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PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 3, 2026

NEW ISSUE – Book Entry Only **S&P GLOBAL RATINGS:** (See "Ratings" herein.)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)

TOWN OF LITCHFIELD, CONNECTICUT

$3,890,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026 (the "Bonds")*

(BANK QUALIFIED)

Dated: Date of Delivery **Due: Serially, August 1, as shown herein**

The Bonds will be general obligations of the Town of Litchfield, 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.)

Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2027.

The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of $5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

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

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

The Bonds are being offered for sale in accordance with an official Notice of Sale dated August 3, 2026. Electronic bids *solely* via *PARITY*® for the Bonds will be received until 11:00 A.M. (Eastern Time) on Wednesday, August 12, 2026, as described in the official Notice of Sale. (See Appendix D to this Official Statement.)

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount*	Coupon	Yield	CUSIP (1)	Maturity	Amount*	Coupon	Yield	CUSIP (1)
2027	$ 230,000			536597***	2037	$ 235,000			536597***
2028	230,000			536597***	2038	235,000			536597***
2029	235,000			536597***	2039	235,000			536597***
2030	235,000			536597***	2040	235,000			536597***
2031	235,000			536597***	2041	235,000			536597***
2032	235,000			536597***	2042	75,000			536597***
2033	235,000			536597***	2043	75,000			536597***
2034	235,000			536597***	2044	75,000			536597***
2035	235,000			536597***	2045	75,000			536597***
2036	235,000			536597***	2046	75,000			536597***

The Bonds are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about August 26, 2026.

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

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which are numbers assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. 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 or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Preliminary, subject to change.

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

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. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. The presentation of information in this Official Statement is intended to show recent historic trends and is not intended to indicate future or continuing trends in financial or other positions of the Town. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of the Official Statement.

The information, estimates and expressions of opinion in this Official Statement are subject to change without notice.

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

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A, "Audited Financial Statements" herein), and make no representation that it has independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period. The auditors have not provided their written consent to use their Independent Auditors' Report.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement (other than matters expressly set forth as its opinion in Appendix B "Form of Opinion of Bond Counsel" herein) and makes no representation that it has independently verified the same.

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

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

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

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BOND ISSUE SUMMARY

The information in this Bond Issue Summary and the 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:	Wednesday, August 12, 2026, 11:00 AM (Eastern Time).
Location of Sale:	Electronic bids ***solely*** via ***PARITY***® as described in the official Notice of Sale. (See "Appendix D – Notice of Sale" to this Official Statement).
Issuer:	Town of Litchfield, Connecticut (the "Town").
Issue:	$3,890,000* General Obligation Bonds, Issue of 2026 (the "Bonds".)
Dated Date:	Date of Delivery.
Interest Due:	February 1 and August 1 in each year until maturity, commencing February 1, 2027.
Principal Due:	Serially, August 1, 2027 through 2041, as detailed in this Official Statement.
Purpose and Authority:	The Bonds are being issued to finance certain capital projects undertaken by the Town. (See "Authorization and Purpose of the Bonds" herein).
Redemption:	The Bonds are subject to optional redemption prior to maturity and mandatory redemption if the winning bidder structures the amortization with term bonds. (See "Redemption Provisions" herein.)
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)
Credit Rating:	The Bonds have been rated "AA+" by S&P Global Ratings ("S&P"). The bond rating on the Town's outstanding bonds is currently "AA+" by S&P. (See "Ratings" herein.)
Tax Exemption:	See "Tax Matters" herein.
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 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 C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. See "Form of Opinion of Bond Counsel" attached as Appendix B to this Official Statement.
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 26, 2026 against payment in immediately available **Federal Funds.**
Issuer Official:	Questions concerning the Town and this Official Statement should be directed to Amaechi E. Obi, Director of Finance, Town of Litchfield, Connecticut - Telephone (860) 567-7554.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

* Preliminary, subject to change.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided only in connection with the initial offering and sale of $3,890,000* General Obligation Bonds, Issue of 2026 (the "Bonds") to present certain financial and supplementary economic and demographic data relevant to the Town of Litchfield, Connecticut (the "Town"), and may not be reproduced or used in whole or in part for any other purpose.

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

The presentation of information 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 is 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 in Appendix B) and they make no representation that they have independently verified the same.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be payable February 1 and August 1 in each year until maturity, commencing February 1, 2027. 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 at the rates per annum specified by the successful bidder as set forth on the cover page, as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day. 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 The Depository Trust Company ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying Bank, Registrar, Transfer and Paying Agent will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC of Hartford, Connecticut, as set forth in Appendix B. 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, and described herein. **The Bonds are subject to redemption prior to maturity as described herein. (See "Redemption Provisions" herein.)**

REDEMPTION PROVISIONS

Optional Redemption

The Bonds maturing on or before August 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2033 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 1, 2032, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

Redemption Dates	Redemption Price
August 1, 2032 and thereafter	100%

Mandatory Sinking Fund Redemption*

Investors are advised to refer to the Notice of Sale for the mandatory sinking fund redemption provisions of the Bonds should the winning bidder structure the principal amortization of the Bonds as term bonds pursuant to the term bond option described in the Notice of Sale. (See "Appendix D – Notice of Sale" to this Official Statement.)

* Preliminary, subject to change.

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 at least thirty days but not more than sixty days prior to the date fixed for redemption to the registered owner of the 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. 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 such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some 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 being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

AUTHORIZATION AND USE OF PROCEEDS OF THE BONDS

Authorization: The Bonds are being issued pursuant to Title 7 of the Connecticut General Statutes, as amended, and certain bond resolutions adopted by the voters at a Town Meeting held on May 14, 2026.

Use of Proceeds: Proceeds of the Bonds will be used to finance the following capital projects.

Projects	Total Bond Authorization	Amount of Notes Outstanding	Additions (Reductions)	The Bonds *(This Issue)* (1)	
2026-27 Capital Improvement Program.....................	$ 4,501,858	$ -	$ 2,390,000	$ 2,390,000	*
Litchfield Volunteer Ambulance Building Project...	1,500,000	-	1,500,000	1,500,000	*
Total..............................	$ 6,001,858	$ -	$ 3,890,000	$ 3,890,000	*

(1) Expected use, however, the Town may spend proceeds on other capital projects to meet its capital cash flow needs.

RATINGS

The Bonds have been rated "AA+" by S&P Global Ratings ("S&P"). The rating on the Town's outstanding general obligation bonds has been recently affirmed as "AA+" by S&P. Such ratings reflect only the views of such rating agency and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041-003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town may furnish certain information and materials to the rating agencies, some of which may not have been included in this official statement. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Town's bonds and notes, including the Bonds.

* Preliminary, subject to change.

SECURITY AND REMEDIES

The Bonds 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 when due.

Unless paid from other sources, the Bonds are payable from the general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses.

Payment of the Bonds 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. 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 or property to secure the Bonds 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 or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds or notes of the Town 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 by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied 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 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

The Town has never defaulted on the payment of principal or interest on its bonds or notes.

BOOK-ENTRY TRANSFER SYSTEM

The Depository Trust Company ("DTC"), will act as securities depository for the Bonds. The Bonds 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 will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

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DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its 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 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 under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds 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, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 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 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 at any time by giving reasonable notice to the Town or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

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

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

REPLACEMENT BONDS

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

DTC PRACTICES

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

TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

PUBLIC HEALTH CONSIDERATIONS

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

While COVID-19 continues to circulate and cause infections, vaccination rates have increased, and the number of cases and hospitalizations have decreased since the peak of the pandemic. To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the Town and its financial and operational performance.

The Town received $1.824 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the "COVID-19 Aid"). The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the Town would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

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 endpoint protection package from Cowbell to mitigate the risks associated with cyber security threats. The Town stores its digital data in the cloud as well as introducing an enhanced daily SPAM filter. In addition, the Town is implementing multi-factor authentication for users, conducted an Election Infrastructure Cyber Resiliency Report from Connecticut Military Department in March 2023 and continues to offer Cyber Security training to all employees.

CLIMATE CHANGE

Scientific studies have forecasted changing global weather patterns that may increase extreme weather events across the world. Like many towns in Connecticut, Litchfield is vulnerable to inland wetland, small river and stream flooding. In addition, 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 although the Town has dedicated significant resources over the last four years for a tree management program to mitigate the negative effects of dead trees falling into our roadways and power lines. Most recently, Litchfield has been recognized as a Climate Leader by Sustainable CT. The Town has been acknowledged for their continued work and attention towards transitioning the Town to be less reliant on fossil fuels and for exploring new ways to be environmentally cognizant of the challenges they face ahead.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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 for purposes of calculating the deduction by financial institutions for interest expense allocable to the Bonds.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain material events within 10 days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required 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. (See Appendix C "Form of Continuing Disclosure Agreement").

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

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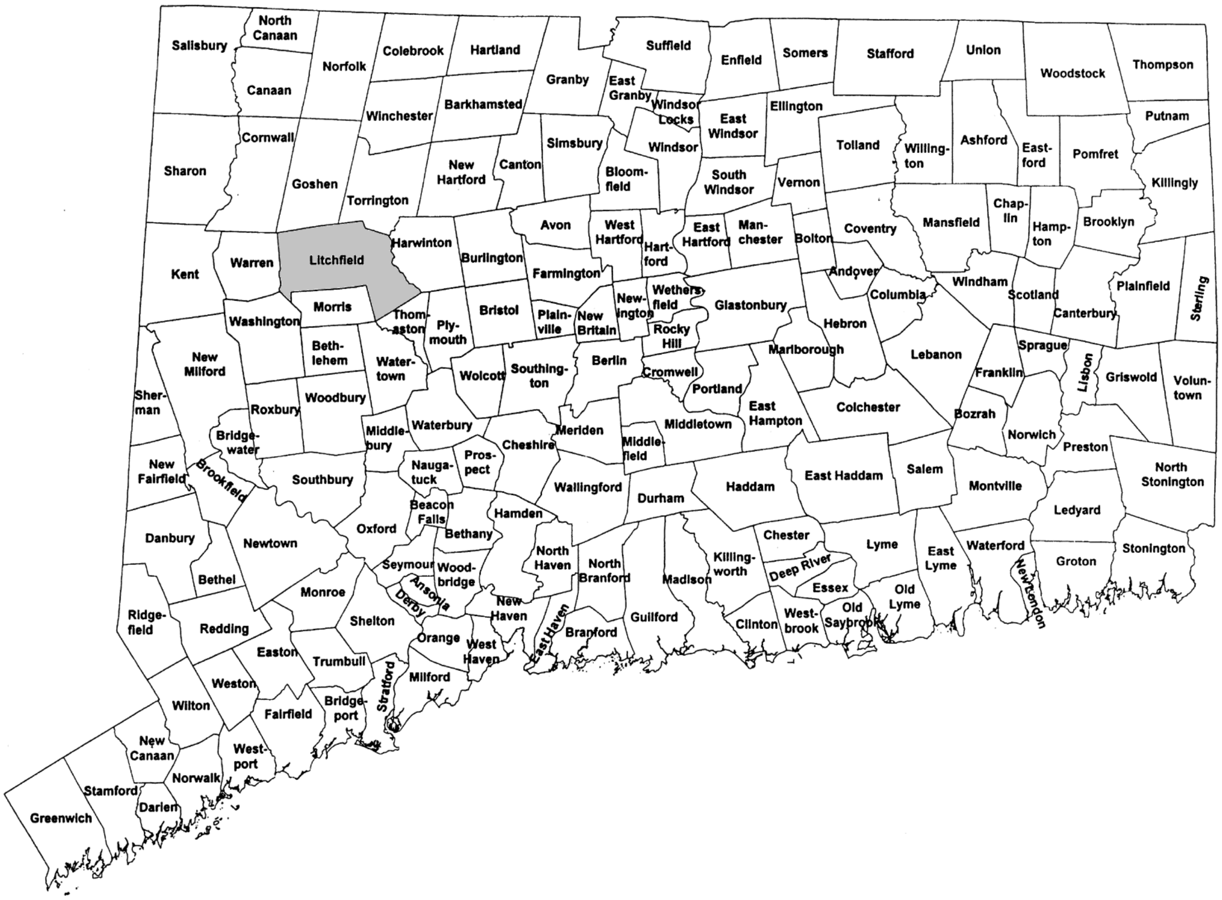

DESCRIPTION OF THE TOWN

The Town of Litchfield (the "Town" or "Litchfield") was incorporated in 1719 by an act of the Colonial Assembly of Connecticut on the lands bought in 1716 from Tunxis Indians. Litchfield is located in Litchfield County, approximately thirty-three miles west of Hartford and sixteen miles north of Waterbury. Litchfield covers a 57.3 square mile area and is bordered by the Towns of Goshen, Torrington, Harwinton, Thomaston, Morris, Washington and Warren. Within the town, there are two boroughs; the Borough of Litchfield and the Borough of Bantam. Litchfield also includes the areas of Milton, East Litchfield and Northfield. To the east of Litchfield is Connecticut Route 8, which provides north-south interstate connections from Bridgeport to the Massachusetts border. Connecticut Routes 63, 118, 202 and 254 also serve the Town. Rail service is available connecting with Waterbury and the south, while coach and motor freight companies serve the Town's residents and business.

