitrification projects which are financed with a 30% grant and a 70% loan).

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

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the project completion date. Principal and payments are payable (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in a single annual installment representing, 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement and repayable thereafter in monthly installments. Loans made under Loan Agreements entered into prior to July 1, 1998 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. The borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following permanent Clean Water Fund loan outstanding:

Project	Date of Issue	Original 2% Loan Amount	Amount	Final Maturity
			Outstanding 8/13/2026	
CWF PLO 461-DC.....	12/31/2008	\$8,456,516	\$500,401	6/30/2027

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut provides proportional progress payments for eligible construction costs during certain phases of construction. The following projects will be reimbursed under this method:

Project	Amount of Appropriation/ Authorization	Estimated Eligible Cost	Estimated Reimbursement Rate	Estimated Grant ¹
School Roof Replacement ²	\$ 5,094,367	\$ 4,169,674	59.29%	\$ 2,472,200
Coventry High School HVAC 2023 ³	12,642,000	11,070,000	59.64%	6,602,148
	<u>\$ 17,736,367</u>	<u>\$ 15,239,674</u>		<u>\$ 9,074,348</u>

¹ Estimated grants receivable are based upon eligibility of reimbursable project costs. Final eligible costs to be determined at completion of post project audit.

² To date, the Town has received \$590,869 in school construction grants for the project.

³ To date, the Town has received approximately \$4.9 million in school construction grants for the project.

COMBINED SCHEDULE OF LONG-TERM DEBT – GENERAL FUND AND SEWER FUND

As of August 13, 2026

(Pro Forma)

Fiscal Year Ending 30-Jun	Existing Indebtedness ¹		The Bond (This Issue)		Total Debt Service	Percent Retired
	Principal	Interest	Principal	Interest		
2027 ²	\$ 1,840,401	\$ 558,914	\$ -		\$ 2,399,315	8.48%
2028	1,335,000	500,096	-		1,835,096	14.64%
2029	1,335,000	450,090	270,000		2,055,090	22.03%
2030	1,330,000	403,521	270,000		2,003,521	29.41%
2031	1,330,000	356,846	270,000		1,956,846	36.78%
2032	1,100,000	316,138	265,000		1,681,138	43.08%
2033	1,010,000	281,013	265,000		1,556,013	48.95%
2034	1,005,000	248,850	265,000		1,518,850	54.81%
2035	1,005,000	216,800	265,000		1,486,800	60.66%
2036	1,005,000	184,750	265,000		1,454,750	66.51%
2037	820,000	152,250	265,000		1,237,250	71.51%
2038	820,000	125,300	265,000		1,210,300	76.52%
2039	820,000	97,900	265,000		1,182,900	81.52%
2040	460,000	70,500	265,000		795,500	84.86%
2041	460,000	52,100	265,000		777,100	88.20%
2042	460,000	33,700	265,000		758,700	91.54%
2043	255,000	15,300	265,000		535,300	93.94%
2044	255,000	5,100	265,000		525,100	96.34%
2045	-	-	265,000		265,000	97.56%
2046	-	-	265,000		265,000	98.78%
2047	-	-	265,000		265,000	100.00%
Total	\$16,645,401	\$ 4,069,168	\$ 5,050,000	\$ -	\$25,764,569	

¹ Excludes capital lease obligations.

² Excludes principal payments of \$45,038 and interest payments of \$909 paid by the Town to date in fiscal year 2026-27.

Source: Town Officials.

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SCHEDULE OF LONG-TERM DEBT – GENERAL FUND

As of August 13, 2026

(Pro Forma)

Fiscal Year Ending 30-Jun	Existing Indebtedness ¹		The Bond (This Issue)		Total	Percent
	Principal	Interest	Principal	Interest	Debt Service	Retired
2027	\$ 1,340,000	\$ 553,896	\$ -		\$ 1,893,896	6.32%
2028	1,335,000	500,096	-		1,835,096	12.62%
2029	1,335,000	450,090	270,000		2,055,090	20.19%
2030	1,330,000	403,521	270,000		2,003,521	27.74%
2031	1,330,000	356,846	270,000		1,956,846	35.29%
2032	1,100,000	316,138	265,000		1,681,138	41.73%
2033	1,010,000	281,013	265,000		1,556,013	47.75%
2034	1,005,000	248,850	265,000		1,518,850	53.74%
2035	1,005,000	216,800	265,000		1,486,800	59.73%
2036	1,005,000	184,750	265,000		1,454,750	65.72%
2037	820,000	152,250	265,000		1,237,250	70.84%
2038	820,000	125,300	265,000		1,210,300	75.96%
2039	820,000	97,900	265,000		1,182,900	81.08%
2040	460,000	70,500	265,000		795,500	84.50%
2041	460,000	52,100	265,000		777,100	87.92%
2042	460,000	33,700	265,000		758,700	91.34%
2043	255,000	15,300	265,000		535,300	93.80%
2044	255,000	5,100	265,000		525,100	96.25%
2045	-	-	265,000		265,000	97.50%
2046	-	-	265,000		265,000	98.75%
2047	-	-	265,000		265,000	100.00%
Total	\$16,145,000	\$4,064,150	\$ 5,050,000	\$ -	\$25,259,150	

¹ ²Excludes capital lease obligations.

Source: Town Officials.

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SCHEDULE OF LONG-TERM DEBT –SEWER FUND

As of August 13, 2026
(Pro Forma)

Fiscal Year Ending 30-Jun	Existing Indebtedness ¹		Total Debt Service	Percent Retired
	Principal	Interest		
2027 ²	500,401	5,018	505,419	100.00%
Total	\$ 500,401	\$ 5,018	\$ 505,419	

¹ Excludes principal payments of \$45,038 and interest payments of \$909 paid by the Town to date in fiscal year 2026-27.

² Excludes capital lease obligations.

Source: Town Officials.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Apart from the Town, other political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the Town are various beach associations. Currently such jurisdictions report no underlying debt.

DEBT STATEMENT ¹

As of August 13, 2026
(Pro Forma)

Long-Term Indebtedness (includes this issue)	
<i>The Bonds (This Issue)</i>	\$ 5,050,000
General Purpose.....	11,620,000
Schools ²	4,525,000
Sewers - CWF PLO.....	500,401
Total Long-Term Indebtedness	21,695,401
Short-Term Indebtedness	
<i>The Notes (This Issue)</i>	3,020,000
Total Short-Term Indebtedness	3,020,000
Total Direct Indebtedness	24,715,401
Less:	
Sewer Assessments - as of 6/30/2026.....	(197,457)
Net Direct Indebtedness	24,517,944
Overlapping Indebtedness	-
Total Overall Net Direct Indebtedness	\$ 24,517,944

¹ Does not include \$327,697 of authorized but unissued debt.

CURRENT DEBT RATIOS

As of August 13, 2026
(Pro Forma)

Population ¹	12,326
Net Taxable Grand List (10/1/25).....	\$1,599,476,441
Estimated Full Value.....	\$2,284,966,344
Equalized Net Taxable Grand List (10/1/24) ² ...	\$2,253,705,855
Per Capita Income (2024) ¹	\$51,064

	Total Direct Debt \$24,715,401	Total Net Direct Debt \$24,517,944	Net Debt \$24,517,944
Per Capita.....	\$2,005.14	\$1,989.12	\$1,989.12
Ratio to Net Taxable Grand List.....	1.55%	1.53%	1.53%
Ratio to Estimated Full Value.....	1.08%	1.07%	1.07%
Ratio to Equalized Net Taxable Grand List.....	1.10%	1.09%	1.09%
Debt per Capita to Money Income per Capita.....	3.93%	3.90%	3.90%

¹ U.S. Bureau of Census, American Community Survey 2020-24.

² Office of Policy and Management, State of Connecticut.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness.

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 project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds 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
Unfunded Pension Liability 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.

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

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STATEMENT OF STATUTORY DEBT LIMITATION

As of August 13, 2026

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2025 (including interest and lien fees) \$ 37,138,363

State Reimbursement for Revenue Loss on:

Tax Relief for Elderly -

Base for Establishing Debt Limit \$ 37,138,363

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$83,561,317					
(4.50 times base).....		\$167,122,634				
(3.75 times base).....			\$139,268,861			
(3.25 times base).....				\$120,699,680		
(3.00 times base).....					\$111,415,089	
(7.00 times base).....						\$259,968,541
Indebtedness (Includes this issue) ¹						
Bonds Payable.....	\$11,620,000	\$ 4,525,000 ²	\$ -	\$ -	\$ -	\$ 16,145,000
The Bonds (This Issue).....	-	5,050,000	-	-	-	5,050,000
The Notes (This Issue).....	-	3,020,000	-	-	-	3,020,000
State of Connecticut Clean Water						
Fund PLO.....	-	-	500,401			500,401
Authorized but						
Unissued Debt.....	100,000	136,098	91,599	-	-	327,697
Total Bonded Indebtedness.....	11,720,000	12,731,098	592,000	-	-	25,043,098
Sewer Assessments Receivable ³ ..	-	-	(197,457)	-	-	(197,457)
Net Bonded Indebtedness.....	11,720,000	12,731,098	394,543	-	-	24,845,641
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	\$71,841,317	\$154,391,536	\$138,874,318	\$120,699,680	\$111,415,089	\$235,122,900

¹ Under Connecticut General Statutes total indebtedness for all classes cannot exceed seven times the base, or \$259,968,541.

² As of June 30, 2026.

AUTHORIZED BUT UNISSUED DEBT

Project	Amount of Total Authorization	Prior Bonds/ Grants Received	Notes Maturing 8/13/2026	The Notes (This Issue)	The Bonds (This Issue)	Authorized But Unissued Debt
Wangumbaug Lake Sewer Extension.....	\$ 17,800,000	\$17,708,401	\$ -	\$ -	\$ -	\$ 91,599 ¹
School Building Energy Upgrades.....	2,413,633	2,413,633	-	-	-	-
School Roof Replacement ²	5,094,367	3,695,869	129,072	1,396,000	-	2,498
Library Renovation.....	1,700,000	1,600,000	-	-	-	100,000
Coventry High School HVAC 2023 ³	12,642,000	5,834,400	9,011,928	1,624,000	5,050,000	133,600
Total All Projects	\$ 39,650,000	\$31,252,303	\$ 9,141,000	\$ 3,020,000	\$ 5,050,000	\$ 327,697

¹ The Town does not expect any further borrowing on this project.

² The Town expects to receive up to an additional \$1.9 million in school construction grants. If received, the Town expects to use future grants to retire outstanding bond anticipation notes. See "School Building Grant Reimbursement" herein.

³ The Town expects to receive up to an additional \$1.6 million in school construction grants. If received, the Town expects to use future grants to retire outstanding bond anticipation notes. See "School Building Grant Reimbursement" herein.

CAPITAL IMPROVEMENT PROGRAM

	<u>2026/2027</u>	<u>2027/2028</u>	<u>2028/2029</u>	<u>2029/2030</u>	<u>2030/2031</u>	<u>Total</u>
Summary of Programs						
Capital Non-Recurring.....	\$ 44,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 844,000
Culture & Recreation.....	110,000	594,000	245,000	7,080,000	40,000	8,069,000
Education.....	942,000	15,715,560	14,219,000	1,840,000	13,662,000	46,378,560
General Administration.....	3,555,000	192,000	2,347,000	147,000	150,000	6,391,000
Human Services.....			40,000			40,000
Public Safety.....	629,229	834,500	2,510,500	330,000	674,000	4,978,229
Public Works.....	22,793,240	4,469,000	2,453,000	38,623,000	1,320,000	69,658,240
Total.....	\$28,073,469	\$22,005,060	\$22,014,500	\$48,220,000	\$16,046,000	\$136,359,029
Source of Funding						
Bonding.....	\$ 2,104,000	\$12,200,090	\$10,970,740	\$21,200,000	\$ 6,650,000	53,124,830
Capital Non-Recurring Fund....	-	28,000	30,000	-	-	58,000
Donations.....	15,000	-	-	-	-	15,000
EMS fund.....	-	120,000	-	26,000	450,000	596,000
General Fund.....	583,854	2,328,000	3,074,000	1,886,000	3,261,000	11,132,854
In Kind Services.....	250,000		-	-	-	250,000
Lease Purchase.....	520,000	530,000	-	310,000	-	1,360,000
LOCIP.....	153,065	150,000	150,000	150,000	135,000	738,065
Cemetery Fund.....	-	30,000	-	-	-	30,000
Recreation Fund.....	20,000	5,000	-	15,000	-	40,000
Sewer Fund.....	80,000	86,000	102,000	10,000	-	278,000
State/Federal Grant/Loan.....	24,347,550	6,527,970	7,687,760	24,623,000	5,550,000	68,736,280
Total.....	\$28,073,469	\$22,005,060	\$22,014,500	\$48,220,000	\$16,046,000	\$136,359,029

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HISTORICAL DEBT STATEMENT

	2026 ¹	2025	2024	2023	2022
Population ²	12,326	12,267	12,267	12,267	12,254
Net taxable grand list.....	\$ 1,578,789,430	\$ 1,098,296,720	\$ 1,096,582,610	\$ 1,076,852,645	\$ 1,039,012,077
Estimated full value.....	\$ 2,255,413,471	\$ 1,568,995,314	\$ 1,566,546,586	\$ 1,538,360,921	\$ 1,484,302,967
Equalized net taxable grand list ³	\$2,253,705,855	\$2,372,304,869	\$2,145,079,936	\$1,992,805,819	\$1,760,193,623
Per capita income ²	\$ 51,064	\$ 53,832	\$ 53,832	\$ 53,832	\$ 52,950
Long-Term Debt					
Bonds.....	\$ 16,145,000	\$ 17,630,000	\$ 18,865,000	\$ 15,405,000	\$ 16,815,000
CWF - PLO.....	545,439	1,080,087	1,604,156	2,117,858	2,621,395
Short-Term Debt					
Bond Anticipation Notes.	9,141,000	9,770,000	2,070,000	-	-
Total Direct Debt.....	\$ 25,831,439	\$ 28,480,087	\$ 22,539,156	\$ 17,522,858	\$ 19,436,395
Total Net Direct Debt.....	\$ 25,831,439	\$ 28,052,594	\$ 21,936,030	\$ 16,726,717	\$ 18,441,211

¹ Unaudited estimate.