The Town is a mix of residential, commercial and industrial companies. We enjoy a reputation as a destination for our vibrant restaurant scene, local Litchfield Distillery and Award-Winning Arethusa Cheese and Ice Cream. We have recently attracted the attention of a 31-room bed and breakfast and are awaiting the transformation of our 200 year Courthouse into a 20 room boutique hotel in the center of Town. The Town offers exceptional historic, cultural and recreational opportunities.

The Town's educational system consists of one elementary school for Pre K through 3rd grade, one intermediate school for 4th through 6th grades and one middle/high school for 7th through 12th grades. The Town, as well as each of the Member Towns of Regional School District No. 6 (the Towns of Warren, Morris and Goshen) approved at referendum on June 28, 2022 to merge and to create a new Regional School District No. 20. The new Regional School District No. 20 commenced operating in September 2024. Regional School District No. 20 also expanded its Agricultural Programs with the acquisition and management responsibilities of the Arethusa Farm. This property provides 120 acres for students and staff to have hands on experience in animal and plant husbandry. The merger will also provide advanced opportunities for the Town's students, academically, in sports, the arts, music and theater and create significant cost savings for all 4 towns. Litchfield is a community predominantly composed of owner-occupied, single-family dwellings. Single-family dwellings comprise over 80% of all housing units in the Town. During the 2024 U. S. Census, the Town population is about 8,260 people.

FORM OF GOVERNMENT

The Town is governed by a five-person Board of Selectmen with the First Selectman serving as the full-time Chief Executive. The Town Meeting is the legislative body. The Board of Education, Board of Finance, Board of Assessment Appeals and Planning and Zoning are elective boards, while members of all other boards and commissions are appointed by the Board of Selectmen. The Board of Finance is the budget making authority and sets the mill rate after the budget has been adopted by the Town Meeting.

The Boroughs of Litchfield and Bantam lie entirely within the Town of Litchfield as independent units of government. Created by the Connecticut Legislature in 1915 and granted Special Charters, they exercise certain municipal powers within their respective jurisdictions including taxing and financing powers. Governed by a biennially elected Warden and Council of Burgesses, the Boroughs are responsible for sidewalk, fire hydrants, grounds maintenance and streetlights as well as other services. Bantam has largely relinquished these responsibilities and regulations of its inland wetlands to the Town, but it does continue to enact its own zoning regulations.

In 1959, a special act of the Connecticut General Assembly established the Litchfield Historic District as the first in the State of Connecticut to be registered on the U. S. National Register of Historic Places. The entire district includes more than 475 buildings constructed primarily during the 18th and 19th century.

MUNICIPAL OFFICIALS

Name	Position	Term	Length of Service
Denise Raap	First Selectman	2 Years -- Elected	6.5 years
Jodiann Tenney	Selectman	2 Years -- Elected	6.5 years
Daniel Morosani	Selectman	2 Years -- Elected	3.0 years
John P. Bongiorno	Selectman	2 Years -- Elected	3.0 years
Jeffrey J. Zullo	Selectman	2 Years -- Elected	15.0 years
Erich Marriott	Town Treasurer	2 Years -- Elected	1.0 years
Lisa A. Losee	Town Clerk	4 Years -- Elected	17.0 years
Helen Bunnell	Tax Collector	Appointed	7.0 years
Amaechi E. Obi	Director of Finance	Appointed	11.5 years

SUMMARY OF MUNICIPAL SERVICES

Police. The Town is serviced by two Connecticut State Police, Troop L officers, located in Litchfield. Safety Officers are hired on an as-needed basis for various circumstances and events.

Fire/Ambulance. Fire protection is provided by four volunteer fire companies and two volunteer ambulance companies. Litchfield also provides ambulance service to Morris. In this mutual agreement, Morris pays a portion of the costs associated with this operation. One of the fire companies also provides ambulance services while another fire company also provides first responders services. A six-member Board of Fire and Emergency Medical Services Commission, appointed by the Board of Selectmen, serves as a supervisory and coordinating body. The combined membership of the four fire companies and two ambulance services equals approximately 180 members. The Town has two utility vehicles, four tankers, seven pumpers, one ladder truck, two pickup trucks, three rescue vehicles and five ambulances.

For more than 75 years, the Litchfield Volunteer Ambulance Association (LVA) has been a vital part of our community, providing lifesaving emergency medical services to the residents of Litchfield, Northfield, and Morris, while also offering mutual aid to neighboring communities throughout the region. Each year, LVA responds to approximately 1,500 emergency calls, a number that continues to grow as our population ages and the demand for advanced emergency medical care increases. Despite the dedication and professionalism of its volunteers and staff, the organization has outgrown its nearly century-old headquarters, which no longer provides the space, functionality, or resources needed to support modern emergency medical operations.

The construction of a new Litchfield Volunteer Ambulance facility represents a critical investment in the health and safety of our community. The new headquarters will provide adequate space for emergency vehicles, training, equipment storage, and volunteer accommodations, ensuring that EMTs and paramedics can respond quickly and efficiently when every second counts. Beyond improving emergency response capabilities, the new facility will help recruit and retain the next generation of emergency medical providers while strengthening the long-term sustainability of volunteer EMS in our region. As Litchfield continues to grow and the need for emergency medical services increases, this new facility will ensure that residents and visitors alike receive the high-quality, timely care they deserve for decades to come. Recent federal investment in the project underscores its importance as essential public safety infrastructure for the community.

Affordable Housing. To foster development of housing for families with incomes below 80% of median, the Town, the Litchfield Housing Trust and the Litchfield Housing Authority work very closely. The Housing Trust began operations 25 years ago and has sponsored 47 single family homes and apartments scattered throughout Litchfield. In the process of developing housing, the Housing Trust carries out housing related goals of the Town's Plan of Conservation and Development. LitchfieldPOCD-Presentation (municipal-documents.s3.amazonaws.com)

Typically owned by younger families, the housing developed by the Housing Trust provides residences for locally employed workers, families wishing to live in Litchfield, and giving priority points to volunteers in the Town's emergency services. All property developed by the Housing Trust is assessed property tax. The Town has donated unused Town owned property to the Housing Trust, generating opportunities for additional housing and placing the property on the tax rolls.

The Housing Trust's most recent development is Gargarin Place which is providing 8 energy efficient, geothermal heating and cooling single family homes. Litchfield Housing Trust, Inc.

Although the Town cooperates closely with the Housing Trust, no Town budget funds are spent on the Housing Trust's activity. The Housing Trust generates its funds through private contributions, fees paid by homeowners plus State and Federal Grants. The local banking community has been especially active in providing mortgage financing for the individual homeowners. The Town received a $1,000,000 Small Cities Grant in 2023 for the upgrades needed at the Bantam Falls property. In September 2022, the Town completed its Affordable Housing Plan that was submitted to the State.

Microsoft Word - Litchfield Housing Affordability Plan adopted.docx (municipal-documents.s3.amazonaws.com)

By affording housing opportunities for families who could not afford to locate to Litchfield or who otherwise would have to relocate, the Housing Trust offers additional stability to the community.

Public Health Nursing. Public Health Nursing programs in Litchfield are provided by VNA Northwest, Inc., Litchfield Health and Wellness, Homecare Northwest, Inc. and the Visiting Nurse Services of Connecticut, Inc. Skilled nursing, physical therapy, occupational therapy, speech therapy, home health aides and homemaking services are available. Additionally, the VNA of Litchfield provides funding for home healthcare for Litchfield residents in times of need. Additionally, the VNA of Litchfield provides funding for home healthcare for Litchfield residents in times of need. The VNA Hospice Program for the terminally ill and their families is easily accessible. Several private nursing organizations within the Town also offer services. The community is served by an assisted living facility named Brandywine Assisted Living at Litchfield (Sarah Pierce Community), and an independent/assisted living facility called Fernwood.

Senior Citizens. The Litchfield Housing Authority presently oversees both the Wells Run Housing Project comprised of 30 housing units, and Bantam Falls which has 36 units. Wells Run was built in 1975 with a grant provided by the Connecticut Department of Housing. Rent is based on income and is adjusted to allow for the resident-paid cost of electricity. Bantam Falls was funded in conjunction with the State of Connecticut Department of Housing and a Small Cities Grant. Rent is based on income and electricity is included in the payment. Privately owned senior housing facilities are located in Litchfield and Bantam Boroughs income and electricity is included in the payment. Privately owned senior housing facilities are located in Litchfield and Bantam Boroughs and in the Northfield Village area.

The Town, through its Social Services Department, schedules rural transit bus services to the elderly and disabled. The bus service is supported by some municipal funding, local grants, Western Connecticut Area Agency on Aging, the Federal Transit Administration and a ConnDOT Elderly and Disabled Transportation Grant. The Town has been providing bus service since 1998 to serve seniors and disabled with its fourteen passenger mini-bus. The bus serves as a supplemental link for special events and healthcare. The Town provides transportation from Litchfield to Torrington, where residents may connect with other Torrington routes at the Municipal Parking Lot behind the Torrington Public Library on Daycoeten Place.

An elderly nutrition program offers seniors sixty years of age or older nutritionally sound meals at a specified town location. A "Meals on Wheels" program for those unable to prepare their meals is also available. Weekly elderly blood pressure screenings are provided at the VNA Northwest, Inc. office in Bantam. The Litchfield Hills Chore Service helps elderly residents with household chores and errands. The Town employs a full-time Social Services Coordinator to respond to both senior and other public needs, manage and coordinate the Town's local Food Pantry and schedule the routes and drivers of the Municipal Bus for seniors and disabled residents.

Libraries. The Oliver Wolcott Library (the "Library") is the principal public library for the Town. In the fiscal year ending June 30, 2022, the Library ranked as the #1 public library in the State of Connecticut for adult circulation per capita. Print books continue to represent the largest segment of circulation with more than 80,000 books circulating last fiscal year. Currently, the physical collection, including books, audio books, DVDs and music CDs, consists of more than 94,500 items. We also have a growing collection of downloadable audio books, e-books, and other digital such as digital magazines and language learning.

Attendance at library events has increased significantly, even surpassing pre-pandemic attendance. Regular events include our Writers Camp; Readers initiative that connects readers with celebrated authors, theatrical events, lectures and discussion series on historical and current celebrated authors, theatrical events, lectures and discussion series on historical and current topics. Children's programming includes storytimes, after-school programs, and our summer reading programs. The Library has led the way in helping to address the reading crisis by partnering with the public schools and area preschools to provide a science and play-based approach to learning to read. The Library also offers many self-directed learning opportunities for adults, teens, and children through "take and make", reading challenges, and writing contests.

Recently, the Library initiated a number of programs specifically designed for seniors in our community. These programs help to promote healthy aging and provide visibility to older members in our community including our popular YouTube video series featuring seniors in our community over 75. To help bridge the digital divide and promote basic technology literacy, the Library offers "Book-a-Librarian": one-on-one instruction with a librarian on technology issues. The Library also provides public access computers and Wi-Fi access throughout the building and property. The Library is committed to being a leader in energy efficiency. In addition to the Town's aggressive recycle program, over the last ten years, the Library has continued to look for ways to reduce its electrical and oil usage including insulating the Colonial House portion of the library, upgrading to energy efficient lighting, and the exploration of solar power. To stay up to date on Library materials, services and events, the Library provides various e-newsletter options as well as being active on Instagram, Facebook, and YouTube. The Library's website also provides a wealth of information and can be accessed at www.owlibrary.org.

Recreation. The Parks and Recreation Department offers a variety of programs for the entire community, ranging from pre-school activities, exercise programs, arts and crafts, to programs for seniors. A multitude of day camps offer individual and team sports skill building and participation throughout the summer, including youth Baseball, Swim Lessons, Soccer, Basketball, Field hockey, Tennis, and most recently Pickleball! These camps provide training from beginner to advanced levels in each sport. There are year-round activities that cater to diverse age groups and abilities of the community. We sponsor and organize four running races each year, some that attract thousands of people from outside of Litchfield. Other activities include: eccentrics, bag pipe lessons, easter egg hunts, a St. Patrick's day scavenger hunt, gymnastics; mixed-martial arts; introduction to dance; hip-hop classes; country line dancing class; karate; American Red Cross babysitting classes; acting; and, filmmaking classes. A weekly series of cross-country races are held on Thursday evenings throughout the summer at White Memorial, along with two "Nights of Miles" and a "Race for Relays" held at the Plumb Hill track. The Department also oversees the ski club and is closely involved with Little League Baseball commonly known as Tri-Town; the Litchfield Soccer Club; The Litchfield Hills Rowing Club, the Litchfield Track Club, and the Litchfield Lacrosse Club. Boys and girls have competitive basketball leagues in the winter months and the 3rd and 4th graders have basketball workshops at the Forman School. We host weekly "Lunch and Learns" for our senior citizens and provide bus service for everyday errands and doctor's appointments. There is also a free Summer Concert Series on Wednesday nights on the Green and a block party for the Litchfield Hills Road Race. The Recreation Department oversees a large community field that has a track, two Little League baseball fields, one outdoor basketball court, a pavilion and small playground. On Bantam Lake, the Recreation Department oversees the Town Beach with a boat launch, picnic tables and docks. (The Town recently allocated $100,000 of ARPA funds to improve conditions at the Town Beach.) Ice skaters enjoy unsupervised use of the outdoor rink behind Town Hall, weather permitting, which is also under the umbrella of the Recreation Department.

Sanitary Sewers. Litchfield's first sanitary sewers date back to the 1880s. The existing sanitary sewer system is comprised of more than 26 miles of collection systems. The majority of the Litchfield sewerage is treated at its wastewater treatment plant located in the southwestern portion of town adjacent to the Bantam River. Utilizing inter municipal agreements, portions of Litchfield's flows discharge to treatment plants in Torrington and Thomaston and Litchfield accepts flows from the West Shore of Bantam Lake in Morris. Litchfield's treatment plant was constructed in 1971 and was upgraded between 2002 and 2004. Litchfield's treatment plant current design flow is 0.940 MGD ("million gallons per day") with a peak hourly flow of 2.13 MGD. Total flow for 2021-2022 was 216,000,000 gallons or 0.592 MGD which represents 74% of capacity. The sanitary sewer operating expenses for 2021-2022 were $1,139,029, including $199,016 in debt service payments and $63,149 in transfers to WPCA Capital Reserve Fund for future plant improvements. The treatment facility has 4 full-time employees. This fiscal year the Town and the WPCA signed a contract for an engineering study with Woodard & Curran to assist with the design and implementation of upgrades at our sewer plant.

Public Works. The Department of Public Works has the responsibility of providing maintenance, repair and construction services for the efficient management of public properties and physical resources. The Department presently has seventeen personnel in operations and three in administrative and engineering areas. The municipal infrastructure managed by the Department includes 127 miles of roadway, 21 bridges, 24 major culverts, 21 miles of storm drainage, half mile of sidewalks, 6 buildings, a municipal parking lot, 30 acres of parks (including Litchfield Community Field and Northfield Community Field), property and recreational facilities, and construction equipment and Town vehicles.

Solid Waste. The Town signed a five-year agreement with USA Hauling and Recycling commencing July 1, 2022 until June 30, 2027 at $111/ton with the opportunity to offset tipping fees with recycling revenue. The Litchfield SMART Task Force is committed to educating the residents about food waste diversion and increasing recycling efforts, especially with the Town's commercial businesses and schools. In January 2023, the Town passed an ordinance moving the commercial, nonprofits, schools and institutions will be responsible for paying their own tipping fee. The anticipated saving for the Litchfield taxpayers is almost $350,000. In 2021, the Town received a permit from DEEP to have on-site composting at the Town's Recycling Center. Realizing that almost 30% of the waste stream is food scraps, if this food waste could be removed, it will create significant savings to the taxpayers. The Town is one of the few municipalities that has an on-site composting program, which serves as a model for peer communities.

All solid waste and recyclables are picked up and processed by USA Hauling and/or their affiliates. All municipalities, including the Town, pledge their full faith and credit for the payments of all Service Payments and any delayed-payment charges and costs and expenses of the Authority and its representatives in collecting overdue Service Payments. Each municipality agrees that its obligation to make any such Service Payments and other such payments, in the amounts and at the time specified in the Service Contract, whether to the Authority or the trustee, shall be absolute and unconditional, shall not be subject to any setoff, counterclaim, recoupment, defense (other than payment itself) or other right which the municipality may have against the Authority, the trustee of the Authority's Bonds or any other person for any reason whatsoever, shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of or damage to or loss or destruction of, the System or any part thereof and so long as the Authority shall accept solid waste delivered by the municipality pursuant to the Service Contract, shall not be affected by any interruption or cessation in the possession, uses or operation of the System or any part thereof by the Authority or the operator of the System or any reason whatever.

To the extent that a municipality does not make provisions or appropriations necessary to provide for and authorize the payment by such municipality to the Authority of the payments required to be made by it under the Service Contract, the remaining municipalities, including the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due thereunder. In the event of any disputes as to any portion of any bill, the disputing municipality will nevertheless pay the full amount of the disputed charges when due and will within 30 days from the date of the disputed bill, give written notice of the dispute to the Authority. The dispute will then be resolved under the dispute resolution provisions of the Service Contract.

Water. Aquarion Water Company of Connecticut ("Aquarion") provides water for public water supply and fire protection to approximately 2,300 people primarily in Litchfield, and also some in Torrington and Goshen. In Litchfield, Aquarion serves a limited area predominately located within the Town's historic/business district and along Route 202 westerly to the Borough of Bantam. Aquarion is the largest investor-owned water utility in New England and the seventh largest in the country. The Company is regulated by the State of Connecticut Departments of Public Health, Environmental Protection, and Public Utilities Control. Aquarion has a formal program for identifying and prioritizing investments to improve product and service quality in its water systems, including Litchfield. Aquarion has the Litchfield's Water Supply Plan on file. Most of the Town's homes are supplied by private wells. Fire ponds are strategically located to enhance fire protection services and are maintained by the Fire Marshall.

Utilities. The Town is serviced by Frontier Communications as a telephone service. The delivery of electricity for the Town and Board of Education is through Eversource. Beginning in fiscal year 2011, the Town participated in a Connecticut Conference of Municipalities bidding process to lower its electrical supply cost. The Town renewed its agreement in March 2023. As a result, the Town purchases its electrical supply from Direct Energy. The Litchfield school system purchases its electrical supply from Eversource. The Town and Board of Education have installed three solar locations: on the roof of Center School, as a Solar Carport at the Litchfield Intermediate School and ground mounted Solar Panels at the Litchfield High School. The yearly lease revenue is $62,000 per year for 30 years. The Town recently approved a solar project at the WPCA site with anticipated savings of $50,000 per year.

EDUCATIONAL SYSTEM

The Towns of Warren, Morris, Goshen and Litchfield (the "Member Towns") comprise Regional School District No. 20 (the "District") which serves grades Pre-Kindergarten through twelve.

The District was organized on June 28, 2022, under the provisions of Part III of Chapter 164 of the Connecticut General Statutes, as approved by the voters of Warren, Morris, Goshen and the Town. The District is governed by a twelve-member Board of Education (the "Board"), three from Warren, three from Morris, three from Goshen and three from the Town. The Board is responsible for determining curriculum, setting policy, preparing the annual District budget and all personnel matters within its jurisdiction. The District's operating and debt service expenses are paid by the Member Towns in proportion to the number of pupils attending school from each Member Town. The Town is liable for 56.12% of the District's operating budget for fiscal year 2026-27. Payments are made by the Town to the District 6 times per year, every other month.

EDUCATIONAL FACILITIES

School	Grades	Occupied	Renovation	Classrooms	Enrollment 10/01/25	Capacity
Warren Elementary School........	K - 5	1965	1999	7	52	175
James Morris School..................	PreK - 5	1932	1999	13	114	325
Goshen Center School................	PreK - 5	1967	1999	13	124	325
Litchfield Center School.............	PreK - 5	1925	1945, 1965, 1988	22	227	300
Litchfield Intermediate School...	4 - 5	1967	2007	18	141	200
Region 20 Middle School...........	6 - 8	1956	1963, 1976 & 2007	31	332	500
Region 20 High School..............	9 - 12	1954	1999	29	592	725
Transition....................................	12+				11	
Total..				133	1,593	2,550

Source: Director of Business Operations for the Schools.

EDUCATIONAL ENROLLMENT HISTORY AND PROJECTIONS

School Year	PreK	K - 5	6 - 8	9 - 12	12+	Total
Actual (1)						
2024-25	69	603	351	583	6	1,612
2025-26	63	595	332	592	11	1,593
Projected (2)						
2026-27	56	582	329	575	6	1,548
2027-28	63	593	338	530	7	1,531
2028-29	63	593	319	514	7	1,496

(1) As of October 1.

(2) Projections based on Cohort Survival Method.

Source: Director of Business Operations for the Schools.

MUNICIPAL EMPLOYMENT

Fiscal Year	2027	2026	2025	2024	2023	2022	2021
General Government......	118	124	122	122	119	105	103

Source: Town Officials.

MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

Employees	Organization	Employees Covered	Current Contract Expiration Date
	General Government		
Public Works..............	Council; 4, AFSCME..	18	6/30/2027
Department Heads......	Town of Litchfield Supervisors Association..........................	6	6/30/2027
Clerical.........................	Town of Litchfield Municipal Employees Assoc...................	9	6/30/2027
Police............................	Council: 4 Local 1303-485...	2	6/30/2027
	Non-Bargaining Employees...	83	
	Total	118	

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 municipality may reject an 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 of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

ECONOMIC DEVELOPMENT

The Town of Litchfield has an established municipal commission (the "EDC") dedicated to enhancing economic well-being and responsible growth for the Town. The EDC runs the VisitLitchfieldCT marketing campaign, Litchfield Restaurant Week, and oversees the VisitLitchfieldCT brochure which is updated frequently. The EDC works closely with the First Selectman to coordinate the Regional Comprehensive Economic Development Strategy with the Northwest Council of Govts which includes local businesses, housing, support for the arts, and workforce development.