² U.S. Bureau of Census.

³ Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	2026 ¹	2025	2024	2023	2022
Total Direct Debt:					
Per Capita.....	\$ 2,095.69	\$ 2,321.68	\$ 1,837.38	\$ 1,428.46	\$ 1,586.13
To Net Taxable Grand List.....	1.64%	2.59%	2.06%	1.63%	1.87%
To Estimated Full Value.....	1.15%	1.82%	1.44%	1.14%	1.31%
To Equalized Net Grand List.....	1.15%	1.20%	1.05%	0.88%	1.10%
Debt per Capita to per Capita Income..	4.10%	4.31%	3.41%	2.65%	3.00%
Net Direct Debt:					
Per Capita.....	\$ 2,095.69	\$ 2,286.83	\$ 1,788.21	\$ 1,363.55	\$ 1,504.91
To Net Taxable Grand List.....	1.64%	2.55%	2.00%	1.55%	1.77%
To Estimated Full Value.....	1.15%	1.79%	1.40%	1.09%	1.24%
To Equalized Net Grand List.....	1.15%	1.18%	1.02%	0.84%	1.05%
Debt per Capita to per Capita Income..	4.10%	4.25%	3.32%	2.53%	2.84%

¹ Unaudited estimate.

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

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

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

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Town as to the plan of finance and the structuring of the Bonds and the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds and the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

TRANSCRIPT AND CLOSING DOCUMENTS

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

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay principal and interest on the Bond and the Notes;
2. Certificates on behalf of the Town signed by the Town Manager and Town Treasurer, which will be dated the date of delivery, certifying that to the best of said officials' knowledge and belief, at the time bids on the Bonds and the Notes were accepted, 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. Receipts for the purchase price of the Bonds and the Notes;
4. The approving opinions of Robinson & Cole LLP, Bond Counsel as to the Bonds and the Notes in substantially the forms attached hereto as Appendices B and C, respectively; and
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E, respectively.

The Town has prepared the Preliminary Official Statement for the Bonds and the Notes which is dated July 23, 2026. The Town deems the Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds and the Notes a reasonable number of copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder within seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by Noon of the day following the day bids are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter and any changes on the Bonds. Additional copies may be obtained by the bidder at its own expense by arrangement with the printer.

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

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Town Manager, Town of Coventry, Town Hall, 1712 Main Street, Coventry, Connecticut 06238 at (860) 742-6324 or from Munistat Services, Inc. at (203) 421-2880.

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

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

TOWN OF COVENTRY, CONNECTICUT

By: _____
James Drumm
Town Manager

By: _____
Cherie Trahan
Town Treasurer

Dated: July __, 2026

APPENDIX A – AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Coventry, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Coventry, 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 Coventry, 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 Coventry, 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 Coventry, 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, the budgetary comparison information and the pension and OPEB 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 for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coventry, Connecticut's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Coventry, Connecticut as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated January 22, 2025, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2024, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2026, on our consideration of the Town of Coventry, 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 Coventry, 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 the Town of Coventry, Connecticut's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

West Hartford, Connecticut
June 8, 2026

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This discussion and analysis of the Town of Coventry, 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, 2025. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of the Town of Coventry's governmental activities increased by \$10,797,575.
- During the year, the Town had \$69.5 million in revenues for governmental programs. Of this, 53.4% was generated from property tax revenues (Table 2).
- Total cost of all of the Town's programs was \$58.6 million with no new programs added this year. This is an increase of approximately \$1.7 million from the prior year.
- The General Fund reports a GAAP fund balance this year of \$6,921,420 less an assigned balance for encumbrances of \$424,519, a committed balance of \$6,621, and a non-spendable balance of \$190,358, leaving an unassigned fund balance of \$6,299,922. The Fiscal Management policy of the Town Council sets a target of fund balance at 15%. At the close of the current fiscal year, unassigned fund balance for the General Fund when expressed as a percentage of General Fund governmental expenditures is 12.52%.
- The State of Connecticut contributed \$4,753,753 and \$66,557 on behalf of Coventry certified staff to the teachers' retirement fund pension and OPEB, respectively.

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 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. These two statements report the Town's net position and changes in them. The Town's net position, defined as the difference between assets and liabilities, is 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.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, human services, culture and recreation, insurance and sundry, and education. The Town has no business-type 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 (such as the Educational Facility Use 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 three categories: governmental, proprietary 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 at the bottom of the fund financial statements.

Proprietary Funds (Exhibits V to VII) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's proprietary funds consist of the Town's internal service fund used to report activities to pay for the dental and medical self-insurance costs.

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 COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Government-Wide Financial Analysis

The Town's combined net position decreased 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**

	<u>2025</u>	<u>2024</u>
Assets:		
Current Assets	\$ 31,117,661	\$ 27,073,293
Capital Assets, Net of Accumulated Depreciation	144,270,415	133,399,429
Total Assets	<u>175,388,076</u>	<u>160,472,722</u>
Deferred Outflows of Resources	2,081,919	2,284,188
Liabilities:		
Long-Term Liabilities Outstanding	29,896,137	33,909,616
Other Liabilities	13,953,549	6,604,723
Total Liabilities	<u>43,849,686</u>	<u>40,514,339</u>
Deferred Inflows of Resources	6,548,067	5,967,904
Net Position:		
Net Investment in Capital Assets	122,243,555	109,617,264
Restricted	12,401,515	10,149,740
Unrestricted	(7,572,828)	(3,492,337)
Total Net Position	<u><u>\$ 127,072,242</u></u>	<u><u>\$ 116,274,667</u></u>

Overall, net position increased by \$10,797,575 over the prior year net position (\$127.1 million compared to \$116.3 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 - changed from (\$3.5) million at June 30, 2024 to (\$7.5) million at June 30, 2025. This decrease was driven by the restrictions on funds designated for capital projects. The largest portion of the Town of Coventry's net position \$122.2 million reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related debt used to acquire those assets that is still outstanding. These capital assets are a fundamental part of our service delivery to our citizens but are not available for future spending since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Government-Wide Financial Analysis (Continued)

Changes in governmental net position can be explained as follows:

- Increase in current net position of \$10,797,575 as outlined in Table II.
- Total assets increased during the fiscal year by \$14.9 million. The main driver behind this increase was an increase in net capital assets (\$10.9 million) and an increase in grants receivable (\$4.5 million).
- Decrease in deferred outflows of resources in the amount of \$184,940, and an increase to deferred inflows of resources in the amount of \$1,350,118.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,933,014	\$ 5,623,464
Operating Grants and Contributions	14,955,951	15,441,063
Capital Grants and Contributions	10,677,640	3,191,976
General Revenues:		
Property Taxes	37,092,798	35,324,209
Grants and Contributions Not Restricted to Specific Purposes	195,550	719,124
Unrestricted Investment Earnings	599,575	492,136
Other General Revenues	562	37,812
Total Revenues	<u>69,455,090</u>	<u>60,829,784</u>
Expenses:		
General Government	3,735,467	3,056,813
Public Safety	4,944,908	5,026,859
Public Works	7,899,459	7,762,094
Human Services	675,534	649,124
Culture and Recreation	1,472,857	1,354,245
Education	39,207,990	38,310,930
Debt Service	721,300	774,072
Total Expenses	<u>58,657,515</u>	<u>56,934,137</u>
Change in Net Position	10,797,575	3,895,647
Beginning Net Position	<u>116,274,667</u>	<u>112,379,020</u>
Ending Net Position	<u><u>\$ 127,072,242</u></u>	<u><u>\$ 116,274,667</u></u>

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Government-Wide Financial Analysis (Continued)

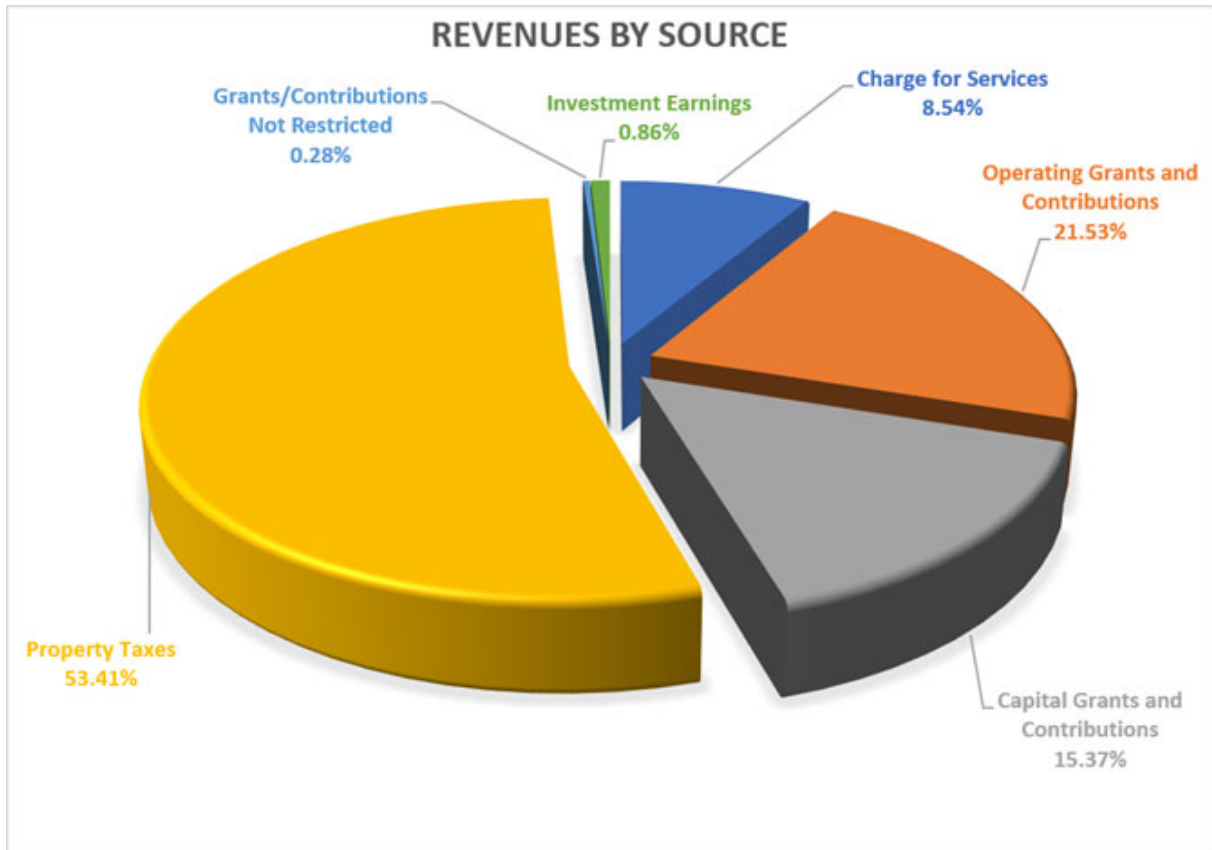
Revenues

The Town's total revenues were \$69.5 million. Major revenue changes include the following:

- Program revenues: Charges for services increased by \$309,550. Recreation charges increased \$42,256 due to increased activity. Refuse and recycling revenues were \$182,646 higher than the prior year, EMS service fees increased \$88,534 and Education charges for services were up \$33,262.
- Operating grants and contributions decreased by \$485,112 of which \$325,000 was received in the prior year from American Rescue Plan funding. The Municipal Assistance grant received in FY 25/26 was \$196,500 less than prior year based on the formula.
- Capital grants and contributions increased by \$7.5 million, primarily due to school construction grants for energy efficiency projects and infrastructure grants for bridge replacements (Dept of Transportation).
- General revenues: Property taxes increased over the previous year by 5.0% due to property revaluation. Investment earnings totaled \$599,575, an increase of \$107,439 from the prior year due to market conditions.

The following chart shows the breakdown of revenues by source:

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**



**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

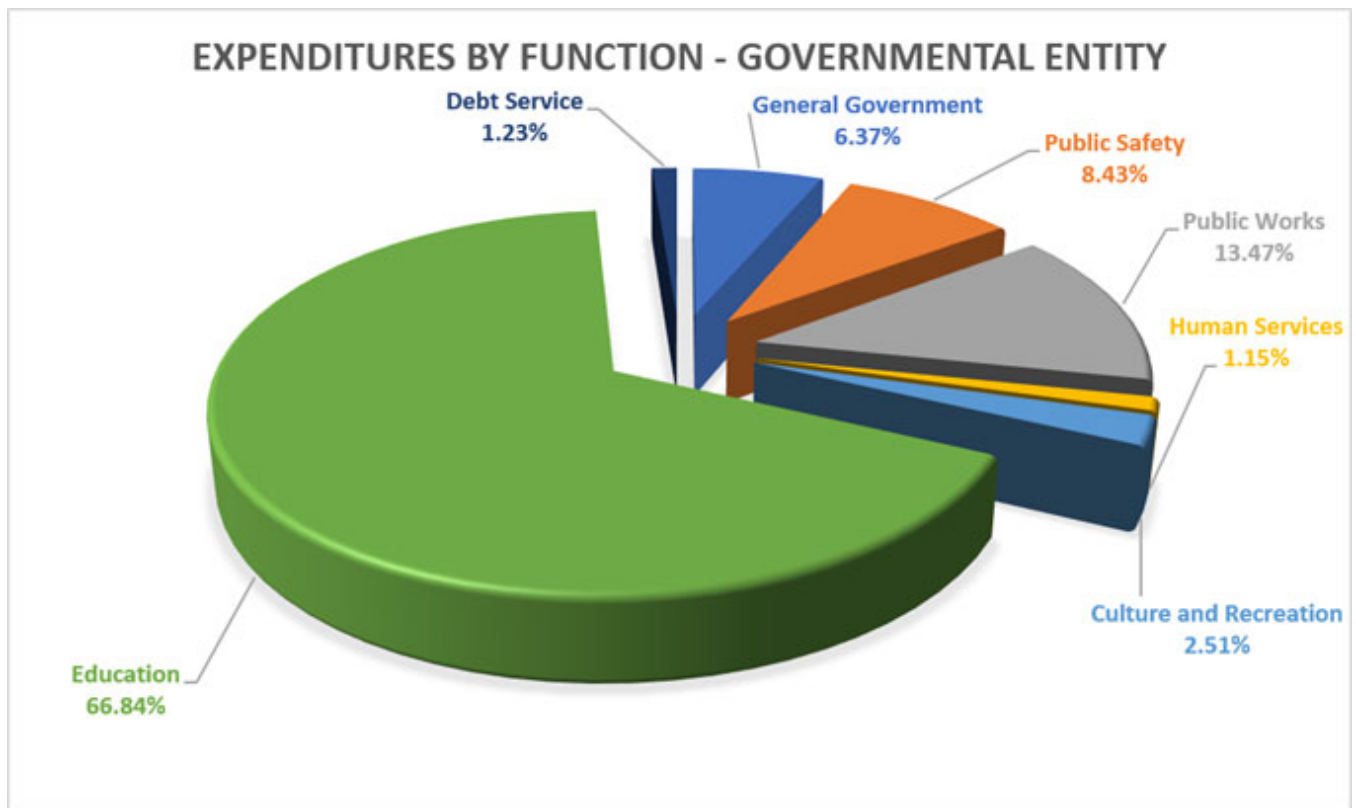
Government-Wide Financial Analysis (Continued)

Expenses

The total cost of all programs and services was \$58.6 million, an increase of \$1.7 million from the prior year. The following is an explanation of the major changes:

- Reflective of the increased cost to provide services
- Increase in Net Other Postemployment Benefit expense of \$1.5 million
- Decrease in Net Pension expense of \$0.6 million

The following chart shows expenses by function:



**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Government-Wide Financial Analysis (Continued)

Expenses (Continued)

Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, human services, culture and recreation, 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.

The General Government function includes costs related to overall governmental administration, and includes recording of legally required documents, computer system management, finance system management, assessment and collection of taxes, elections, land use planning and economic development.

Public Safety encompasses a full-service police department, fire services and an ambulance service with paramedic services.

Public Works includes the maintenance of Town roadways, repairs of the town fleet, maintenance at town parks and athletic facilities, management of the Town's cemeteries, code enforcement and engineering services. The solid waste and sewer operating programs are supported by user fees. This program is self-supporting and reduces the overall burden on property tax.

Human Services include general family services, youth services and elderly services. In addition, this function incorporates the Community Development Block Grant program, which provides grants and no-interest loans for home improvement and community construction projects.

Culture and Recreation funds a grant to the Booth-Dimock Memorial Library and provides support for the full parks and recreation program. The balance is supported by the fees charged for a variety of programs offered to Town residents, summer camps for youth, full waterfront services at Coventry Lake and miscellaneous programs offered at the Town parks.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General Government	\$ 3,735,467	\$ 3,056,813	\$ (3,007,771)	\$ (2,265,752)
Public Safety	4,944,908	5,026,859	(4,359,099)	(4,515,041)
Public Works	7,899,459	7,762,094	(1,533,640)	(3,424,946)
Human Services	675,534	649,124	(537,920)	(465,339)
Culture and Recreation	1,472,857	1,354,245	(858,077)	244,965
Education	39,207,990	38,310,930	(16,073,103)	(21,477,449)
Debt Service	721,300	774,072	(721,300)	(774,072)
Total	<u>\$ 58,657,515</u>	<u>\$ 56,934,137</u>	<u>\$ (27,090,910)</u>	<u>\$ (32,677,634)</u>

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Town Funds Financial Analysis - Governmental Funds

At the close of the fiscal year the Town of Coventry reported (as presented in the balance sheet - Exhibit III) a combined fund balance of \$5.2 million, which is an decrease from last year's total of \$12.2 million. The changes are explained as follows:

- General Fund balance decreased by \$41,795 or 0.6%. This is due to expenditures slightly in excess of revenues.
- Sewer Assessment fund balance decreased \$60,958 or 63.5% due to charges for services not covering the amount needed for debt service payments. Increased debt service requirements will cause this fund to shrink until all assessments have been collected and all debt has been paid.
- CDBG fund balance decreased \$35,890. This fund uses grant monies to support its projects and only spends funds on hand for new loan projects. Several outstanding loans were repaid during the year.
- Capital Projects fund balance decreased by \$8.4 million. The Town expended significant funds for the High School HVAC system and school roof replacement. School construction grants are expected to cover a significant portion of this decrease, however at June 30th they were no considered collectible within 90 days.
- Miscellaneous Grant fund balance increased by \$0.7 million. This is due to the timing of grant payments received for expenditures in prior periods.
- Non-major Governmental Funds fund balance increased \$853,403 or 22.4%. The major changes were as follows: Town Aid Road Fund increased \$145,845 as revenues outpaced road work; Recreation increased by \$96,783 due to increased programming; COVRRA increased by \$260,626 due to increases in the trash billing rates set to begin rebuilding fund balance, the Sewer Use Fund increased \$106,716 reflecting the receipt of grant revenues; the EMS fund increased by \$114,189 and the Preschool Fund increased \$136,416.

General Fund Budget Highlights

The final adopted budget for fiscal year 2025 included the use of fund balance of \$295,999. Final results were an increase to fund balance of \$236,199. Overall, revenues were over final budget appropriations by \$81,667. Taxes were over budget projections by \$130,564 due to delinquent taxes paid as a result of a successful tax sale effort. Investment earnings were over budget by \$327,103 due to market conditions and a low budgetary estimate. Building permits were over budget by \$100,976, due to increased activity town-wide. These items eliminated the need to use fund balance at yearend to cover expenditures.

Expenditures were within final budget authorization, with an ending positive variance of \$154,532. The education budget realized a \$142,680 savings. In addition, actual debt service payments were \$110,378 less than budgeted.

Throughout the fiscal year, the Town Council approved appropriation increases of \$125,999 which were primarily used to purchase two new police vehicles, both out of service.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Capital Assets and Debt Administration

Capital Assets

At June 30, 2025, the Town had \$144.2 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads and bridges as shown in Table 4. This amount represents a net increase (including additions and deductions) of \$10.9 million.

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

	Governmental Activities	
	2025	2024
Land	\$ 3,759,669	\$ 3,759,669
Buildings	37,349,126	32,701,518
Improvements Other Than Buildings	2,651,708	2,792,104
Equipment	6,053,333	6,145,997
Infrastructure	71,366,141	71,701,583
Construction in Progress	23,090,438	16,298,558
Total	<u>\$ 144,270,415</u>	<u>\$ 133,399,429</u>

This year's major additions included:

- Bunker Hill Road Bridge replacement work
- Hop River Road Bridge replacement work
- Miller Richardson Park improvements
- Swamp Road & South Street Intersection improvements
- School HVAC, Roof and energy upgrades

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

Capital Assets and Debt Administration (Continued)

Long-Term Debt

On June 30, 2025, the Town had \$17,630,000 in general obligation bonds outstanding versus \$18,865,000 last year – a reduction of \$1,235,000 due to scheduled repayments. Clean Water Fund Loans of \$1,080,087 are a reduction of \$524,070 from the last fiscal year balance of \$1,604,157. The Town's rating has remained at a stable AA+ by Standard and Poors.

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 the state-imposed limit.

Other obligations include landfill post closure liability, and lease liability. More detailed information about the Town's long-term liabilities is presented in Note 9 to the financial statements.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025**

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2024 budget tax rates. The relatively low ratio of commercial to residential property places a high burden on the residential taxpayer. Opportunities to relieve this burden through the implementation of fees or the application for grant monies are always pursued.

During the budget process the Town Council considered the uncertainty of State aid to municipalities, a strong real estate market and general taxpayer sentiment when adopting the General Fund budget for 2025-2026. Property Revaluation had the largest impact on the budget, as residential properties increased significantly more than commercial properties. A major focus of budget development was to reduce the impact on homeowners. The final proposed budget had a 2.12% increase for General Government, a 2.80% increase for Education, a 30.87% decrease in Capital expenditures and 11.50% increase for Debt Service. It also reduced the transfer to fund ambulance operations by 3.60%. The adopted General Fund budget is \$47,828,271, a total increase of 2.66% from the original fiscal year 2025 budget.

The property tax revenue increase needed was 2.82% from the previous year to fund this budget. The mil rate for the Town decreased by 9.55 mills to 23.76 due to property revaluation. The budget was approved by the voters at the Town Meeting on June 17, 2025.

The Town will use budget revenues to finance programs currently offered. The adopted budget for 2025-2026 includes the use of \$205,000 of unassigned fund balance to offset expenditures. Council policy has established a goal for an unassigned general fund balance of 15% of expenditures. General Fund unassigned fund balance as of June 30, 2025 is 12.52% when expressed as a percentage of General Fund governmental expenditures

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 Director, Town of Coventry, 1712 Main Street, Coventry, Connecticut, 06238.

BASIC FINANCIAL STATEMENTS

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 13,031,515
Investments	4,140,970
Receivables, Net	13,150,410
Inventory	69,504
Prepaid Items	194,083
Advance to Plan Administrator	531,179
Capital Assets Not Being Depreciated	26,850,107
Capital Assets Being Depreciated, Net of Accumulated Depreciation	117,420,308
Total Assets	<u>175,388,076</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	1,166,661
Deferred Outflows Related to OPEB	890,195
Deferred Charge on Refunding	25,063
Total Deferred Outflows of Resources	<u>2,081,919</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	2,905,695
Unearned Revenue	1,210,246
Notes Payable	9,837,608
Noncurrent Liabilities:	
Due Within One Year	2,504,480
Due in More Than One Year	27,391,657
Total Liabilities	<u>43,849,686</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	861,689
Deferred Inflows Related to OPEB	5,686,378
Total Deferred Inflows of Resources	<u>6,548,067</u>
NET POSITION	
Net Investment in Capital Assets	122,243,555
Restricted for:	
Trust Purposes - Nonexpendable	24,370
Trust Purposes - Expendable	10,020
Capital Projects	787,052
Debt Service	445,958
Grants	10,429,887
Other Purposes	704,228
Unrestricted	<u>(7,572,828)</u>
Total Net Position	<u><u>\$ 127,072,242</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 3,735,467	\$ 699,570	\$ 24,780	\$ 3,346	\$ (3,007,771)
Public Safety	4,944,908	584,465	1,344	-	(4,359,099)
Public Works	7,899,459	2,583,100	56,953	3,725,766	(1,533,640)
Human Services	675,534	7,999	129,615	-	(537,920)
Culture and Recreation	1,472,857	609,605	-	5,175	(858,077)
Education	39,207,990	1,448,275	14,743,259	6,943,353	(16,073,103)
Interest on Long-Term Debt	721,300	-	-	-	(721,300)
Total Governmental Activities	<u>\$ 58,657,515</u>	<u>\$ 5,933,014</u>	<u>\$ 14,955,951</u>	<u>\$ 10,677,640</u>	(27,090,910)
GENERAL REVENUES					
Property Taxes					37,092,798
Grants and Contributions Not Restricted to Specific Programs					195,550
Unrestricted Investment Earnings					599,575
Miscellaneous					562
Total General Revenues					<u>37,888,485</u>
CHANGE IN NET POSITION					10,797,575
Net Position - Beginning of Year					<u>116,274,667</u>
NET POSITION - END OF YEAR					<u>\$ 127,072,242</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 2,579,003	\$ 33,892	\$ 8,178	\$ 5,173,326	\$ -	\$ 4,990,203	\$ 12,784,602
Investments	4,137,000	-	-	-	-	3,970	4,140,970
Receivables, Net	758,794	412,066	2,133,835	6,893,760	918,494	1,518,037	12,634,986
Due from Other Funds	953,627	-	-	-	-	-	953,627
Other	190,358	-	-	-	-	3,725	194,083
Inventories	-	-	-	-	-	69,504	69,504
Total Assets	<u>\$ 8,618,782</u>	<u>\$ 445,958</u>	<u>\$ 2,142,013</u>	<u>\$ 12,067,086</u>	<u>\$ 918,494</u>	<u>\$ 6,585,439</u>	<u>\$ 30,777,772</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payables	\$ 855,579	\$ -	\$ 94	\$ 929,488	\$ 826	\$ 163,500	\$ 1,949,487
Accrued Payroll	224,963	-	-	746	629	95,102	321,440
Notes Payable	-	-	-	9,837,608	-	-	9,837,608
Due to Other Funds	-	-	-	-	559,627	-	559,627
Unearned Revenue	37,493	-	-	-	269,149	903,604	1,210,246
Total Liabilities	<u>1,118,035</u>	<u>-</u>	<u>94</u>	<u>10,767,842</u>	<u>830,231</u>	<u>1,162,206</u>	<u>13,878,408</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue:							
Property Taxes	579,327	-	-	-	-	-	579,327
Special Assessments	-	410,916	-	-	-	-	410,916
Sewer Receivable	-	-	-	-	-	36,885	36,885
COVRRRA Receivable	-	-	-	-	-	222,735	222,735
Loans Receivable	-	-	2,133,833	-	-	-	2,133,833
Grants Receivable	-	-	-	6,885,855	918,494	-	7,804,349
Other Receivables	-	-	-	-	-	506,129	506,129
Total Deferred Inflows of Resources	<u>579,327</u>	<u>410,916</u>	<u>2,133,833</u>	<u>6,885,855</u>	<u>918,494</u>	<u>765,749</u>	<u>11,694,174</u>
FUND BALANCES							
Nonspendable	190,358	-	-	-	-	93,874	284,232
Restricted	-	35,042	8,086	1,643,409	-	1,197,867	2,884,404
Committed	6,621	-	-	1,653,889	-	3,365,776	5,026,286
Assigned	424,519	-	-	-	-	-	424,519
Unassigned	6,299,922	-	-	(8,883,909)	(830,231)	(33)	(3,414,251)
Total Fund Balances	<u>6,921,420</u>	<u>35,042</u>	<u>8,086</u>	<u>(5,586,611)</u>	<u>(830,231)</u>	<u>4,657,484</u>	<u>5,205,190</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,618,782</u>	<u>\$ 445,958</u>	<u>\$ 2,142,013</u>	<u>\$ 12,067,086</u>	<u>\$ 918,494</u>	<u>\$ 6,585,439</u>	<u>\$ 30,777,772</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III)	\$ 5,205,190
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets	214,719,991
Less: Accumulated Depreciation, and Amortization	<u>(70,449,576)</u>
Net Capital Assets	144,270,415