The Litchfield Area Business Association also is a very active group that holds monthly meetings and promotes collaboration between all types of businesses.

Over the last few years, Litchfield has enjoyed a revitalization renaissance where they witnessed the transformation of the 250-year-old Courthouse into the new boutique hotel, the Abner, with rooftop dining and cocktails. The old Rose Haven nursing facility located close to the center of Town is now the Belden House & Mews hotel, which has captured the attention of significant publications. This property includes a Wellness Center, an outdoor swimming pool and most recently the owners have purchased the old 1871 Firehouse with plans to renovate that property for expanded event space and a small restaurant. In addition, the Tollgate Inn which is in the outskirts of Town has been transformed into the Lost Fox Inn which is a popular venue for small weddings with 10 renovated guest rooms.

Local attractions include Litchfield Hills Farmers Market and the Bantam Farmers Market that support our local farmers and local artisans. A new Bantam Arts Factory has been established and on June 29, 2025 unveiled its first public mural painted by Danielle Mailer with the help of hundreds of volunteers.

Conde Nast Traveler spotlight: "Best Places to Go in the U.S. in 2025" – features Litchfield's visitor highlights and boutique hotels.

POPULATION TRENDS

Year	Town of Litchfield	Litchfield County	Northwest Hills Planning Region	State of Connecticut
1990	8,391	174,092	n/a	3,287,116
2000	8,316	182,193	n/a	3,405,565
2010	8,466	189,927	n/a	3,574,097
2020	8,192	185,186	n/a	3,605,944
2024	8,260	n/a	113,216	3,624,508

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

AGE CHARACTERISTICS OF THE POPULATION

	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
Age	Number	Percent	Number	Percent	Number	Percent
Under 5...........	310	3.8	4,774	4.2	181,691	5.0
5 - 9.................	383	4.6	5,278	4.7	195,164	5.4
10 - 14.............	444	5.4	5,969	5.3	214,972	5.9
15 - 19.............	253	3.1	6,426	5.7	239,710	6.6
20 - 24.............	424	5.1	5,649	5.0	238,387	6.6
25 - 34.............	875	10.6	12,673	11.2	454,892	12.6
35 - 44.............	835	10.1	13,448	11.9	460,916	12.7
45 - 54.............	1,006	12.2	14,287	12.6	453,917	12.5
55 - 59.............	658	8.0	8,824	7.8	256,068	7.1
60 - 64.............	815	9.9	9,773	8.6	258,234	7.1
65 - 74.............	1,225	14.8	15,289	13.5	386,232	10.7
75 - 84.............	756	9.2	7,556	6.7	196,373	5.4
85 and over....	276	3.3	3,270	2.9	87,952	2.4
Total	8,260	100.0	113,216	100.0	3,624,508	100.0

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

INCOME DISTRIBUTION

	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than $10,000	15	0.7	696	2.3	24,004	2.6
$ 10,000 to 14,999	21	0.9	322	1.0	12,584	1.4
$ 15,000 to 24,999	25	1.1	812	2.6	27,285	3.0
$ 25,000 to 34,999	62	2.7	903	2.9	33,429	3.6
$ 35,000 to 49,999	204	9.0	1,867	6.1	59,826	6.5
$ 50,000 to 74,999	213	9.4	3,953	12.9	106,611	11.6
$ 75,000 to 99,999	315	13.9	4,482	14.6	106,893	11.6
$100,000 to 149,999	607	26.8	7,124	23.2	182,785	19.8
$150,000 to 199,999	224	9.9	3,705	12.0	131,310	14.3
$200,000 or more	583	25.7	6,887	22.4	236,661	25.7
Total	2,269	100.0	30,751	100.0	921,388	100.0

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

SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2024)	(2000)	(2024)
Town of Litchfield.............................	$ 70,594	$ 126,953	$ 30,096	$ 60,398
Northwest Hills Planning Region....	n/a	112,234	n/a	56,236
Connecticut..	65,521	122,706	28,766	55,915
United States.....................................	49,600	99,999	21,690	44,673

Source: U.S. Census Bureau, Census 2000 and 2020-2024 American Community Survey.

EDUCATIONAL ATTAINMENT

(Years of School Completed, Age 25 & Over)

	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
Educational Attainment Group	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade....................................	73	1.1	2,112	2.5	101,458	4.0
9th to 12th grade...	206	3.2	2,853	3.4	114,887	4.5
High School graduate................................	1,575	24.4	23,898	28.1	647,192	25.3
Some college - no degree...........................	1,014	15.7	15,093	17.7	410,903	16.1
Associates degree......................................	693	10.8	7,655	9.0	195,081	7.6
Bachelor's degree..	1,706	26.5	19,064	22.4	595,631	23.3
Graduate or professional degree...............	1,179	18.3	14,445	17.0	489,432	19.2
Total..	6,446	100.0	85,120	100.0	2,554,584	100.0
Percent High School Graduate or Higher.		95.7%		94.2%		91.5%
Percent Bachelor's Degree or Higher........		44.8%		39.4%		42.5%

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

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employees
EdAdvance (Formerly Education Connection)....................	State Government, Education Services.................	500 - 1000
Connecticut Junior Republic..	Special Needs Education, including Residential....	300 - 500
Regional School District No. 20...	Education...	150 - 200
Town of Litchfield..	Local Government..	100 - 200
Forman School...	Education...	50 - 200
ArethUSA...	Restaurant and Ice Cream Shop..............................	50 - 200
Stop & Shop...	Grocery Chain...	50 - 100
State Police & State Department of Transportation............	State Employees..	60 - 80
Brandywine Assisted Living (Sarah Pierce Community)....	Assisted Living...	30 - 50

Source: Director of Finance's Office, Town of Litchfield

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EMPLOYMENT BY INDUSTRY

Employment Sector	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries	12	0.3	892	1.5	7,132	0.4
Construction	429	10.3	5,577	9.5	113,006	6.1
Manufacturing	440	10.6	6,101	10.4	198,526	10.7
Wholesale trade	66	1.6	1,032	1.8	35,592	1.9
Retail trade	319	7.7	5,343	9.1	192,698	10.4
Transportation & warehousing, utilities	160	3.8	2,274	3.9	87,076	4.7
Information	65	1.6	1,290	2.2	37,488	2.0
Finance, insurance, real estate	394	9.5	4,532	7.8	161,226	8.7
Professional, scientific, management	469	11.3	6,914	11.8	228,229	12.3
Educational, health and social services	1,068	25.7	15,516	26.5	496,559	26.8
Arts, entertainment, recreation, food	360	8.7	4,545	7.8	143,851	7.8
Other professional services	218	5.2	2,537	4.3	80,617	4.4
Public Administration	161	3.9	1,895	3.2	67,864	3.7
Total	4,161	100.0	58,448	100.0	1,849,864	100.0

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

UNEMPLOYMENT RATE STATISTICS

Yearly Average	Town of Litchfield %	Torrington Labor Market %	State of Connecticut %	United States %
2016	3.8	4.6	4.8	4.9
2017	3.8	4.3	4.4	4.4
2018	3.0	3.8	3.9	3.9
2019	2.9	3.4	3.5	3.7
2020	5.5	6.8	7.8	8.1
2021	4.8	5.7	6.3	5.4
2022	3.4	3.9	4.2	3.7
2023	2.9	3.4	3.8	3.6
2024	2.5	3.2	3.5	4.0
2025 (1)	3.2	3.8	3.9	4.3
2026 Monthly				
January	4.8	5.6	5.5	4.6
February	5.3	6.0	5.8	4.7
March	4.8	5.5	5.1	4.3
April	4.5	4.8	5.2	4.0
May	4.0	4.5	5.0	4.1
June	4.0	4.3	4.9	4.4

(1) Due to the Federal Government shut down, the annual figure does not include the October employment figures.

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

NUMBER OF DWELLING UNITS

2024	2020	2010	2000	1990	% Increase 1990-2024	% Increase 2000-2024	% Increase 2010-2024	% Increase 2020-2024
4,230	3,966	3,975	3,629	3,430	23.3%	16.6%	6.4%	6.7%

Source: U.S. Census Bureau and 2020-2024 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS
(Owner Occupied)

	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
Sales Price Category	Number	Percent	Number	Percent	Number	Percent
Less than $50,000	59	2.1	807	2.2	23,262	2.4
$ 50,000 to $ 99,999	9	0.3	578	1.6	14,209	1.5
$ 100,000 to $149,999	18	0.6	2,372	6.5	31,134	3.3
$ 150,000 to $199,999	193	6.7	3,887	10.6	65,851	6.9
$ 200,000 to $299,999	565	19.6	8,088	22.2	205,349	21.5
$ 300,000 to $499,999	1,132	39.3	11,563	31.7	350,277	36.8
$ 500,000 to $999,999	685	23.8	6,766	18.5	197,853	20.8
$1,000,000 and over	216	7.5	2,442	6.7	65,054	6.8
Total	2,877	100.0	36,503	100.0	952,989	100.0
Median Value.......................	$ 391,900		$ 335,600		$ 366,900	

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

AGE DISTRIBUTION OF HOUSING

	Town of Litchfield		Northwest Hills Planning Region		State of Connecticut	
Year Built	Units	Percent	Units	Percent	Units	Percent
2020 or later...............	55	1.3	462	0.8	10,811	0.7
2010 - 2019................	51	1.2	1,306	2.3	69,596	4.5
2000 - 2009................	271	6.4	4,902	8.8	109,783	7.1
1990 - 1999................	303	7.2	4,333	7.8	115,803	7.5
1980 - 1989................	615	14.5	7,934	14.2	199,083	12.9
1970 - 1979................	526	12.4	7,469	13.4	210,797	13.7
1960 - 1969................	406	9.6	4,769	8.6	199,847	13.0
1950 - 1959................	614	14.5	6,276	11.3	217,807	14.1
1940 - 1949................	213	5.0	3,282	5.9	96,711	6.3
1939 or earlier...........	1,176	27.8	15,019	26.9	311,584	20.2
Total..........................	4,230	100.0	55,752	100.0	1,541,822	100.0

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

NUMBER AND VALUE OF BUILDING PERMITS

	Residential		Industrial/Commercial	Total	
Fiscal Year Ending 6/30	New Homes Number	Renovations/Additions Number	Number	Number	Value
2026	12	312	20	344	$ 16,238,018
2025	6	321	23	350	17,375,056
2024	13	349	37	399	28,851,660
2023	3	369	31	403	19,451,581
2022	22	332	35	389	19,709,182
2021	40	378	51	469	28,603,670
2020	9	270	52	331	12,857,389
2019	8	248	50	306	9,237,626
2018	10	253	55	318	11,808,305
2017	5	261	67	333	19,704,191

Source: Town of Litchfield, Building Official.

BREAKDOWN OF LAND USE

Land Use Type	Total Acreage By Use	Percent
Predominantly undeveloped land	26,250	71.58
Low to Medium Density Residential (1/2 – 2 acres per dwelling unit)	2,240	6.11
High Density (less than 1/2 acre per dwelling unit)	50	0.14
Commercial Centers	167	0.45
Industrial Centers	0	0.00
Mixed use and other developed areas	232	0.63
Institutional	139	0.38
Water Bodies	505	1.38
Protected Open Space	6,851	18.68
Other	238	0.65
Total Area	36,672	100.00

Source: Town of Litchfield, Connecticut Wastewater Facilities Plan dated February 13, 1998.