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

Property Tax Receivables Greater Than 60 Days	436,006
Interest Receivable on Property Taxes	143,321
Assessments Receivable	410,916
Sewer Use Receivable	36,885
Mortgage Loans	2,133,833
COVRA and Other Receivables	728,864
Grants Receivable	7,804,349
Deferred Outflows Related to Pensions	1,166,661
Deferred Outflows Related to OPEB	890,195

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.

391,068

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

Net Pension Liability	(4,986,806)
Bonds and Notes Payable	(18,710,087)
Interest Payable on Bonds and Notes	(126,320)
Compensated Absences	(1,015,625)
Notes Payable	(855,357)
Lease Payable	(6,409)
Bond Premium	(870,433)
Net OPEB Liability	(3,451,420)
Deferred Charge on Refunding	25,063
Deferred Inflows Related to Pensions	(861,689)
Deferred Inflows Related to OPEB	<u>(5,686,378)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	<u>\$ 127,072,242</u>
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See accompanying Notes to Financial Statements.

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 37,243,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,243,645
Intergovernmental	13,141,956	-	-	2,502,107	3,264,116	2,333,905	21,242,084
Charges for Services	713,749	186,344	7,999	-	-	5,041,273	5,949,365
Investment Earnings	437,103	2,698	-	30,688	-	78,745	549,234
Miscellaneous	562	-	-	9,554	-	56,056	66,172
Total Revenues	51,537,015	189,042	7,999	2,542,349	3,264,116	7,509,979	65,050,500
EXPENDITURES							
Current:							
General Government	2,197,965	-	-	14,882	14,540	13,722	2,241,109
Public Safety	2,959,692	-	-	-	-	755,841	3,715,533
Public Works	2,709,790	-	-	-	-	2,369,524	5,079,314
Human Services	286,642	-	43,889	-	136,511	106,737	573,779
Culture and Recreation	691,147	-	-	-	3,891	602,344	1,297,382
Insurance and Sundry	3,151,919	-	-	-	-	-	3,151,919
Education	35,468,835	-	-	-	-	3,116,525	38,585,360
Debt Service	2,862,130	-	-	-	-	-	2,862,130
Capital Outlay	-	-	-	12,127,583	2,420,119	12,450	14,560,152
Total Expenditures	50,328,120	-	43,889	12,142,465	2,575,061	6,977,143	72,066,678
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,208,895	189,042	(35,890)	(9,600,116)	689,055	532,836	(7,016,178)
OTHER FINANCING SOURCES (USES)							
Transfers In	292,500	-	-	1,180,123	-	363,067	1,835,690
Transfers Out	(1,543,190)	(250,000)	-	-	-	(42,500)	(1,835,690)
Total Other Financing Sources (Uses)	(1,250,690)	(250,000)	-	1,180,123	-	320,567	-
NET CHANGE IN FUND BALANCES	(41,795)	(60,958)	(35,890)	(8,419,993)	689,055	853,403	(7,016,178)
Fund Balances - Beginning of Year	6,963,215	96,000	43,976	2,833,382	(1,519,286)	3,804,081	12,221,368
FUND BALANCES - END OF YEAR	<u>\$ 6,921,420</u>	<u>\$ 35,042</u>	<u>\$ 8,086</u>	<u>\$ (5,586,611)</u>	<u>\$ (830,231)</u>	<u>\$ 4,657,484</u>	<u>\$ 5,205,190</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (7,016,178)

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

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

Capital Outlay	13,722,190
Depreciation and Amortization Expense	(2,851,204)
Change in Deferred Outflows Related to Pensions	13,465
Change in Deferred Outflows Related to OPEB	(198,385)

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, Interest and Lien Revenue - Accrual Basis Change	(150,847)
Sewer Use and Assessment Receivable - Accrual Basis Change	(186,726)
Loans and Other Receivables - Accrual Basis Change	(8,000)
Amortization of Bond Premiums	69,497
COVRRA and Other Receivables	162,619
Grants Receivable	4,537,203

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	1,235,000
Clean Water Fund Principal Payments	524,070
Notes Payable Payments	278,520
Lease Payable Payments	46,872

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	(38,727)
Accrued Interest	51,092
Amortization of Deferred Charge on Refunding	(17,349)
Net Other Postemployment Benefit Expense	1,368,150
Net Pension Expense	519,522
Change in Deferred Inflows Related to Pensions	(12,556)
Change in Deferred Inflows Related to OPEB	(573,342)
Landfill Postclosure Care	10,575

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. (687,886)

Change in Net Position of Governmental Activities as Reported on the
Statement of Activities (Exhibit II) \$ 10,797,575

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Governmental Activities
	<u>Internal</u>
	<u>Service Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 246,913
Accounts Receivable	515,424
Advance to Plan Administrator	<u>531,179</u>
Total Assets	<u>1,293,516</u>
LIABILITIES	
Current Liabilities:	
Claims Payable	508,448
Due to Other Funds	<u>394,000</u>
Total Liabilities	<u>902,448</u>
NET POSITION	
Unrestricted	<u><u>\$ 391,068</u></u>

See accompanying Notes to Financial Statements.

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Employer Contributions	\$ 5,716,630
Employee Contributions	<u>1,234,531</u>
Total Operating Revenues	6,951,161
OPERATING EXPENSES	
Administrative Expense	832,409
Employee Benefits	<u>6,856,979</u>
Total Operating Expenses	<u>7,689,388</u>
OPERATING LOSS	(738,227)
NONOPERATING REVENUE	
Investment Income	<u>50,341</u>
CHANGE IN NET POSITION	(687,886)
Net Position - Beginning of Year	<u>1,078,954</u>
NET POSITION - END OF YEAR	<u><u>\$ 391,068</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 6,435,737
Cash Payments to Providers of Benefits	<u>(6,460,098)</u>
Net Cash Used by Operating Activities	(24,361)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>50,341</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,980
Cash and Cash Equivalents - Beginning of Year	<u>220,933</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 246,913</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (738,227)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
(Increase) Decrease in Accounts Receivable	(515,424)
(Increase) Decrease in Advance to Plan Administrator	1,116,970
Increase (Decrease) in Claims Payable	<u>112,320</u>
Net Cash Used by Operating Activities	<u><u>\$ (24,361)</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,439,231
Mutual Funds	13,693,867
Guaranteed Investment Contracts	<u>4,895,348</u>
Total Assets	<u>21,028,446</u>
NET POSITION	
Restricted for Pensions	<u><u>\$ 21,028,446</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025**

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 1,069,118
Plan Members	336,868
Total Contributions	<u>1,405,986</u>
Investment Income:	
Change in Fair Value of Investments	<u>2,042,983</u>
Total Additions	<u>3,448,969</u>
DEDUCTIONS:	
Benefits	1,603,189
Administration	100,702
Total Deductions	<u>1,703,891</u>
CHANGE IN NET POSITION	1,745,078
Net Position - Beginning of Year	<u>19,283,368</u>
NET POSITION - END OF YEAR	<u><u>\$ 21,028,446</u></u>

See accompanying Notes to Financial Statements.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Coventry, 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 1712 and operates under a Council/Manager form of government adopted by Charter in 1967. The seven-member Town Council is the legislative body responsible for enacting ordinances, budget preparation and establishing a property tax mill rate. The Town Manager serves as the Chief Executive Officer in charge of the daily operation of the Town organization in accordance with Council policy and regulation. A seven-member Board of Education, a separately elected body, is responsible for the educational policy of the Coventry Public School system.

The Town provides the following services: general government, public safety, public works, human services, culture and recreation, and education.

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

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. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental, proprietary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, and other revenues to be available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

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.

Sewer Assessment Fund

The Sewer Assessment Fund accounts for the extension and maintenance of sewer lines. The major source of revenue for this fund is sewer assessment charges.

CDBG Grant Fund

The CDBG Grant Fund accounts for the Community Development Block Grant program grants and loans. The major sources of revenue for this fund are capital grants and repayments on loans.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements, and/or equipment. The major sources of financing for this fund are the issuance of general obligation bonds and capital grants.

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for the various grant funded projects and programs. The major sources of revenue for this fund are state and federal grants.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund accounts for the self-insured activities of the Town.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pension Trust Fund

The Pension Trust Fund accounts for resources held in trust for the members and beneficiaries of the Town of Coventry Retirement System.

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.

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.

D. Adoption of Accounting Standards

Effective July 1, 2024, the Town implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The implementation of this standard did not affect beginning net position.

Effective July 1, 2024, the Town implemented GASB Statement No. 102, Certain Risk Disclosures. This statement requires disclosure of essential information about vulnerabilities due to concentrations and constraints. The implementation of this standard did not have a material effect on the financial statements.

E. Deposits and Investments

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

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.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 property tax receivables are shown net of an allowance for uncollectibles. Amounts of \$88,163, and \$143,322 have been established as an allowance for uncollectible taxes, and interest respectively. At June 30, 2025, this represents 13.00%, and 50.00% of all property taxes principal and interest receivables, respectively.

Property taxes become an enforceable lien and are assessed on property as of October 1; however, the legal right to attach property does not exist until July 1. Property assessments are made at 70% of the market value. Real estate taxes are billed on July 1 and are payable in semiannual installments on July 1 and January 1. Personal property and motor vehicle taxes are billed and due July 1, and motor vehicle supplement taxes are billed and due January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Upon completion of projects, sewer assessments are levied and assessed to the users each October. Usage charges are billed in May and November. Assessments and user charges are due and payable within 30 days, and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

G. Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 for land, \$5,000 for furniture and equipment, and \$100,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings and Improvements	10 to 50 Years
System Infrastructure	40 to 75 Years
Furniture and Equipment	3 to 20 Years

I. Leases

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in governmental activities in the government-wide financial statements.

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

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Lessee (Continued)

- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

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

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

J. 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 future 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 and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees), with the exception of deferred amounts resulted from the difference between projected and actual earnings on pension plan investments, which are amortized over five years.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide statement of net position, the Town reports deferred inflows of resources related to pension and OPEB.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees) , with the exception of deferred amounts resulted from the difference between projected and actual earnings on pension plan investments, which are amortized over 5 years. In addition, 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 several sources: property taxes, special assessments, sewer receivables, COVRRRA receivables, grant receivables, other receivables, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

K Compensated Absences

Based on union contracts, certain Town and Board of Education employees may accumulate a certain amount of unused vacation and sick leave based upon length of employment. The amount recorded as a liability is based upon current salary levels. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

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

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

N. Long-Term Obligations

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

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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 – Net position is restricted 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 (Town of Coventry Town Council). The Town Council may commit resources, when a member puts forth a resolution and this resolution is passed by the Council, prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Equity (Continued)

Assigned Fund Balance – This represents amounts constrained for the intent to be used for a specific purpose by the Town Manager who has been delegated authority to assign amounts by ordinance within the Town Charter.

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

The Town has a minimum fund balance policy that establishes a goal for unassigned fund balance in the General Fund at 15% of the General Fund expenditures.

P. Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Town Manager prepares an operating, capital, and debt service budget from information provided by various Town departments. The Board of Education also prepares an operating budget. The budget includes the proposed expenditures and the means to finance them.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- These budgets are presented at a public hearing before being amended and adopted by the Town Council. The Council's operating or General Fund budget is submitted to a Town meeting that approves, rejects, or reduces the budget, which is subsequently adjourned to a referendum for ratification.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Upon request, the Town Council may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board, or office to another. No transfer shall be made from any appropriations for debt service and other statutory charges. Transfers between line items within a department may be made with the approval of the Town Manager.
- The Town Council can make additional appropriations, subject to fund balance availability and other restrictions, up to 1.5% of the current year's property tax levy. Additional appropriations can be made when unanticipated revenue is made available for specific purposes. Additional appropriations during the year were \$125,999 from fund balance. All additional appropriations were made in accordance with Charter provisions.
- Appropriations not encumbered at the end of the fiscal year lapse. Encumbrances for capital additions lapse at the end of three years (if there is no activity), and all other encumbrances lapse at the end of one year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- The General Fund budget is prepared on a modified accrual basis of accounting except for encumbrances, which are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. Additionally, the Town does not budget for revenues or expenditures associated with pension contributions made by the state of Connecticut on behalf of Town of Coventry teachers or for expenditures reimbursed by the state of Connecticut for excess costs related to certain special education students.
- The Town only legally adopts an annual budget for the General Fund.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balance

The Capital Projects fund and the Miscellaneous grants fund, major governmental funds, had deficits of \$5,586,611 and \$830,231 as of June 30, 2025, respectively, which will be eliminated in future years by the receipt of federal and state grant funds. The CT Countryside fund, a nonmajor governmental fund, had a fund deficit of \$33 as of June 30, 2025. This deficit will be eliminated in future years by the receipt of charges for services revenues.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the state Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and 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.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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 does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$11,785,864 of the Town's bank balance of \$17,656,982 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 10,455,800
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	1,330,064
Total Amount Subject to Custodial Credit Risk	<u>\$ 11,785,864</u>

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.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2025, the Town's cash equivalents amounted to \$2,860,223. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. 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.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	<u>AAAm</u>

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

B. Investments

Investments as of June 30, 2025, and maturity in years, in all funds are as follows:

	Fair Value	Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificate of Deposit	\$ 3,887,000	\$ 933,000	\$ 2,954,000	\$ -
Municipal Securities	250,000	-	250,000	-
Total	<u>\$ 4,137,000</u>	<u>\$ 933,000</u>	<u>\$ 3,204,000</u>	<u>\$ -</u>
Other Investments:				
Mutual Funds	\$ 13,693,867 *			
Common Stock	3,970			
Guaranteed Investment Contracts	4,895,348			
Total Investments	<u>\$ 22,730,185</u>			

* Not Rated

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, 2025:

	June 30, 2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Municipal Securities	\$ 250,000	\$ 250,000	\$ -	\$ -
Common Stock	3,970	3,970	-	-
Mutual Funds	13,693,867	13,693,867	-	-
Total Investments by Fair Value Level	13,947,837	<u>\$ 13,947,837</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at Contract Value:				
Guaranteed Investment Contracts	4,895,348			
Investments Measured at Amortized Cost:				
Certificates of Deposit	3,887,000			
Total Investments	<u>\$ 22,730,185</u>			

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

B. Investments (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Guaranteed Investment Contracts

The Town has entered into a guaranteed investment contract with Brighthouse Life Insurance Company (Brighthouse). Brighthouse maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Brighthouse is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Town. Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for the guaranteed investment contract. The guaranteed investment contract is presented on the face of the statements of net position at contract value. Contract value, as reported to the Town by Brighthouse, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract is a traditional investment contract. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. There are no unfunded commitments under the contract. The contract allows redemption at any time with no notice.

Interest Rate Risk

The Town's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Investments

As indicated above, state statutes limit the investment options of cities and towns. The Town's investment policy provides investment guidelines and lists prohibited investments.

Concentration of Credit Risk

The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

B. Investments (Continued)

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 does not have a policy for custodial credit risk. At June 30, 2025, the Town had \$3,970 in uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

NOTE 4 RECEIVABLES

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

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants	Nonmajor and Other Funds	Total
Receivables:							
Interest	\$ 286,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,643
Taxes	678,174	-	-	-	-	-	678,174
Accounts	18,655	-	-	-	-	1,337,739	1,356,394
Intergovernmental	6,807	-	-	6,893,760	918,494	695,722	8,514,783
Special Assessments	-	412,066	-	-	-	-	412,066
Loans	-	-	2,133,835	-	-	-	2,133,835
Gross Receivables	990,279	412,066	2,133,835	6,893,760	918,494	2,033,461	13,381,895
Less Allowance for							
Uncollectibles:							
Taxes	(88,163)	-	-	-	-	-	(88,163)
Delinquent Interest	(143,322)	-	-	-	-	-	(143,322)
Net Total Receivables	<u>\$ 758,794</u>	<u>\$ 412,066</u>	<u>\$ 2,133,835</u>	<u>\$ 6,893,760</u>	<u>\$ 918,494</u>	<u>\$ 2,033,461</u>	<u>\$ 13,150,410</u>

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated or Amortized:					
Land	\$ 3,759,669	\$ -	\$ -	\$ -	\$ 3,759,669
Construction in Progress	16,298,558	12,577,558	-	(5,785,678)	23,090,438
Total Capital Assets Not Being Depreciated or Amortized	20,058,227	12,577,558	-	(5,785,678)	26,850,107
Capital Assets Being Depreciated and Amortized:					
Buildings	54,298,069	-	-	5,445,316	59,743,385
Improvements Other Than Buildings	3,902,377	29,850	-	-	3,932,227
Furniture and Equipment	12,585,183	135,951	-	340,362	13,061,496
Infrastructure	109,994,226	978,831	-	-	110,973,057
Total Capital Assets Being Depreciated and Amortized	180,779,855	1,144,632	-	5,785,678	187,710,165
Less Accumulated Depreciation for:					
Buildings	(21,596,551)	(797,708)	-	-	(22,394,259)
Improvements Other Than Buildings	(1,163,876)	(116,643)	-	-	(1,280,519)
Furniture and Equipment	(6,439,186)	(575,019)	-	-	(7,014,205)
Infrastructure	(38,292,643)	(1,314,273)	-	-	(39,606,916)
Total Accumulated Depreciation and Amortization	(67,492,256)	(2,803,643)	-	-	(70,295,899)
Total Capital Assets Being Depreciated or Amortized, Net	113,287,599	(1,659,011)	-	5,785,678	117,414,266
Right-to-Use Lease Assets					
Equipment	199,665	-	(39,946)	-	159,719
Less Accumulated Amortization for:					
Equipment	(146,062)	(47,561)	39,946	-	(153,677)
Total Right-to-Use Lease Assets, Net	\$ 53,603	\$ (47,561)	\$ -	\$ -	\$ 6,042
Governmental Activities Capital Assets, Net	\$ 133,399,429	\$ 10,870,986	\$ -	\$ -	\$ 144,270,415

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

Governmental Activities:	
General Government	\$ 64,068
Public Safety	347,535
Public Works	1,630,465
Culture and Recreation	76,000
Education	733,136
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 2,851,204</u>

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 FUND BALANCES

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

	Major Funds					Nonmajor Governmental Funds	Total
	General Fund	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund		
Fund Balances:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,504	\$ 69,504
Prepaid Items	190,358	-	-	-	-	-	190,358
Permanent Fund Principal	-	-	-	-	-	24,370	24,370
Restricted for:							
Capital Projects	-	-	-	1,643,409	-	-	1,643,409
Unspent Grant Balances	-	-	8,086	-	-	483,619	491,705
Debt Repayments	-	35,042	-	-	-	-	35,042
Other	-	-	-	-	-	415,439	415,439
Student Activities	-	-	-	-	-	298,809	298,809
Committed to:							
Capital Projects	6,621	-	-	1,653,889	-	32,990	1,693,500
Historic Preservation	-	-	-	-	-	33,903	33,903
Public Safety	-	-	-	-	-	210,884	210,884
Public Works	-	-	-	-	-	748,848	748,848
Recreation	-	-	-	-	-	394,698	394,698
COVRRRA	-	-	-	-	-	27,447	27,447
Farmer's Market	-	-	-	-	-	113,199	113,199
Education	-	-	-	-	-	1,803,807	1,803,807
Assigned to:							
Subsequent Year's Budget	205,000	-	-	-	-	-	205,000
Transfer to BOE Surplus Fund	142,000	-	-	-	-	-	142,000
General Government	20,908	-	-	-	-	-	20,908
Public Safety	37,296	-	-	-	-	-	37,296
Public Works	13,210	-	-	-	-	-	13,210
Human Services	929	-	-	-	-	-	929
Insurance and Sundry	5,176	-	-	-	-	-	5,176
Unassigned	6,299,922	-	-	(8,883,909)	(830,231)	(33)	(3,414,251)
Total Fund Balances	<u>\$ 6,921,420</u>	<u>\$ 35,042</u>	<u>\$ 8,086</u>	<u>\$ (5,586,611)</u>	<u>\$ (830,231)</u>	<u>\$ 4,657,484</u>	<u>\$ 5,205,190</u>

Encumbrances of \$77,519, \$8,086, \$2,228,290, and \$615,478 at June 30, 2025, are contained in the above table in the assigned category of the General Fund, the restricted category of the CDBG Grant fund, the restricted and committed categories of the Capital Projects Fund, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2025, the Internal Service Fund owed the General Fund \$394,000, which resulted from regularly recurring transactions and represented a temporary balance. The Miscellaneous Grants Fund also owed the General Fund \$559,627 as it awaits reimbursements from the state and federal government.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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

	Transfers In			Total
	General	Capital	Nonmajor	
Transfers Out:				
General Fund	\$ -	\$ 1,180,123	\$ 363,067	\$ 1,543,190
Sewer Assessment	250,000	-	-	250,000
Nonmajor Governmental Funds	42,500	-	-	42,500
Total	<u>\$ 292,500</u>	<u>\$ 1,180,123</u>	<u>\$ 363,067</u>	<u>\$ 1,835,690</u>

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

For the year ended June 30, 2025, the Town recorded the following significant transfers. The Town transferred \$1,180,123 from the General Fund to the Capital Projects Fund, and \$363,067 to the Nonmajor Governmental Funds to fund annual budgeted operating transfers. Additionally, the Town transferred \$250,000, and \$42,500 from the Sewer Assessment Fund, and the Nonmajor Governmental Funds to fund annual budgeted contributions to the General Fund.

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Loans Payable:					
General Obligation Bonds	\$ 18,865,000	\$ -	\$ 1,235,000	\$ 17,630,000	\$ 1,485,000
Premium on Issuance	939,930	-	69,497	870,433	-
Direct Borrowings - Notes	1,604,157	-	524,070	1,080,087	534,648
Total Bonds and Loans Payable	<u>21,409,087</u>	<u>-</u>	<u>1,828,567</u>	<u>19,580,520</u>	<u>2,019,648</u>
Other Liabilities:					
Notes Payable	1,133,877	-	278,520	855,357	234,822
Lease Payable	53,281	-	46,872	6,409	4,850
Landfill Postclosure	10,575	-	10,575	-	-
Total OPEB Liability	4,819,570	-	1,368,150	3,451,420	159,117
Net Pension Liability	5,506,328	-	519,522	4,986,806	-
Compensated Absences	976,898	38,727	-	1,015,625	86,043
Total Other Liabilities	<u>12,500,529</u>	<u>38,727</u>	<u>2,223,639</u>	<u>10,315,617</u>	<u>484,832</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 33,909,616</u>	<u>\$ 38,727</u>	<u>\$ 4,052,206</u>	<u>\$ 29,896,137</u>	<u>\$ 2,504,480</u>

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

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

General obligation bonds allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer assessments. The remaining liabilities above have typically been liquidated by the General Fund.