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ASSESSMENT PRACTICES

The Town last revalued its real property effective October 1, 2023. Section 12-62 of the Connecticut General Statutes establishes the revaluation cycle for Connecticut municipalities. The law requires a revaluation every five years, and the Assessor shall perform a full inspection of all parcels once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Every year the Board of Assessment Appeals ("BAA") determines whether each taxpayer petition for assessment reduction on the current grand list is warranted. BAA also has the authority to increase assessments.

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

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

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

PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1, respectively, become delinquent.

According to the provisions of Sections 12-146 of the Connecticut General Statutes, delinquent property taxes are subject to an interest rate of 1.5% per month (18% per annum).

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. 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. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town’s mill rate for motor vehicles for fiscal year ending June 30, 2027 is 20.50 mills.

PROPERTY TAX LEVIES AND COLLECTIONS

FY Ending 6/30	Net Taxable Grand List (1)	Tax Rate (In Mills)	Total Adjusted Tax Levy	Collected End of Each FY	Uncollected Taxes End of Each FY	Uncollected Taxes As of 6/30/25
2027 (1)	$ 1,562,734,287	20.50	$ 31,511,781	In Process	In Process	In Process
2026 (1)	1,558,377,055	20.00	30,642,994	In Process	In Process	In Process (2)
2025 (2)	1,550,023,523	18.50	28,870,920	98.8%	$ 356,691	$ 356,691
2024	1,120,371,194	26.70	30,061,033	99.0	291,543	158,595
2023	1,104,098,508	26.80	29,747,580	98.8	364,251	44,992
2022	1,063,593,130	27.60	29,766,844	97.9	629,130	5,374
2021	1,056,909,813	27.70	29,461,628	98.9	323,914	(21,530)
2020 (2)	1,049,204,603	28.20	29,721,294	98.7	400,134	(5,957)
2019	1,046,959,259	27.70	29,135,586	98.7	378,830	(1,675)
2018	1,040,712,083	27.60	28,936,650	99.0	278,044	(6,880)

(1) Adopted Budget.

(2) Years of revaluation.

Source: Town Officials.

TAXABLE GRAND LIST (1)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/25	$ 1,394,940,535	$ 77,733,287	$ 106,715,440	$ 1,579,389,262	$ 16,654,975	$ 1,562,734,287
10/01/24	1,391,373,875	72,702,357	101,404,610	1,565,480,842	7,103,787	1,558,377,055
10/01/23	1,382,653,408	65,739,128	110,298,486	1,558,691,022	8,667,499	1,550,023,523
10/01/22	953,103,688	58,830,386	114,700,240	1,126,634,314	6,263,120	1,120,371,194
10/01/21	942,881,068	54,536,932	110,409,628	1,107,827,628	3,729,120	1,104,098,508
10/01/20	932,754,718	53,249,325	82,406,300	1,068,410,343	4,817,213	1,063,593,130
10/01/19	929,475,160	53,239,035	77,158,050	1,059,872,245	2,962,432	1,056,909,813
10/01/18	930,528,925	45,287,860	76,820,239	1,052,637,024	3,432,421	1,049,204,603
10/01/17	936,009,587	38,716,523	76,038,539	1,050,764,649	3,805,390	1,046,959,259
10/01/16	931,177,091	37,609,801	73,957,401	1,042,744,293	2,032,210	1,040,712,083

(1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. The Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/1/23).

Source: Town Officials

LARGEST TAXPAYERS

Name of Taxpayer	Nature of Operations	Total Assessment As of 10/1/25	Rank	Percent of Total
Eversource	Power Company	$ 31,773,550	1	2.03
Silicon Ranch Corporation	Renewable Energy	10,474,950	2	0.67
City of Waterbury	Watershed	8,828,330	3	0.56
CRP/BWN LLC (Sarah Pierce)	Health Care Facility	8,392,846	4	0.54
Belden House Holdings LP	Hospitality	6,007,440	5	0.38
6645 Federal Square Realty LLC	Real Estate	5,477,857	6	0.35
White Memorial Foundation	Leased Land for Cottages	4,246,680	7	0.27
Aquarion Water Co	Water Supply	4,019,920	8	0.26
Lex-Litchfield LLC	Real Estate	4,012,248	9	0.26
CPI Litchfield LLC	Real Estate	3,871,460	10	0.25
Total		$ 87,105,281		5.57

Source: Tax Assessor.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2024	$ 2,553,566,863	15.32%
2023 (1)	2,214,427,020	-6.25%
2022	2,362,021,529	11.83%
2021	2,112,090,442	12.90%
2020	1,870,699,251	19.71%
2019	1,562,726,123	4.13%
2018 (1)	1,500,782,011	4.17%
2017	1,440,658,955	-5.67%
2016	1,527,189,335	7.39%
2015	1,422,154,129	-3.06%

(1) Years of revaluation. In the year of revaluation, the methodology utilized by the State of Connecticut to estimate the Equalized Net Grand List does include developing a ratio of actual property sale values to their individual assessed values as it does in non-revaluation years.

Source: Town of Litchfield, Assessor's Office.

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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 Financial Statements (Appendix A).

BASIS OF ACCOUNTING

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

ANNUAL AUDIT

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of King, King & Associates P.C. of Winsted, Connecticut, is the auditor, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, which receives a copy of said audit report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2025, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements, the Notes to Financial Statements and the Required Supplementary Information, together with the report of the independent auditor as prepared by King, King & Associates P.C., Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Director of Finance, Town of Litchfield, upon request.

BUDGETARY PROCEDURES

The Town adheres to the following procedures in establishing the annual budget. In May, the Board of Finance submits to the annual Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Per the Connecticut General Statutes, the Annual Town Meeting may be adjourned to a referendum vote within 14 days of the Town Meeting Date.

On or About	Action
First week in February	The Board of Selectmen holds a series of public workshops on each departmental budget.
March	The Board of Finance receives the Selectmen's recommended operating and capital budget and Board of Education budget.
Early April	Board of Finance conducts public hearing on budget.
Early May	Town Meeting votes on budget or it is adjourned to referendum.

Generally, all unencumbered appropriations lapse at year end except those for the capital projects funds. Encumbered appropriations are carried forward. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

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

MUNICIPAL BUDGET EXPENDITURE CAP

Connecticut General Statutes Section 4-66*l*, as amended, creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including, but not limited to, debt service, special education, implementation of court orders or arbitration awards, expenditures associated with a major disaster or emergency declaration by the President of the United States, a disaster emergency declaration issued by the Governor pursuant to C.G.S. Chapter 517, budgeting for an audited deficit, nonrecurring grants, and capital expenditures or payments on unfunded pension liabilities) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

SUPPLEMENTAL APPROPRIATIONS

The Town annually budgets a contingency fund against unexpected supplementary appropriations. The Board of Selectmen may recommend contingency fund transfers of up to $20,000 to the Board of Finance without a Town Meeting. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of $20,000 per department per year. Transfers and additional appropriations aggregating more than $20,000 for any one department per year must be approved by the Town Meeting.

EMPLOYEE PENSION SYSTEMS

The Town has a defined benefit retirement plan (the "Town Plan") that covers substantially all employees of the Town and Board of Education hired before July 1, 2012, except certified staff of the Board of Education covered by the State Teachers' Retirement Board Plan. The Town is the administrator of this single-employer public employee retirement system ("PERS") established and administered to provide pension benefits for its employees. The Town Plan provides retirement, disability and death benefits to plan members and beneficiaries.

Employees are eligible to participate in the Town Plan when they complete one year of eligible service, have completed 1,000 hours during the first 12 months of employment and have attained the age of 18. For employees who do not complete 1,000 hours of service during the first 12 months of employment, eligibility begins on the first day of the plan year during which 1,000 hours were completed. Employees are 100% vested after five (5) years of credited service. Effective July 1, 2015, all employees eligible for the defined benefit pension plan will begin to contribute 1% of their salary.

Employees hired on or after July 1, 2012 will no longer be eligible to participate in the defined benefit pension plan and will be eligible to participate in the defined contribution plan for which the Town will contribute a sum equal to 3% of the employee's bi-weekly wages to a 401A account commencing the first payroll after the employee's one year anniversary.

The Town has a non-contributory defined benefit retirement plan (the "Merit Service Plan") that covers all volunteer fireman who belong to the volunteer fire departments and, as of July 1, 1992, the members of the volunteer ambulance corps. Volunteer fireman and ambulance corps members are eligible to participate in the plan on July 1 following the date on which one year of eligible service has been completed.

The eligible faculty and professional personnel of the Board of Education ("BOE") participate in a multiple employer cost sharing contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes. The BOE plan is administered by the Connecticut State Teachers' Retirement Board. Effective July 1, 2024 the Town transferred responsibility for the governance, administration and operation of public education services to Regional School District No. 20. The State of Connecticut contributes based on actuarially determined amounts.

The Town's audit report dated June 30, 2025 summarizes actuarial information based upon the July 1, 2024 actuarial valuation, funding, pension cost and net pension asset amounts for the Town Plan and the Merit Service Plan. The Audit Report also provides information on eligibility and additional information on the BOE plan. (See Appendix A, Note 9 "Pension Plans", of the "Notes to Financial Statements").

In accordance with Government Accounting Standards Board's ("GASB") Statement No. 67, the components of the net pension liability of the Town plans as of June 30 were as follows:

	Town Plan				
	2025	2024	2023	2022	2021
Total pension liability......................	$ 19,644,581	$ 19,812,905	$ 20,124,542	$ 19,892,222	$ 19,360,202
Plan fiduciary net position.............	20,808,575	19,283,423	17,556,360	16,414,539	19,119,297
Net pension liability.........................	$ (1,163,994)	$ 529,482	$ 2,568,182	$ 3,477,683	$ 240,905
Plan fiduciary net position as a % of total pension liability.............	105.9%	97.3%	87.2%	82.5%	98.8%

	Merit Service Plan				
	2025	2024	2023	2022	2021
Total pension liability......................	$ 5,658,143	$ 5,582,556	$ 5,456,035	$ 5,050,740	$ 4,912,035
Plan fiduciary net position.............	5,653,250	5,153,879	4,633,319	4,322,011	5,038,525
Net pension liability.........................	$ 4,893	$ 428,677	$ 822,716	$ 728,729	$ (126,490)
Plan fiduciary net position as a % of total pension liability.............	99.9%	92.3%	84.9%	85.6%	102.6%

The following represents the net pension liability of the Town, calculated using the current discount rate of each plan, 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:

	Town Plan		
	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	$ 663,393	$ (1,163,994)	$ (2,735,197)

	Merit Service Plan		
	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	$ 720,982	$ 4,893	$ (584,197)

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Based upon July 1, 2024 actuarial valuation, the actuarial value of assets and actuarial liabilities for the Town Plan and Merit Service Plan were as follows:

Schedule of Funding Progress in Thousands
(Town Plan)

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)
2016	$ 12,002,600	$ 15,614,934	$ 3,612,334	76.9%
2018	14,223,198	17,651,590	3,428,392	80.6
2020	15,696,537	18,874,498	3,177,961	83.2
2022	16,414,539	19,824,655	3,410,116	82.8
2024	19,283,470	19,643,279	359,809	98.2

(Merit Service Plan)

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)
2016	$ 3,368,953	$ 3,972,584	$ 603,631	84.8%
2018	3,851,737	4,455,182	603,445	86.5
2020	4,138,486	4,763,908	625,422	86.9
2022	4,322,011	5,322,048	1,000,037	81.2
2024	5,153,879	5,522,375	368,496	93.3

The following table represents a prospective forecast of the Town Plan's Actuarial Determined Employer Contribution ("ADEC") based on the July 1, 2024 valuation and assumes (i) that the Town will pay the ADEC each year; and (ii) the method for amortizing the unfunded liability is an open amortization period of 20 years to closed amortization period, with a minimum period of 15 years. As of July 1, 2024 there are 15 years remaining. Also, the expected rate of return is 6.25%.