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2025, is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2024</u>
2015 Refunding School Asbestos GO	3/24/2015	2025	0.0 %	\$ 465,000	\$ 24,000
2015 Refunding Water System GO	3/24/2015	2025	2.00%	455,000	24,000
2015 Refunding Parker Bridge GO	3/24/2015	2025	2.34%	215,000	11,000
2015 Refunding General Obligation	3/24/2015	2025	2.00%	100,000	6,000
2010 Refunding Bonds Series B	2/9/2010	2025	2-4%	1,200,000	75,000
2015 Refunding PW garage GO	3/24/2015	2031	2.34%	3,350,000	918,000
2015 Refunding School Roof GO	3/24/2015	2031	3.55%	1,600,000	462,000
2015 Refunding NCFD GO	3/24/2015	2032	2.88%	1,675,000	595,000
2016 Road Bonds	3/1/2016	2036	2.41%	3,000,000	1,815,000
2016 Pucker Street Bridge	3/1/2016	2036	2.41%	400,000	225,000
2020 Road Bond	9/16/2019	2038	2.00-5.00%	4,000,000	2,800,000
2020 School Building Energy Efficiency Bond	9/16/2019	2038	2.00-5.00%	2,570,000	1,790,000
2020 Jones Crossing Bond	9/16/2019	2038	2.00-5.00%	700,000	490,000
2022 School Roofs	6/1/2022	2042	4.00-5.00%	3,105,000	2,635,000
2022 Library Renovation	6/1/2022	2042	4.00-5.00%	750,000	630,000
2022 Softball Complex	6/1/2022	2042	4.00-5.00%	325,000	265,000
2023 Roads	8/16/2023	2043	3.47%	3,000,000	3,000,000
2023 North School Road	8/16/2023	2043	3.47%	125,000	125,000
2023 Culverts	8/16/2023	2043	3.47%	1,400,000	1,400,000
2023 Payloader	8/16/2023	2043	3.47%	240,000	240,000
2023 Issuance Cost	8/16/2023	2043	3.47%	100,000	100,000
Total					<u>\$ 17,630,000</u>

Bonds and Notes Payable

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,485,000	\$ 614,246	\$ 2,099,246
2027	1,340,000	553,896	1,893,896
2028	1,335,000	500,096	1,835,096
2029	1,335,000	450,090	1,785,090
2030	1,330,000	403,521	1,733,521
2031-2035	5,450,000	1,419,647	6,869,647
2036-2040	3,925,000	630,700	4,555,700
2041-2044	1,430,000	106,200	1,536,200
Total	<u>\$ 17,630,000</u>	<u>\$ 4,678,396</u>	<u>\$ 22,308,396</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowings – Notes (Clean Water Fund Loan Program)

The Town is currently participating in the State of Connecticut Clean Water Fund Loan program. The loan matures on June 30, 2027, has an outstanding balance as of June 30, 2025 of \$1,080,087 and is payable monthly with interest at 2%. The Town's outstanding clean water notes contains a provision that, in the event of default, the state may declare, by notice to the Town, that the principal and interest accrued on any outstanding amounts are immediately due and payable in full, automatically, without further notices or demand of any kind.

Annual debt service requirements to maturity on Clean Water Fund loans are as follows as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 534,648	\$ 16,719	\$ 551,367
2027	545,439	5,927	551,366
Total	<u>\$ 1,080,087</u>	<u>\$ 22,646</u>	<u>\$ 1,102,733</u>

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 79,083,990	\$ 12,795,000	\$ 66,288,990
Schools	158,167,980	16,279,850	141,888,130
Sewers	131,806,650	759,620	131,047,030
Urban Renewal	114,232,430	-	114,232,430
Pension Deficit	105,445,320	-	105,445,320

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$246,039,080. Amounts above do not include \$24,000 of Water System Improvement bonds issued, which are excluded from the Town's statutory debt limit pursuant to Connecticut General Statutes.

Bond Authorizations

At June 30, 2025, debt authorized but unissued is as follows:

<u>Project</u>	<u>Appropriation/ Authorization</u>	<u>Prior Bonds Issued</u>	<u>Paydown Grants Expected/ Received</u>	<u>Authorized But Unissued Debt</u>
Sewers:				
Wangumbaug Lake Sewer Extension	\$ 17,800,000	\$ 9,815,810	\$ 7,892,591	\$ 91,599
Schools:				
Energy Efficiency and Code Work	3,000,000	2,570,000	-	430,000
School Roof Replacement	5,380,000	-	3,453,078	1,926,922
CHS HVAC Replacement	11,070,000	-	2,058,072	9,011,928
General Purpose:				
Library Renovation	1,700,000	-	1,600,000	100,000

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Notes Payable

Future minimum note obligations and the net present value of these minimum note payments as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2026	\$ 258,748
2027	202,142
2028	106,744
2029	95,337
2030	95,337
Thereafter	170,447
Total Minimum Note Payments	928,755
Less: Amount Representing Interest	(73,398)
Present Value of Minimum Note Payments	<u>\$ 855,357</u>

Lease Liability

The Town leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Total minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,850	\$ 111	\$ 4,961
2027	1,559	37	1,596
Total	<u>\$ 6,409</u>	<u>\$ 5,456</u>	<u>\$ 11,865</u>

Short-Term Debt

The following is a summary of bond anticipation notes activity for the year ended June 30, 2024:

<u>Project</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2025</u>
Coventry High School HVAC Replacement	8/16/2023	8/15/2024	\$ 2,070,000	4.50%	\$ 2,070,000	\$ -	\$ 2,070,000	\$ -
Coventry High School HVAC Replacement	8/15/2024	8/14/2025	9,770,000	4.00%	-	9,770,000	-	9,770,000
Total			<u>\$ 11,840,000</u>		<u>\$ 2,070,000</u>	<u>\$ 9,770,000</u>	<u>\$ 2,070,000</u>	<u>\$ 9,770,000</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS

Defined Benefit Plan

A. Plan Description

The Town of Coventry Employee Retirement System (CERS or the Plan) is a single-employer retirement system established and administered by the Town to provide pension benefits to substantially all Town and Board of Education employees, except for professional employees of the Board of Education who are covered under the State of Connecticut Teachers Retirement System. The CERS is a defined benefit plan. The CERS is considered to be a part of the Town's financial reporting entity and is included in the Town's basic financial statements as a pension trust fund. Contribution provisions and benefit provisions of the CERS are established by and can be amended by the Town Council subject to ratification of various bargaining units. A separate stand-alone financial report for the CERS is not issued by the Town.

Management of the Plan rests with the Pension Committee, which consists of no fewer than three, nor more than five, members all appointed by the Town Council.

All employees except for sworn officers of the police department are included as participants in the Plan on the first July 1 following the attainment of age 21 and the completion of two years of service. Sworn officers of the police department are included on their dates of hire. No employees are included before the effective date. Police and nonunion employees are vested 100% after five years, and all other employees are vested after 10 years.

Benefits are calculated on a percentage of earnings times years of service. The percentage varies by group. The Plan also provides for early retirement, deferred retirement and disability retirement. Participants have a nonforfeitable right to accrued benefits at the date of termination of employment, provided that they have completed the years required for 100% vesting. Normal retirement age varies from 45 to 65 based on the bargaining unit.

The accrued benefit is paid in the form of a monthly life annuity. Benefits will be actuarially adjusted to reflect any other form of annuity payable. Administrative costs for the Plan are paid from the Plan investment earnings.

The membership of the Plan consisted of the following at July 1, 2024:

Retired Members	72
Terminated Plan Members Entitled to but Not Yet Receiving Benefits	62
Active Plan Members	133
Total	<u>267</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

B. Summary of Significant Accounting Policies

Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which employee services are performed. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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

C. Investments

Investment Policy

The Pension Committee recommended the adoption of an investment policy to the Town Council. The current policy was adopted in August 2007. The goals of the policy are to create a framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Town. The following was the adopted asset allocation as of July 1, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap	11.30 %
U.S. Large Cap Value	10.66
U.S. Mid-Cap	5.93
U.S. Small Value	3.22
U.S. Micro Cap	3.22
International Large	11.04
International Small	5.63
Emerging Large	4.14
Emerging Small	1.34
U.S. REITS	1.32
International REITS	1.07
Fixed Income (Fixed Rate Contract)	40.00
Cash	1.13
Total	<u>100.00 %</u>

Concentrations

The pension plan held fixed income investments of \$4,895,348 with MetLife representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2025.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

C. Investments (Continued)

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the Town

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

Total Pension Liability	\$ 26,015,252
Plan Fiduciary Net Position	<u>21,028,446</u>
Net Pension Liability	<u><u>\$ 4,986,806</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.83%
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Actuarial Assumptions

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

Inflation	2.40%
Salary Increases	3.0%, Average, Including Inflation
Investment Rate of Return	6.9%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on standard tables adjusted for certain Plan features.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

D. Net Pension Liability of the Town (Continued)

Actuarial Assumptions (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 the July 1, 2024 valuation (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	4.75 %
U.S. Large Cap Value	5.00
U.S. Mid-Cap	5.00
U.S. Small Value	5.50
U.S. Micro Cap	6.25
International Large	6.40
International Small	6.90
Emerging Large	8.20
Emerging Small	8.70
U.S. REITS	5.80
International REITS	5.80
Fixed Income (Fixed Rate Contract)	0.60
Cash	2.80

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's 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 COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

D. Net Pension Liability of the Town (Continued)

Discount Rate (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	4.75 %
U.S. Large Cap Value	5.00
U.S. Mid-Cap	5.00
U.S. Small Value	5.50
U.S. Micro Cap	6.25
International Large	6.40
International Small	6.90
Emerging Large	8.20
Emerging Small	8.70
U.S. REITS	5.80
International REITS	5.80
Fixed Income (Fixed Rate Contract)	0.60
Cash	2.80

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 discount rate of 6.90%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	<u>\$ 7,624,806</u>	<u>\$ 4,986,806</u>	<u>\$ 2,785,999</u>

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

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

For the year ended June 30, 2025, the Town recognized pension expense of \$548,687. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 898,294	\$ 270,246
Changes of Assumptions	268,367	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	591,443
Total	<u>\$ 1,166,661</u>	<u>\$ 861,689</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 507,125
2027	11,457
2028	(123,967)
2029	(89,643)
Total	<u>\$ 304,972</u>

F. Funding Policy

The Town's funding policy provides for periodic contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the projected unit credit method. Town employees contribute a percentage of payroll equal to one half of the normal cost, adjusted annually, not to exceed 4%, except for police employees who are required to contribute a rate equal to 7.0% for police of covered payroll. For the year ended June 30, 2025, the Town contributed \$1,069,118 to the Plan.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$4,753,753 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

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

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability		
Associated with the Town		48,228,054
Total	\$	<u>48,228,054</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

For the year ended June 30, 2025, the Town recognized pension expense and revenue of \$5,531,861 in Exhibit II.

E. Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	3.0% to 6.5%, Including Inflation
Investment Rate of Return	6.9%, Net of Pension Plan Investment Expense, Including Inflation

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

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Cost-of-Living Allowance (Continued)

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

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

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

F. Discount Rate

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

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

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

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

Other Postemployment Benefits – Town of Coventry

A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses, under a single employer plan. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. All Town of Coventry employees are eligible to purchase medical insurance. The benefits include individual, two-person, or family coverage under the Blue Cross Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental, and major medical. Employees who choose to participate must pay the full premium cost. Board of Education employees may also purchase life insurance at the full premium cost. Spouses can continue coverage after the retiree's death.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits – Town of Coventry (Continued)

A. Plan Description (Continued)

The Town OPEB plan is administered by the Town. The Town does not issue a separate stand-alone financial statement for this program.

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

Inactive Employees Currently Receiving	
Benefit Payments	13
Active Employees	357
Total	<u>370</u>

B. Funding Policy

The Town funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on four distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

Teachers

- Eligible for Medical, Dental, and Life Coverage if age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Police

- Eligible for Medical and Dental Coverage if age 45 and 20 years for sworn Police, and rule of 85 for nonsworn employees.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

B. Funding Policy (Continued)

Town Employees (Non-Police)

- Eligible for Medical and Dental Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Board of Education (Other Than Teachers)

- Eligible for Dental and Life Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

C. Total OPEB Liability

The Town's total OPEB liability of \$3,451,420 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

D. Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Salary Increases	Graded by service for Teachers and Administrators, 3.00% for all others
Discount Rate	5.20%
Healthcare Cost Trend Rates	6.40% for 2024, decreasing to an ultimate rate of 3.90% in 2072 and beyond 6.20% for 2024, decreasing to an ultimate rate of 3.90% in 2073 and beyond
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees for all except Town Manager, where the Town will pay 75% of the premium

The discount rate was based on the 20-year tax-exempt municipal bond yield.

Mortality rates for Teachers and Administrators were based on Pub-2010 Mortality Table for Employees and Healthy Annuityants with generational projection of future improvements with Scale MP-2021, prior Pub-2010 Mortality Table for Employees and Healthy Annuityants with generational projection of future improvements with Scale MP-2019.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

D. Actuarial Assumptions and Other Inputs

The actuarial assumptions used in the July 1, 2024 valuation were based on the standard tables modified for certain plan features such as eligibility, where applicable and input from the plan sponsor.

E. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance - July 1, 2024	\$ 4,819,570
Changes for the Year:	
Service Cost	159,117
Interest on Total OPEB Liability	193,004
Difference Between Expected and Actual Experience	(1,177,327)
Changes in Assumptions or Other Inputs	(406,373)
Benefit Payments	(136,571)
Net Changes	(1,368,150)
Balance - June 30, 2025	<u>\$ 3,451,420</u>

As of June 30, 2025, the Town increased the discount rate from 3.93% to 5.20%.