Schedule of Employer Contributions
(Town Plan)

Fiscal Year	Actuarial Determined Employer Contribution	Actual Contribution	Percentage Contributed
2023	$ 528,358	$ 528,358	100.0
2024	508,217	508,217	100.0
2025	514,350	514,350	100.0
2026	103,409	103,409	100.0
2027 (1)	105,751	105,751	100.0

(1) As budgeted for fiscal year 2026-27.

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The following table represents a prospective forecast of the Town Plan's Actuarial Determined Employer Contribution ("ADEC") based on the July 1, 2024 actuarial valuation and assumes (i) that the Town will pay the ADEC each year; and (ii) the method for amortizing the unfunded liability is an open amortization period of 15 years. Also, the expected rate of return is 6.25%.

Schedule of Employer Contributions
(Merit Service Plan)

Fiscal Year	Actuarial Determined Employer Contribution	Actual Contribution	Percentage Contributed
2023	$ 127,954	$ 127,954	100.0
2024	168,828	168,828	100.0
2025	168,828	168,828	100.0
2026	112,045	112,045	100.0
2027 (1)	112,045	112,045	100.0

(1) As budgeted for fiscal year 2026-27.

For further details on the plans, see Appendix A, Note 9 "Pension Plans" of the "Notes to Financial Statements".

OTHER POST-EMPLOYMENT BENEFITS

The Town administers an other post-employment benefits program ("OPEB") which is a single-employer defined benefits plan. The OPEB plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are established by the Town and General Statutes of the State of Connecticut. Effective July 1, 2024, only members who were retired on that date are eligible. Active employees became part of the new Regional School District No. 20 and are no longer eligible for retiree medical benefits through the Town. The OPEB plan is considered to be part of the Town's financial reporting entity.

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. The components of the net OPEB liability of the Town and Board of Education as of June 30 were as follows:

	2025	2024	2023	2022	2021
Total OPEB liability..........................	$ 450,881	$ 278,986	$ 1,129,950	$ 1,468,848	$ 1,405,426
Plan fiduciary net position.............	2,434,918	2,174,001	1,905,558	1,724,574	1,963,110
Net OPEB liability............................	$ (1,984,037)	$ (1,895,015)	$ (775,608)	$ (255,726)	$ (557,684)
Plan fiduciary net position as a % of total OPEB liability..................	540.0%	779.3%	168.6%	117.4%	139.7%

The following represents the net OPEB liability of the Town and Board of Education, 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 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability.........	$ (1,931,644)	$ (1,984,037)	$ (2,028,306)

Based upon July 1, 2024 actuarial valuation, the actuarial value of assets and actuarial liabilities were as follows:

Actuarial Valuation July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)
2014	$ 886,171	$ 2,570,923	$ 1,684,752	34.5%
2016	1,023,827	2,299,857	1,276,030	44.5%
2020	1,572,024	1,356,601	(215,423)	115.9%
2022	1,724,574	1,066,825	(657,749)	161.7%
2024	2,174,001	450,797	(1,723,204)	482.3%

The following table represents a prospective forecast of the OPEB Actuarial Determined Employer Contribution ("ADEC") based on the July 1, 2024 actuarial valuation and assumes that the Town will pay the ADEC each year. The expected rate of return is 6.25%.

Schedule of Employer Contributions

Fiscal Year	Actuarial Determined Employer Contribution	Actual Contribution	Percentage Contributed
2023	$ 22,463	$ 14,737	65.6
2024	-	10,852	N/A
2025	-	-	N/A
2026	-	-	N/A
2027	-	-	N/A

For further details on the plans, see Appendix A, Note 10 "Other Post-Employment Benefits" of the "Notes to Financial Statements".

INVESTMENT POLICIES AND PROCEDURES

The Town's investment practices have been to invest only in the following investments: (1) certificates of deposit; (2) overnight repurchase agreements collateralized by U.S. government agency obligations which are priced daily; and (3) the State of Connecticut Short-Term Investment Fund ("STIF"). Additional information on the Town's investment policies and investments related to the Pension Trust Funds are available upon request to the Director of Finance. (See Appendix A, Note 3, "Cash, Cash Equivalents and Investments" of the "Notes to Financial Statements").

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues		Property Tax Revenues	Property Tax As a % of General Fund Revenues
2027 (Adopted Budget)	$ 35,698,248	(1)	$ 31,511,781	88.3
2026 (Estimated Actuals)	34,645,933	(1)	31,293,425	90.3
2025	32,143,306	(2)	28,995,793	90.2
2024	37,840,125		30,226,901	79.9
2023	36,806,114		29,836,343	81.1
2022	34,441,747		29,893,336	86.8
2021	37,872,262		29,657,637	78.3
2020	34,914,564		29,828,194	85.4
2019	34,665,181		29,189,846	84.2
2018	35,297,817		29,353,144	83.2

(1) Adopted budget for fiscal year 2026-27 and unaudited estimates for fiscal year 2025-26.

(2) Effective July 1, 2024 the Town transferred responsibility for the governance, administration and operation of public education services to Regional School District No. 20 and no longer includes on-behalf payments for state teachers' retirement.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues		Intergovernmental Revenues		Intergovernmental Revenues as a % of General Fund Revenues
2027 (Adopted Budget)	$ 35,698,248	(1)	$ 2,137,244	(1)	6.0
2026 (Estimated Actuals)	34,645,933	(1)	1,604,122	(1)	4.6
2025	32,143,306	(2)	1,445,730	(2)	4.5
2024	37,840,125		5,386,536		14.2
2023	36,806,114		5,308,554		14.4
2022	34,441,747		3,425,369		9.9
2021	37,872,262		7,259,540		19.2
2020	34,914,564		4,219,168		12.1
2019	34,665,181		4,570,667		13.2
2018	35,297,817		5,034,065		14.3

(1) Adopted budget for fiscal year 2026-27 and unaudited estimates for fiscal year 2025-26.

(2) Effective July 1, 2024 the Town transferred responsibility for the governance, administration and operation of public education services to Regional School District No. 20 and no longer includes on-behalf payments for state teachers' retirement.

EXPENDITURES (1,2)

Fiscal Year	Board of Education %	Public Works %	General Government %	Other %	Public Safety %
2027 (Adopted Budget)	65.4	10.5	6.5	4.9	4.3
2026 (Estimated Actuals)	65.6	10.4	5.7	4.6	3.6
2025	64.5	10.8	6.1	5.2	3.7
2024	67.5	8.7	5.0	4.2	2.9
2023	65.4	9.6	5.1	3.7	2.9
2022	63.9	9.5	5.1	3.5	2.9
2021	67.7	9.0	5.0	2.5	3.2
2020	64.2	8.9	4.5	5.0	3.0
2019	65.4	8.6	4.2	6.0	2.9
2018	66.2	9.4	3.8	5.4	2.7

(1) Adopted budget for fiscal year 2026-27 and unaudited estimates for fiscal year 2025-26.

(2) Effective July 1, 2024 the Town transferred responsibility for the governance, administration and operation of public education services to Regional School District No. 20 and no longer includes on-behalf payments for state teachers' retirement.

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

	Fiscal Year 2024-25			Fiscal Year 2025-26	Fiscal Year 2026-27
Revenues	**Final Budget**	**Actual Operations**	**Favorable (Unfavorable)**	**Unaudited Estimated**	**Adopted Budget**
Property taxes	$ 28,716,002	$ 28,995,793	$ 279,791	$ 31,293,425	$ 31,511,781
Intergovernmental	1,424,032	1,445,730	21,698	1,604,122	2,137,244
Licenses, permits and fees	807,798	758,421	(49,377)	710,527	682,000
Income from investments	400,000	822,253	422,253	606,256	500,000
Other revenues	98,423	121,109	22,686	431,604	867,223
Total Revenues	31,446,255	32,143,306	697,051	34,645,933	35,698,248
Expenditures					
Current:					
General government	1,826,355	1,938,583	(112,228)	1,895,575	2,308,105
Public safety	1,309,566	1,115,611	193,955	1,193,379	1,532,001
Public works	3,389,831	3,404,282	(14,451)	3,482,343	3,735,960
Health and welfare	58,188	62,056	(3,868)	46,402	50,527
Cultural and recreation	681,512	683,928	(2,416)	104,511	136,439
Libraries			-	460,500	482,850
Board of education	20,041,980	20,041,980	-	21,926,338	23,298,645
Other	1,897,559	1,641,443	256,116	1,538,621	1,728,513
Debt service	2,225,264	2,225,264	-	2,756,194	2,330,264
Total Expenditures	31,430,255	31,113,147	317,108	33,403,864	35,603,304
Excess (deficiency) of revenues over (under) expenditures	16,000	1,030,159	1,014,159	1,242,069	94,944
Other Financing Sources (Uses)					
Encumbrance credits	-	38,106	38,106	-	-
Operating transfers in	-	-	-	28,000	28,000
Operating transfers out	(720,965)	(720,965)	-	(16,000)	(122,944)
Appropriation of fund balance	704,965	-	(704,965)	-	-
Total Other Financing Sources (Uses)	(16,000)	(682,859)	(666,859)	12,000	(94,944)
Net change in fund balances	$ -	$ 347,300	$ 347,300	$ 1,254,069	$ -

Source: Audited financial statements; Fiscal year 2025-26 unaudited estimates and 2026-27 adopted budget.

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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	$ 18,279,743	$ 19,306,226	$ 20,138,101	$ 10,321,965	$ 15,222,692
Investments	-	-	-	7,368,715	-
Restricted cash	-	-	-	-	110,842
Receivables, net	685,655	560,219	597,613	835,656	1,934,120
Other assets	14,550	23,833	-	-	-
Due from other funds	-	45,345	-	1,019	1,019
Inventories	-	-	6,469	59,043	25,113
Total Assets	$ 18,979,948	$ 19,935,623	$ 20,742,183	$ 18,586,398	$ 17,293,786
Liabilities					
Accounts payable and accrued liabilities	$ 1,397,517	$ 1,103,766	$ 1,133,521	$ 1,142,592	$ 794,585
Performance bonds	-	-	-	-	110,842
Due to other funds	9,081,045	9,766,509	11,004,327	9,779,415	6,888,527
Unearned revenue	283,832	288,542	-	-	-
Total Liabilities	10,762,394	11,158,817	12,137,848	10,922,007	7,793,954
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	499,715	423,893	427,071	493,945	544,606
Advanced property tax collections	58,345	70,686	70,192	7,836	-
Lease Related	-	-	-	-	1,031,920
Total Deferred Inflows of Resources	558,060	494,579	497,263	501,781	1,576,526
Fund Balances (Deficits)					
Nonspendable	14,550	23,833	6,469	59,043	37,226
Restricted			-	222,724	80,580
Committed	254,161	780,004	540,965	332,828	-
Assigned	66,712	-	-	105,786	165,477
Unassigned	7,324,071	7,478,390	7,559,638	6,442,229	7,640,023
Total Fund Balances	7,659,494	8,282,227	8,107,072	7,162,610	7,923,306
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 18,979,948	$ 19,935,623	$ 20,742,183	$ 18,586,398	$ 17,293,786