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 3,781,207</u>	<u>\$ 3,451,420</u>	<u>\$ 3,158,401</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 3,072,584</u>	<u>\$ 3,451,420</u>	<u>\$ 3,895,347</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

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

For the year ended June 30, 2025, the Town recognized OPEB expense (revenue) of \$(459,852). At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 653,082	\$ 2,881,912
Changes of Assumptions or Other Inputs	237,113	2,804,466
Total	<u>\$ 890,195</u>	<u>\$ 5,686,378</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (811,973)
2027	(788,997)
2028	(756,931)
2029	(606,193)
2030	(606,193)
Thereafter	(1,225,896)
Total	<u>\$ (4,796,183)</u>

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

B. Benefit Provisions

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

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

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

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

Survivor Healthcare Coverage

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

C. Eligibility

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers' Retirement Plan
(Continued)**

C. Eligibility (Continued)

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

D. Contributions

Employer (School Districts) (Continued)

For the year ended June 30, 2025, the amount of “on-behalf” contributions made by the state was \$66,557 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows:

- Active teachers’ pay for one-third of the plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

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

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability	
Associated with the Town	9,893,232
Total	<u>\$ 9,893,232</u>

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

For the year ended June 30, 2025, the Town recognized OPEB expense and revenue of \$137,077 in Exhibit II.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

F. Actuarial Assumptions

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

Inflation	2.50%
Healthcare Costs Trend Rate	Local Coverage - 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare - Medicare rates known for 2025, 4.50% increase for all subsequent years.
Salary Increases	3.00% to 6.50%, Including Inflation
Investment Rate Of Return	3.00%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers' Retirement Plan
(Continued)**

F. Actuarial Assumptions (Continued)

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

G. Discount Rate

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

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

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate and the Discount Rate

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

I. OPEB Plan Fiduciary Net Position

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

J. Other Information

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

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Town purchases commercial insurance for all risks of loss. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

A. Dental Insurance Internal Service Fund

The Town’s dental self-insurance fund is used to account for dental insurance coverage for Town employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2025 and 2024, is presented below:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2023-2024	\$ -	\$ 182,857	\$ 182,857	\$ -
2024-2025	-	210,587	210,587	-

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 RISK MANAGEMENT (CONTINUED)

B. Health Insurance Internal Service Fund

The Coventry Health Insurance Fund (the Fund), which has been recorded as an Internal Service Fund, was established to provide medical and dental health coverage for all eligible Town and Board of Education employees. The Fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) as well as trends in the costs of coverage and costs of administration. The program's general objectives are to provide the members of the health insurance program with lower costs for coverage and to develop a systematic method to control health costs through wellness initiatives.

The Town and Board of Education participate in the Eastern Connecticut Health Insurance Program. This group consists of five entities, the Towns and Boards of Education of Coventry, Tolland, Plainfield and Putnam and also including EASTCONN, a regional educational service center. This partnership is the first in the state of Connecticut and was formed with a goal to reduce costs through collaboration. A third party administers the plan for which the Fund pays a fee. The Fund has purchased individual stop loss coverage of \$175,000 per claim.

The Town's health self-insurance fund is used to account for medical insurance coverage for Town and Board of Education employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2025 and 2024, is presented below.

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2023-2024	\$ 452,786	\$ 5,347,551	\$ 5,404,209	\$ 396,128
2024-2025	396,128	6,646,392	6,534,072	508,448

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 COMMITMENTS AND CONTINGENCIES

The Town is currently a defendant in a number of lawsuits. The outcome and eventual liability to the Town, if any, in these matters is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

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

NOTE 13 SUBSEQUENT EVENTS

The Town issued \$9,141,000 of General Obligation Bond Anticipation Notes, dated August 14, 2025 and due on August 13, 2026, with interest charged at 4.00%, for the Coventry High School HVAC Replacement project.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Property Taxes:				
Current Taxes	\$ 36,223,081	\$ 36,223,081	\$ 35,888,712	\$ (334,369)
Delinquent Taxes	290,000	290,000	550,938	260,938
Interest and Penalties	180,000	180,000	299,045	119,045
Supplemental Motor Vehicles	420,000	420,000	504,950	84,950
Total Property Taxes	37,113,081	37,113,081	37,243,645	130,564
Intergovernmental:				
General Government:				
Disability Exemption	1,900	1,900	2,182	282
Grant in Lieu of Taxes	27,531	27,531	27,531	-
Pequot State Property	13,336	13,336	13,336	-
Veterans Additional Tax Relief	5,900	5,900	6,279	379
Emergency Management Performance Grant	6,225	6,225	-	(6,225)
Telephone Access Grant	16,500	16,500	22,533	6,033
Youth Services Grant	14,000	14,000	-	(14,000)
Municipal Revenue Sharing	10,533	10,533	10,533	-
Municipal Assistance Grant	113,156	113,156	113,156	-
Early Voting	-	-	7,712	7,712
Total General Government	209,081	209,081	203,262	(5,819)
Education:				
Education Cost Sharing Grant	7,952,911	7,952,911	7,895,051	(57,860)
Adult Education	12,361	12,361	11,828	(533)
Total Education	7,965,272	7,965,272	7,906,879	(58,393)
Investment Earnings	110,000	110,000	437,103	327,103
Local Revenues:				
Housing Authority PILOT	43,000	43,000	37,049	(5,951)
Finance:				
Insurance Reimbursement and Claims	25,000	25,000	4,105	(20,895)
Conveyance Tax	175,000	175,000	159,252	(15,748)
Preschool Administration	1,000	1,000	2,673	1,673
Town Clerk:				
Office Receipts	90,000	90,000	77,636	(12,364)
Assessor:				
Copy Charges	250	250	65	(185)

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Local Revenues (Continued):				
Development/Planning:				
Zoning Permits	\$ 11,000	\$ 11,000	\$ 12,650	\$ 1,650
Planning and Zoning	-	-	1,768	1,768
Zoning Board of Appeals	-	-	6,106	6,106
Inland Wetlands	-	-	4,310	4,310
Regulations and Maps	350	350	178	(172)
Permits	100	100	(3,872)	(3,972)
Building Department:				
Building Permits	240,000	240,000	340,976	100,976
Fire Inspection	1,000	1,000	1,120	120
Police Services:				
Warden Receipts	300	300	870	570
Dog License	10,000	10,000	8,826	(1,174)
Fingerprinting	2,000	2,000	2,201	201
Local Parking Fines	300	300	355	55
Permits	7,000	7,000	8,075	1,075
Other	1,000	1,000	280	(720)
Municipal Surcharge	800	800	3,016	2,216
Miscellaneous:				
Miscellaneous Unanticipated	-	-	14,162	14,162
Rents	32,000	32,000	32,510	510
Total Local Revenues	<u>640,100</u>	<u>640,100</u>	<u>714,311</u>	<u>74,211</u>
Total Revenues	46,037,534	46,037,534	46,505,200	467,666
OTHER FINANCING SOURCES				
Transfers In:				
Use of Fund Balance	170,000	295,999	-	(295,999)
Cancellation of Prior Year Encumbrances	-	-	-	-
Sewer Assessment Fund	375,000	375,000	285,000	(90,000)
Police Special Services	7,500	7,500	7,500	-
Total Other Financing Sources	<u>552,500</u>	<u>678,499</u>	<u>292,500</u>	<u>(385,999)</u>
Total Revenues and Other Financing Sources	<u>\$ 46,590,034</u>	<u>\$ 46,716,033</u>	46,797,700	<u>\$ 81,667</u>
Budgetary revenues are different from GAAP revenues because:				
The town budgets certain grants directly against expenditure accounts			211,505	
State OPEB On-Behalf Payments			66,557	
State Pension On-Behalf Payments			<u>4,753,753</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 51,829,515</u>	

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government:				
Town Council	\$ 42,014	\$ 44,767	\$ 44,188	\$ 579
Town Manager	269,075	274,691	274,407	284
Finance Administration	149,930	142,699	126,793	15,906
Accounting	160,200	152,146	157,710	(5,564)
Tax Collector	129,790	135,162	135,167	(5)
Assessor	177,046	164,554	164,141	413
Assessment Appeals	800	272	3,032	(2,760)
Treasurer	28,850	35,825	35,728	97
Information Technology	315,725	342,430	343,512	(1,082)
Planning	182,105	155,091	155,294	(203)
Zoning Board of Appeals	25,240	16,805	16,597	208
Conservation	3,260	2,227	1,919	308
Economic Development	21,040	17,986	17,820	166
Inland Wetlands	120,880	113,630	115,770	(2,140)
Planning and Zoning Commission	700	175	210	(35)
Legal Counsel	80,000	85,200	100,358	(15,158)
Probate Court	9,050	9,978	9,978	-
Recording/Licensing	196,190	194,990	195,569	(579)
Elections	119,215	103,400	91,443	11,957
Town Office Building	100,450	100,450	106,352	(5,902)
Central Services	47,800	56,722	58,579	(1,857)
Total General Government	2,179,360	2,149,200	2,154,567	(5,367)
Public Safety:				
Police Administration	363,465	362,200	361,153	1,047
Police Operations	1,510,550	1,532,719	1,518,123	14,596
Police Supportive Services	385,215	375,127	379,979	(4,852)
Police Marine Patrol	6,800	6,352	5,860	492
Police Station	81,115	79,743	79,832	(89)
Fire Marshal	21,050	23,010	23,136	(126)
Coventry Volunteer Fire Association	36,985	78,842	78,552	290
North Coventry Volunteer Fire Department	39,910	42,924	44,914	(1,990)
N. Coventry Substation	6,080	5,290	5,290	-
Joint Fire Budget	355,240	304,622	364,841	(60,219)
CVFA South Street Substation	15,715	11,342	11,675	(333)
Civil Emergency Preparedness	37,590	31,970	29,059	2,911
Animal Control	85,345	92,099	92,565	(466)
Total Public Safety	2,945,060	2,946,240	2,994,979	(48,739)
Public Works:				
Roads and Drainage	653,106	649,416	669,302	(19,886)
Public Works Building	88,290	100,549	114,659	(14,110)
Snow Removal	267,850	297,417	296,809	608
Facilities Maintenance	479,000	454,879	462,571	(7,692)
Public Works Administration	195,200	188,395	190,074	(1,679)
Fleet Maintenance	576,530	506,886	466,308	40,578
Street Lights	49,950	43,000	46,806	(3,806)
Cemetery Commission	28,355	34,074	34,537	(463)
Tree Warden	74,250	73,906	75,425	(1,519)
Facilities - Other	4,155	4,897	4,829	68
Engineering	133,990	132,008	131,987	21
Building Inspection	158,043	145,100	148,750	(3,650)
Health Department	72,693	72,693	72,693	-
Total Public Works	2,781,412	2,703,220	2,714,750	(11,530)

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Human Services:				
Visiting Nurses	\$ -	\$ -	\$ -	\$ -
Human Services/General Administration	224,361	200,459	151,953	48,506
Elderly Services	140,410	139,884	135,617	4,267
Total Human Services	364,771	340,343	287,570	52,773
Culture and Recreation:				
Booth/Dimock Library	599,300	599,300	599,479	(179)
Parks and Recreation, Supervision	87,870	89,180	89,298	(118)
Memorial Day	3,400	3,400	2,869	531
Total Culture and Recreation	690,570	691,880	691,646	234
Insurance and Sundry:				
Municipal Insurance	404,220	370,319	370,319	-
Pension/Social Security	1,204,300	1,215,305	1,229,196	(13,891)
Health Insurance	1,364,320	1,361,957	1,415,737	(53,780)
Contingency	25,000	25,211	38,453	(13,242)
Claims and Losses	25,000	96,673	101,642	(4,969)
Total Insurance and Sundry	3,022,840	3,069,465	3,155,347	(85,882)
Education	30,599,700	30,599,700	30,457,020	142,680
Capital Outlay	668,748	878,412	878,427	(15)
Debt Service	2,972,506	2,972,506	2,862,128	110,378
Total Budgetary Expenditures	46,224,967	46,350,966	46,196,434	154,532
OTHER FINANCING USES				
Transfers Out:				
Matching Funds	2,500	2,500	2,500	-
Parks and Recreation Fund	63,647	63,647	63,647	-
Ambulance Fund Transfer	298,920	298,920	298,920	-
Total Other Financing Uses	365,067	365,067	365,067	-
Total Expenditures and Other Financing Uses	\$ 46,590,034	\$ 46,716,033	46,561,501	\$ 154,532

Budgetary expenditures are different from GAAP expenditures because:

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(73,670)
Reserve for matching fund expenditures and transfers, net	(2,500)
Sick and severance fund expenditures and transfers, net	52,468
Excess cost grants are netted for budgetary reporting	211,505
The Town budgets for certain transfers as assignments of fund balance in the budget year, and as transfers for GAAP purposes in the subsequent year	-
State OPEB On-Behalf Payments	301,696
State Pension On-Behalf Payments	66,557
	4,753,753

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

\$ 51,871,310

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 635,039	\$ 636,565	\$ 614,567	\$ 605,291	\$ 574,628	\$ 558,327	\$ 588,285	\$ 565,374	\$ 553,015	\$ 509,257
Interest	1,699,920	1,703,426	1,588,607	1,546,108	1,528,934	1,472,095	1,384,667	1,279,723	1,232,383	1,112,799
Differences Between Expected and Actual Experience	493,786	(462,244)	669,956	584,612	83,691	(18,778)	322,672	252,167	(98,117)	453,936
Changes of Assumptions	-	64,726	-	85,354	571,770	203,314	(68,458)	275,569	(45,764)	129,540
Benefit Payments, Including Refunds of Member Contributions	(1,603,189)	(999,149)	(1,547,330)	(2,007,134)	(1,697,017)	(1,257,720)	(813,323)	(1,173,150)	(877,530)	(440,070)
Net Change in Total Pension Liability	1,225,556	943,324	1,325,800	814,231	1,062,006	957,238	1,413,843	1,199,683	763,987	1,765,462
Total Pension Liability - Beginning	24,789,696	23,846,372	22,520,572	21,706,341	20,644,335	19,687,097	18,273,254	17,073,571	16,309,584	14,544,122
Total Pension Liability - Ending	26,015,252	24,789,696	23,846,372	22,520,572	21,706,341	20,644,335	19,687,097	18,273,254	17,073,571	16,309,584
Plan Fiduciary Net Position:										
Contributions - Employer	1,069,118	1,040,759	935,296	892,800	724,037	678,722	631,502	568,278	617,847	565,362
Contributions - Member	336,868	291,828	276,159	276,045	262,001	259,747	261,267	249,086	270,830	245,912
Net Investment Income (Loss)	2,042,983	1,796,104	1,543,709	(1,161,070)	4,836,891	(712,930)	(29,739)	1,008,061	1,712,604	(47,620)
Benefit Payments, Including Refunds of Member Contributions	(1,603,189)	(999,149)	(1,547,330)	(2,007,134)	(1,697,017)	(1,257,720)	(813,323)	(1,173,150)	(877,530)	(440,070)
Administrative Expense	(100,702)	(98,011)	(82,847)	(87,368)	(92,107)	(41,282)	(26,410)	(16,843)	(23,173)	(36,641)
Net Change in Plan Fiduciary Net Position	1,745,078	2,031,531	1,124,987	(2,086,727)	4,033,805	(1,073,463)	23,297	635,432	1,700,578	286,943
Plan Fiduciary Net Position - Beginning	19,283,368	17,251,837	16,126,850	18,213,577	14,179,772	15,253,235	15,229,938	14,594,506	12,893,928	12,606,985
Plan Fiduciary Net Position - Ending	21,028,446	19,283,368	17,251,837	16,126,850	18,213,577	14,179,772	15,253,235	15,229,938	14,594,506	12,893,928
Net Pension Liability - Ending	<u>\$ 4,986,806</u>	<u>\$ 5,506,328</u>	<u>\$ 6,594,535</u>	<u>\$ 6,393,722</u>	<u>\$ 3,492,764</u>	<u>\$ 6,464,563</u>	<u>\$ 4,433,862</u>	<u>\$ 3,043,316</u>	<u>\$ 2,479,065</u>	<u>\$ 3,415,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.83%	77.79%	72.35%	71.61%	83.91%	68.69%	77.48%	83.35%	85.48%	79.06%
Covered Payroll	\$ 7,796,788	\$ 6,915,382	\$ 7,243,714	\$ 7,343,619	\$ 7,296,574	\$ 7,426,436	\$ 6,878,308	\$ 6,819,574	\$ 6,536,271	\$ 6,317,675
Net Pension Liability as a Percentage of Covered Payroll	63.96%	79.62%	91.04%	87.07%	47.87%	87.05%	64.46%	44.63%	37.93%	54.07%

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,069,118	\$ 1,040,759	\$ 935,296	\$ 892,800	\$ 724,037	\$ 678,722	\$ 631,502	\$ 568,278	\$ 617,847	\$ 566,352
Contributions in Relation to the Actuarially Determined Contribution	1,069,118	1,040,759	935,296	892,800	724,037	678,722	631,502	568,278	617,847	566,352
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,796,788	\$ 6,915,382	\$ 7,243,714	\$ 7,343,619	\$ 7,296,574	\$ 7,426,436	\$ 6,878,308	\$ 6,819,574	\$ 6,536,271	\$ 6,317,675
Contributions as a Percentage of Covered Payroll	13.71%	15.05%	12.91%	12.16%	9.92%	9.14%	9.18%	8.33%	9.45%	8.96%

Notes to Schedule:

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

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary - Open
Remaining Amortization Period	15 Years
Asset Valuation Method	Asset Gains and Losses are Recognized Over a Four-year Period at 25% Per Year.
Inflation	2.40%
Salary Increases	3.00%
Investment Rate of Return	6.90%, Prior Pre-Retirement 7.10% Per Year, Post-Retirement 6.90%
Retirement Age	Police Sworn: 45/20 Non-Uniformed Police: Rule of 85 Non-Police Bargaining Unit Employees: 10% at 60, increasing to 100% at 65 Nonbargaining Unit Employees: 62/5
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), Projected to the valuation date with Scale MP-2021

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.76 %	10.32 %	9.53 %	(6.39)%	35.31 %	(4.67)%	(0.19)%	6.81 %	13.15 %	(0.37)%

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT PLAN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	48,228,054	51,835,344	55,070,471	46,168,424	58,292,841	54,264,077	41,840,756	41,168,926	43,433,532	34,183,863
Total	\$ 48,228,054	\$ 51,835,344	\$ 55,070,471	\$ 46,168,424	\$ 58,292,841	\$ 54,264,077	\$ 41,840,756	\$ 41,168,926	\$ 43,433,532	\$ 34,183,863
Town's Covered Payroll	\$ 15,908,795	\$ 15,052,345	\$ 14,621,064	\$ 14,388,599	\$ 13,922,583	\$ 13,445,593	\$ 13,396,480	\$ 13,040,396	\$ 12,962,869	\$ 12,733,792
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

Notes to Schedule:

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	25.9 years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 159,117	\$ 201,346	\$ 256,281	\$ 281,855	\$ 569,867	\$ 353,250	\$ 315,871	\$ 421,300
Interest	193,004	177,308	233,737	161,248	186,042	257,475	346,872	317,034
Differences Between Expected and Actual Experience	(1,177,327)	-	(1,539,187)	-	1,236,192	-	(2,467,530)	-
Changes of Assumptions and Other Inputs	(406,373)	(132,259)	(466,838)	(1,088,649)	(2,473,533)	418,937	343,445	(360,004)
Benefit Payments	(136,571)	(164,987)	(182,964)	(200,288)	(166,900)	(201,345)	(164,264)	(166,825)
Net Change in Total OPEB Liability	(1,368,150)	81,408	(1,698,971)	(845,834)	(648,332)	828,317	(1,625,606)	211,505
Total OPEB Liability - Beginning	4,819,570	4,738,162	6,437,133	7,282,967	7,931,299	7,102,982	8,728,588	8,517,083
Total OPEB Liability - Ending	<u>\$ 3,451,420</u>	<u>\$ 4,819,570</u>	<u>\$ 4,738,162</u>	<u>\$ 6,437,133</u>	<u>\$ 7,282,967</u>	<u>\$ 7,931,299</u>	<u>\$ 7,102,982</u>	<u>\$ 8,728,588</u>
Covered Employee Payroll	\$ 23,134,357	\$ 25,363,848	\$ 25,363,848	\$ 21,073,024	\$ 21,073,024	\$ 21,659,935	\$ 21,659,935	\$ 20,377,472
Total OPEB Liability as a Percentage of Covered-Employee Payroll	14.92%	19.00%	18.68%	30.55%	34.56%	36.62%	32.79%	42.83%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

** There are no assets accumulated in a trust to pay related benefits for the OPEB Plan.

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS' RETIREMENT PLAN
LAST SEVEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	9,893,232	4,856,260	4,822,910	5,029,965	8,694,379	8,462,788	8,364,261	10,596,428
Total	<u>\$ 9,893,232</u>	<u>\$ 4,856,260</u>	<u>\$ 4,822,910</u>	<u>\$ 5,029,965</u>	<u>\$ 8,694,379</u>	<u>\$ 8,462,788</u>	<u>\$ 8,364,261</u>	<u>\$ 10,596,428</u>
Town's Covered Payroll	\$ 15,908,795	\$ 15,052,345	\$ 14,621,064	\$ 14,388,599	\$ 13,922,583	\$ 13,445,593	\$ 13,396,480	\$ 13,040,396
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	2.50%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Changes in Benefit Terms

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

Changes of Assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024;
Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change; and
Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

Actuarial Cost Method

Entry Age

Amortization Method

Level Percent of Payroll Over an Open Period

Remaining Amortization Period

30 Years

Asset Valuation Method

Market Value of Assets

Investment Rate of Return

3.00%, Net of Investment Related Expense, Including Price Inflation

Price Inflation

2.50%

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

APPENDIX B - FORM OF OPINION OF BOND COUNSEL – THE BONDS



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

August __, 2026

Town of Coventry,
Coventry, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Coventry, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated August __, 2026 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$5,050,000 Town of Coventry, Connecticut General Obligation Bonds, Issue of 2026, dated August __, 2026 (the “Bonds”), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
2028	\$270,000		2038	265,000	
2029	270,000		2039	265,000	
2030	270,000		2040	265,000	
2031	265,000		2041	265,000	
2032	265,000		2042	265,000	
2033	265,000		2043	265,000	
2034	265,000		2044	265,000	
2035	265,000		2045	265,000	
2036	265,000		2046	265,000	
2037	265,000				

with principal payable at the principal office of U.S. Bank Trust Company, National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteenth day of July and January in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at the address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

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

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

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the 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 Bonds in order that interest on the Bonds 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 Bonds shall be excluded from gross income for federal income tax purposes under the Code.

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

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the 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 Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

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

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

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

Respectfully,

APPENDIX C - FORM OF OPINION OF BOND COUNSEL – THE NOTES



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

August __, 2026

Town of Coventry,
Coventry, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of Coventry, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated August __, 2026 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$3,020,000 Town of Coventry, Connecticut General Obligation Bond Anticipation Notes, dated August __, 2026 and maturing August __, 2027, consisting of Note R-__ in the aggregate principal amount of \$3,020,000, 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 D – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

CONTINUING DISCLOSURE AGREEMENT

Town of Coventry, Connecticut
\$5,050,000 General Obligation Bonds, Issue of 2026
dated August ___, 2026

August ___, 2026

WHEREAS, the Town of Coventry, Connecticut (the “Town”) has heretofore authorized the issuance of \$5,050,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2026, dated August ___, 2026 (the “Bonds”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated July ___, 2026 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated July 23, 2026 (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 Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds 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 Bonds to meet the requirements of the Rule; and

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

NOW, THEREFORE, the 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:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

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

“Fiscal Year End” shall mean the last day of the Town’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

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

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

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

Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Town per capita;
- (G) the ratios of total direct debt and total overall net debt of the Town to the Town's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Town's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the Town reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule. The Town also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The 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 Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The Town's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The 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 8. 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 Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The 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 11. 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 Bonds. 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 Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the 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 Bonds.

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 COVENTRY, CONNECTICUT

By: _____
Name: James Drumm
Title: Town Manager

By: _____
Name: Cherie Trahan
Title: Town Treasurer

APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

CONTINUING DISCLOSURE AGREEMENT

Town of Coventry, Connecticut
\$3,020,000 General Obligation Bond Anticipation Notes
dated August ___, 2026

August ___, 2026

WHEREAS, the Town of Coventry, Connecticut (the “Town”) has heretofore authorized the issuance of \$3,020,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated August ___, 2026 (the “Notes”), maturing on the dates and in the amounts set forth in the Town’s Official Statement dated July ___, 2026 describing the Notes (the “Official Statement”); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated July 23, 2026 (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;
- (ix) modifications to rights of Noteholders, if material;
- (x) 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 COVENTRY, CONNECTICUT

By: _____
Name: James Drumm
Title: Town Manager

By: _____
Name: Cherie Trahan
Title: Town Treasurer

APPENDIX F – NOTICE OF SALE – THE BONDS

NOTICE OF SALE
\$5,050,000
TOWN OF COVENTRY, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2026
(BANK QUALIFIED)

Electronic bids (as described herein) will be received by the **TOWN OF COVENTRY, CONNECTICUT** (the “Town”), until 12:00 P.M. Noon (E.T.) Thursday,

JULY 30, 2026

(the “Sale Date”) for the purchase of all, but not less than all, of the \$5,050,000 Town of Coventry, Connecticut General Obligation Bonds, Issue of 2026 (the “Bonds”). 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 Bonds

The Bonds will be dated August 13, 2026, mature in the principal amounts of \$270,000 on August 1 in each of the years 2028 to 2030, both inclusive, and \$265,000 on August 1 in each of the years 2031 to 2046, both inclusive, bear interest payable on February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated July 23, 2026 (the “Preliminary Official Statement”).

The Bonds maturing on or before August 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2035 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 1, 2034, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 2034 and thereafter	100%

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 Bonds when due. The Bonds 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 Bonds 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 Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner

of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The 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 Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the 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

Each bid must be for the entire \$5,050,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

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

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 13, 2026, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to August 13, 2026, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The 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 Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut ("Bond Counsel"), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the 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 Bonds 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 Bonds 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 Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. In order to assist the Town, the 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 Bonds. The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

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

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

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

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, the winning bidder will abide by the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

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

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

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

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

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

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

Settlement of the Bonds

The Bonds will be available for delivery on or about August 13, 2026. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the 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.

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

Continuing Disclosure

The 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 (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the 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 Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town.

JAMES DRUMM
Town Manager

CHERIE TRAHAN
Town Treasurer

July 23, 2026

APPENDIX G – NOTICE OF SALE – THE NOTES

NOTICE OF SALE
\$3,020,000
TOWN OF COVENTRY, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BANK QUALIFIED)

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

JULY 30, 2026

(the “Sale Date”) for the purchase of all or a portion of the \$3,020,000 Town of Coventry, 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 August 13, 2026, and will be payable to the registered owner on August 12, 2027, as further described in the Preliminary Official Statement for the Notes dated July 23, 2026 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on the basis of twelve 30-day months and a 360-day year) payable at maturity at the rate or rates per annum set forth in the bid or bids accepted for their purchase, which rates shall be multiples of 1/1000 of one percent (1%) per annum.

The Notes are not subject to redemption prior to maturity.

Nature of Obligation

The full faith and credit of the 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 Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, 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, the winning bidders will abide by the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes.

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 August 13, 2026. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Notes prior to delivery, and the 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 Bill Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town.

JAMES DRUMM
Town Manager

CHERIE TRAHAN
Town Treasurer

July 23, 2026