Source: Annual audited financial statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25
Nonspendable	$ 14,550	$ 23,833	$ 6,469	$ 59,043	$ 37,226
Restricted	$ -	$ -		222,724	80,580
Committed	254,161	780,004	540,965	332,828	-
Assigned	66,712	-	-	105,786	165,477
Unassigned	7,324,071	7,478,390	7,559,638	6,442,229	7,640,023
Total Fund Balance	**$ 7,659,494**	**$ 8,282,227**	**$ 8,107,072**	**$ 7,162,610**	**$ 7,923,306**
Unassigned Fund Balance as % of Total Expenditures & Transfers	19.32%	21.89%	20.39%	16.51%	23.88%

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 and assessments....	$ 29,657,637	$ 29,893,336	$ 29,836,343	$ 30,226,901	$ 28,995,793
Intergovernmental............................	7,259,540	3,425,369	5,308,554	5,386,536	1,445,730 (1)
Charges for services.........................	902,446	967,876	773,500	1,041,612	758,421
Income from investments................	37,487	63,965	709,565	1,112,687	822,253
Other revenues..................................	15,152	91,201	178,152	72,389	121,109
Total Revenues.....................................	37,872,262	34,441,747	36,806,114	37,840,125	32,143,306
Expenditures					
Current:					
General government.....................	1,827,761	1,679,008	1,798,504	1,818,959	1,891,211
Public safety.................................	1,170,423	967,628	998,851	1,069,507	1,162,804
Public works.................................	3,277,261	3,132,780	3,341,231	3,148,046	3,354,249
Health and welfare........................	41,707	46,513	54,559	1,902	61,547
Culture and recreation..................	672,319	644,988	571,058	612,552	682,659
Education.......................................	24,674,832	21,007,127	22,877,696	24,486,459	20,041,980
Employee Benefits........................	915,744	1,142,766	1,278,093	1,509,050	1,629,742
Debt service......................................	3,859,112	4,230,870	4,057,958	3,625,275	2,225,264
Total Expenditures...............................	36,439,159	32,851,680	34,977,950	36,271,750	31,049,456
Revenues over (under) expenditures.	1,433,103	1,590,067	1,828,164	1,568,375	1,093,850
Other Financing Sources (Uses)					
Premium on bonds...........................	1,540	4,956	107	3,339	-
Operating transfers in......................	100,463	343,758	91,574	222,724	80,580
Operating transfers out....................	(1,465,719)	(1,316,048)	(2,095,000)	(2,738,900)	(947,625)
Total Other Financing Sources (Uses)..	(1,363,716)	(967,334)	(2,003,319)	(2,512,837)	(867,045)
Net change in fund balances..............	69,387	622,733	(175,155)	(944,462)	226,805
Fund Balances - beginning of year....	7,590,107	7,659,494	8,282,227	8,107,072	7,162,610
Adjustment/Restatement.....................	-	-	-	-	533,891
Fund Balances - end of year...............	$ 7,659,494	$ 8,282,227	$ 8,107,072	$ 7,162,610	$ 7,923,306

(1) Effective July 1, 2024 the Town transferred responsibility for the governance, administration and operation of public education services to Regional School District No. 20 and no longer includes on-behalf payments for state teachers' retirement.

Source: Annual audited financial statements.

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PRINCIPAL AMOUNT OF INDEBTEDNESS
As of August 26, 2026
(Pro Forma)

Date of Issue	Purpose	Rate %	Original Issue Amount	Principal Outstanding as of 8/26/26	Final Fiscal Year Maturity
Long-Term Debt: Bonds					
General Purpose					
2/8/2012	General Purpose	2.00 - 3.00	$ 2,718,400	$ 169,000	2027
8/11/2016	General Purpose	2.00 - 3.00	6,411,000	2,141,150	2032
8/16/2017	General Purpose	2.00 - 3.00	2,535,000	1,005,000	2033
9/4/2018	General Purpose	2.125 - 4.00	1,691,000	775,000	2034
8/29/2019	General Purpose	4.00 - 5.00	3,650,000	1,935,000	2035
11/5/2020	General Purpose	2.00 - 4.00	2,000,000	1,240,000	2036
9/14/2021	General Purpose	2.00 - 4.00	2,020,000	1,345,000	2037
8/23/2022	General Purpose	3.00 - 5.00	2,085,000	1,525,000	2038
8/22/2023	General Purpose	4.00 - 5.00	1,208,500	955,000	2039
8/28/2025	General Purpose	4.00 - 5.00	2,100,000	1,960,000	2041
8/26/2026	General Purpose (This Issue)	TBD	3,890,000 *	3,890,000 *	2047
			$ 30,308,900 *	**$ 16,940,150** *	
Schools					
2/8/2012	Schools	2.00 - 3.00	$ 181,600	$ 6,000	2027
8/11/2016	Schools	2.00 - 3.00	26,600	8,850	2032
8/22/2023	Schools	4.00 - 5.00	221,500	175,000	2039
			$ 429,700	**$ 189,850**	
	Total		**$ 30,738,600** *	**$ 17,130,000** *	

* Preliminary, subject to change.

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COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
As of August 26, 2026
(Pro Forma)

Fiscal Year	Principal Payments (1)	Interest Payments	Total Debt Service (1)	The Bonds Principal	Total Principal All Issues (1)
2027	$ 175,000	$ 213,387	$ 388,387	$ -	$ 175,000
2028	1,615,000	394,061	2,009,061	230,000	1,845,000
2029	1,610,000	338,824	1,948,824	230,000	1,840,000
2030	1,610,000	286,249	1,896,249	235,000	1,845,000
2031	1,600,000	236,561	1,836,561	235,000	1,835,000
2032	1,600,000	189,196	1,789,196	235,000	1,835,000
2033	1,155,000	147,081	1,302,081	235,000	1,390,000
2034	990,000	112,906	1,102,906	235,000	1,225,000
2035	880,000	82,856	962,856	235,000	1,115,000
2036	635,000	59,331	694,331	235,000	870,000
2037	495,000	41,997	536,997	235,000	730,000
2038	365,000	27,194	392,194	235,000	600,000
2039	230,000	15,800	245,800	235,000	465,000
2040	140,000	8,400	148,400	235,000	375,000
2041	140,000	2,800	142,800	235,000	375,000
2042	-	-	-	235,000	235,000
2043	-	-	-	75,000	75,000
2044	-	-	-	75,000	75,000
2045	-	-	-	75,000	75,000
2046	-	-	-	75,000	75,000
2047	-	-	-	75,000	75,000
	$ 13,240,000	$ 2,156,643	$ 15,396,643	$ 3,890,000 *	$ 17,130,000

(1) Excludes principal payments of $1,615,000 and interest payments of $241,877 made prior to August 26, 2026.

Source: Director of Finance's Office, Town of Litchfield.

* Preliminary, subject to change.

OUTSTANDING SHORT-TERM INDEBTEDNESS

As of August 26, 2026, the Town will have no outstanding short-term indebtedness.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The Town is a member of Regional School District No. 20, along with the Towns of Warren, Morris and Goshen. The below represents the Town's overlapping debt as on June 30, 2026.

Net Debt Outstanding (1)	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt (1)
$ 334,289	56.120%	$ 187,603

Source: Regional School District No. 20.

In addition, the Borough of Litchfield, a special taxing district located within the Town, debt is legally considered underlying debt of the Town. As of June 30, 2025, the outstanding debt of the Borough of Litchfield was $130,000.

DEBT STATEMENT
As of August 26, 2026
(Pro Forma)

Long-Term Indebtedness (1)		
The Bonds (This Issue)	$ 3,890,000	*
General Purpose	13,050,150	
Schools	189,850	
Total Long-Term Indebtedness	17,130,000	*
Short-Term Indebtedness: Notes Payable	-	
Total Direct Indebtedness	17,130,000	
Exclusions: Sewer assessments and Sewer use charges receivable (2)	(453,632)	
Net Direct Indebtedness	16,676,368	*
Net Overlapping & Underlying Indebtedness	317,603	
Total Net Direct, Overlapping & Underlying Indebtedness	$ 16,993,971	*

(1) Does not include authorized but unissued debt of $1,501,840. See "Authorized but Unissued Debt" herein.

(2) Grants and receivables applicable to authorized and unissued debt are not included. As of June 30, 2026, the Town's sewer assessments receivable was $131,022 and sewer use charges receivable was $322,610 for the payment of sewer debt.

CURRENT DEBT RATIOS
As of August 26, 2026
(Pro Forma)

Total Direct Indebtedness	$	17,130,000	*
Total Net Direct Indebtedness	$	16,676,368	*
Total Net Direct, Net Overlapping & Underlying Indebtedness	$	16,993,971	*
Population (1)		8,260	
Net Taxable Grand List (10/1/25)	$	1,562,734,287	
Equalized Net Taxable Grand List (2024) (2)	$	2,553,566,863	
Per Capita Income (1)	$	60,398	
Total Direct Indebtedness:			
Per Capita	$	2,073.85	
To Net Taxable Grand List		1.10%	
To Equalized Net Taxable Grand List		0.67%	
Per Capita to Per Capita Income		3.43%	
Total Net Direct Indebtedness:			
Per Capita	$	2,018.93	
To Net Taxable Grand List		1.07%	
To Equalized Net Taxable Grand List		0.65%	
Per Capita to Per Capita Income		3.34%	
Total Net Direct, Net Overlapping & Underlying Indebtedness:			
Per Capita	$	2,057.38	
To Net Taxable Grand List		1.09%	
To Equalized Net Taxable Grand List		0.67%	
Per Capita to Per Capita Income		3.41%	

(1) U.S. Census Bureau, 2020-2024 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

* Preliminary, subject to change.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations. All capital projects which are financed by the issuance of bonds or notes must be approved by voters of the Town at a Town Meeting or Referendum.

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 $1/20^{th}$ ($1/30^{th}$ 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 may be funded beyond ten years from their initial borrowing date, if written commitment exists for State and/or Federal grants for 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 $1/15^{th}$ 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 C.G.S. Sections 12-129d and 7-528.

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

STATEMENT OF STATUTORY DEBT LIMITATION

As of August 26, 2026
(Pro Forma)

Total Fiscal Year 2025 tax collections (including interest and lien fees)	$ 30,775,654
State Reimbursement for Revenue Loss on:	
Local Property tax relief for elderly	-
Base for Establishing Debt Limit	$ 30,775,654

Debt Limitation	General Purpose	School	Sewer	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base)...	$ 69,245,222					
(4.50 times base)...		$ 138,490,443				
(3.75 times base)...			$ 115,408,703			
(3.25 times base)...				$ 100,020,876		
(3.00 times base)...					$ 92,326,962	
(7.00 times base)...						$ 215,429,578
Indebtedness (Including the Bonds)						
Bonds Payable..	$ 13,050,150	$ 189,850	$ -	$ -	$ -	$ 13,240,000
The Bonds (This Issue)...............................	3,890,000 *	-	-	-	-	3,890,000 *
Net Overlapping Debt - RSD #20................	-	187,603	-	-	-	187,603
Net Underlying Debt....................................	130,000	-	-	-	-	-
Authorized but Unissued Debt (1)............	1,715	125	-	-	-	1,840
Total Indebtedness......................................	17,071,865	377,578	-	-	-	17,449,443
Grants / Assessments Receivable (2).....	-	-	(131,022)	-	-	(131,022)
Total Net Indebtedness...............................	17,071,865	377,578	(131,022)	-	-	17,318,421
Excess of Limit Over Outstanding and Authorized Debt...............................	$ 52,173,357	$ 138,112,865	$ 115,277,681	$ 100,020,876	$ 92,326,962	$ 198,111,157

(1) See footnote to "Authorized but Unissued Debt" herein.

(2) As of June 30, 2026, the Town's sewer assessments receivable for the payment of sewer debt was $131,022.

AUTHORIZED BUT UNISSUED DEBT

Projects	Total Bond Authorization	Prior Bonds Issued	Paydowns/ Grants (1)	The Bonds (*This Issue*)	Authorized But Unissued
2022-23 Capital Improvement Program........	$ 5,486,143	$ 2,166,000	$ 3,319,582	$ -	$ 561
2023-24 Capital Improvement Program........	5,433,298	1,504,000	3,928,959	-	339
2025-26 Capital Improvement Program........	3,922,319	2,100,000	1,821,769	-	550
2026-27 Capital Improvement Program........	4,501,858	-	2,111,468	2,390,000 *	390 *
Litchfield Volunteer Ambulance Building Project..	1,500,000	-	-	1,500,000 *	-
Total..	$ 20,843,618	$ 5,770,000	$ 11,181,778	$ 3,890,000 *	$ 1,840 *

(1) Estimated expected grants.

Source: Town Officials.

* Preliminary, subject to change.

HISTORICAL DEBT STATEMENT

	2025-26 (1)	2024-25	2023-24	2022-23	2021-22
Population (2)	8,260	8,260	8,260	8,260	8,260
Net taxable grand list	$ 1,558,377,055	$ 1,550,023,523	$ 1,120,371,194	$ 1,104,098,508	$ 1,063,593,130
Equalized net taxable grand list (3)	$ 2,553,566,863	$ 2,214,427,020	$ 2,362,021,529	$ 2,112,090,442	$ 1,870,699,251
Per capita income (2)	$ 60,398	$ 60,398	$ 60,398	$ 60,398	$ 60,398
Short-term debt	$ -	$ -	$ -	$ -	$ -
Long-term debt	14,855,000	15,045,000	17,940,000	19,587,992	21,165,928
Total Direct Indebtedness	$ 14,855,000	$ 15,045,000	$ 17,940,000	$ 19,587,992	$ 21,165,928
Net Direct Indebtedness	$ 14,401,638	$ 14,539,374	$ 17,488,606	$ 19,141,927	$ 20,667,106
Overlapping indebtedness	$ 187,603	$ 180,317	$ -	$ -	$ -
Net Direct Plus Overlapping Indebtedness	$ 14,589,241	$ 14,719,691	$ 17,488,606	$ 19,141,927	$ 20,667,106

(1) Unaudited estimates.

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

(3) Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	2025-26 (1)	2024-25	2023-24	2022-23	2021-22
Total Direct Indebtedness:					
Per capita	$1,798.43	$1,821.43	$2,171.91	$2,371.43	$2,562.46
To net taxable grand list	0.95%	0.97%	1.60%	1.77%	1.99%
To equalized net taxable grand list	0.58%	0.68%	0.76%	0.93%	1.13%
Debt per capita to per capita income	2.98%	3.02%	3.60%	3.93%	4.24%
Net Direct Indebtedness:					
Per capita	$1,743.54	$1,760.21	$2,117.26	$2,317.42	$2,502.07
To net taxable grand list	0.92%	0.94%	1.56%	1.73%	1.94%
To equalized net taxable grand list	0.56%	0.66%	0.74%	0.91%	1.10%
Debt per capita to per capita income	2.89%	2.91%	3.51%	3.84%	4.14%
Net Direct Plus Overlapping Indebtedness:					
Per capita	$1,766.25	$1,782.04	$2,117.26	$2,317.42	$2,502.07
To net taxable grand list	0.94%	0.95%	1.56%	1.73%	1.94%
To equalized net taxable grand list	0.57%	0.66%	0.74%	0.91%	1.10%
Debt per capita to per capita income	2.92%	2.95%	3.51%	3.84%	4.14%

(1) Unaudited estimates.

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RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS OUT

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures and Transfers out	Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %
2027 (1)	$ 2,330,264	$ 35,726,248	6.52%
2026 (1)	2,756,194	33,419,863	8.25%
2025	2,225,264	31,997,081	6.95%
2024	3,625,275	39,010,650	9.29%
2023	4,057,958	37,072,950	10.95%
2022	4,230,870	34,167,728	12.38%
2021	3,859,112	37,904,878	10.18%
2020	4,211,057	34,317,847	12.27%
2019	3,625,671	34,131,121	10.62%
2018	3,575,110	34,819,353	10.27%

(1) Fiscal years 2025-26 and 2026-27 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal year 2025-26 unaudited estimates and 2026-27 adopted budget.

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LITIGATION

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

The Town is currently named as a defendant in three recently filed civil lawsuits seeking unspecified monetary damages, which are pending before the Superior Court for the State of Connecticut, Judicial District of Waterbury (docket numbers UWY-CV26-5038910-S, UWY-CV25-6095423-S, and UWY-CV25-6095424-S). These lawsuits generally claim that the Town and former Town Board of Education are liable for alleged incidents of misconduct by a former Board of Education employee that plaintiffs assert occurred approximately thirty years ago. The lawsuits are in their preliminary procedural stages. The merits of the allegations have not yet been evaluated by the courts. At this time, it is not possible to determine the likelihood of an adverse outcome, and neither is it possible to reasonably estimate the amount or range of any potential financial liability or damages that could be awarded against the Town. It is unclear at this time whether any ultimate liability, if any, resulting from these lawsuits will be covered in whole or in part by insurance, and whether such liability would have a material adverse effect on the financial condition of the Town. The Town is vigorously defending against these lawsuits and the allegations in them.

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 plan of financing and the structuring of the Bonds 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.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Upon delivery of the Bonds, the purchaser will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town signed by the First Selectman, Town Treasurer, and the Director of Finance, which will be dated the date of delivery of the Bonds, and which will certify to the best of said officials' knowledge and belief, that the descriptions and statements in the Official Statement relating to the Town of Litchfield and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in 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 Official Statement;
3. A Receipt for the purchase price of the Bonds;
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached to the Official Statement as Appendix B;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C; and

6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Bonds a reasonable number of copies of the Official Statement, as prepared by the Town.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of the U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum St., 27th Floor, Hartford, Connecticut, will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the office of the Director of Finance at (860) 567-7554 or from the Municipal Advisor at (203) 421-2087.

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.

TOWN OF LITCHFIELD, CONNECTICUT

BY: ______________________________
DENISE RAAP
First Selectman

BY: ______________________________
ERICH MARRIOTT
Town Treasurer

BY: ______________________________
AMAECHI E. OBI
Director of Finance

Dated: August __, 2026

APPENDIX A - AUDITED FINANCIAL STATEMENTS

TOWN OF LITCHFIELD, CONNECTICUT

TABLE OF CONTENTS

JUNE 30, 2025

Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of Litchfield for the Fiscal Year ended June 30, 2025 as presented by the Auditors. This appendix does not include all of the schedules made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Litchfield, Connecticut.

The independent auditors for the Issuer are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement, and make no representation that they have independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period. The auditors have not provided their consent for the use of the audit report in this Official Statement.

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Litchfield, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Litchfield, CT 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.

Emphasis of Matter – Transfer of Education Operations

As described in Note 15 to the financial statements, effective July 1, 2024, the Town transferred its education operations, including related capital assets, to the Regional School District No. 20. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the Town of Litchfield, CT's internal control over financial reporting and on our test 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 Litchfield, CT'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 Litchfield, CT's internal control over financial reporting and compliance.

King, King & Associates

King, King & Associates, P.C., CPAs
Winsted, CT
December 23, 2025

As management of the Town of Litchfield, CT, we offer readers of the Town of Litchfield, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Litchfield, CT for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Litchfield, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $52,877,563 (*net position*). Of this amount, $8,705,661 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. This amount consists of $7,185,444 that is attributable to the Town's governmental activities and $1,520,217 that is attributable to the Town's Water Pollution Control Authority (business-type activities).

- In the Town's governmental activities, total net position decreased by $19,613,199.

- In the Town's business-type activities, total net position decreased by $34,329.

- As of the close of the current fiscal year, the Town of Litchfield, CT's governmental funds reported combined ending fund balances of $12,871,456, a decrease of $2,187,071 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $7,640,023 or 24.3% of total General Fund budgeted expenditures.

- As described in Note 15, the Town transferred education operations to the newly formed Regional School District No. 20 as of July 1, 2024. The transfer of operations resulted in a decrease in net position of $22,106,584 reported as a special item.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the Town of Litchfield, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Litchfield, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Town of Litchfield, CT 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 of Litchfield, CT include general government, public safety, public works, health and welfare, culture and recreation, and education. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities. The business-type activities of the Town of Litchfield, CT include fees to customers to help it cover all or most of the cost of certain services provided by the Water Pollution Control Authority.

The government-wide financial statements can be found on pages 12-13 of this report.

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

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

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

The Town of Litchfield, CT, maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Nonmajor Governmental Funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Litchfield, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

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

Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for health insurance benefits. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. As the Town is no longer self-insured, the internal service fund has been closed out as of June 30, 2025.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

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

The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Litchfield, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $52,877,563 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024*	2025	2024*	2025	2024*
Current and Other Assets	$ 20,697,864	$ 21,315,885	$ 1,574,793	$ 1,602,562	$ 22,272,657	$ 22,918,447
Capital Assets	52,072,995	72,099,396	3,956,921	3,967,564	56,029,916	76,066,960
Total Assets	72,770,859	93,415,281	5,531,714	5,570,126	78,302,573	98,985,407
Deferred Outflows of Resources	452,012	581,395	-	-	452,012	581,395
Other Liabilities	2,835,336	2,322,136	3,665	12,378	2,839,001	2,334,514
Long-term Liabilities	18,460,743	20,905,344	50,911	-	18,511,654	20,905,344
Total Liabilities	21,296,079	23,227,480	54,576	12,378	21,350,655	23,239,858
Deferred Inflows of Resources	4,526,367	3,515,131	-	-	4,526,367	3,515,131
Net Position:						
Net Investment in Capital Assets	35,660,293	52,261,335	3,956,921	3,967,564	39,617,214	56,228,899
Restricted	4,554,688	3,869,501	-	-	4,554,688	3,869,501
Unrestricted	7,185,444	11,123,229	1,520,217	1,590,184	8,705,661	12,713,413
Total Net Position	$ 47,400,425	$ 67,254,065	$ 5,477,138	$ 5,557,748	$ 52,877,563	$ 72,811,813

*Restated for Corrections of an Error. See Note 17.

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings and improvements, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets decreased by $16,611,685 during the current fiscal year, mainly due to the transfer of operations to Region 20, see Note 15.

The Town's restricted net position of $4,554,688 increased by $685,187 compared to last year's restricted net position of $3,869,501.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
REVENUES						
General Revenues:						
Property Taxes	$ 29,046,454	$ 30,293,775	$ -	$ -	$ 29,046,454	$ 30,293,775
Unrestricted Grants & Contributions	88,764	371,339	-	-	88,764	371,339
Unrestricted Investment Income	906,979	1,239,883	59,194	48,054	966,173	1,287,937
Other Revenues	118,412	6,348	-	-	118,412	6,348
Program Revenues:						
Charges for Services	1,043,267	1,369,637	1,166,372	1,245,925	2,209,639	2,615,562
Operating Grants and Contributions	2,796,738	6,711,373	-	-	2,796,738	6,711,373
Capital Grants and Contributions	842,624	1,867,104	-	-	842,624	1,867,104
Total Revenues	34,843,238	41,859,459	1,225,566	1,293,979	36,068,804	43,153,438
EXPENSES						
Governmental Activities:						
General Government	2,813,867	2,048,110	-	-	2,813,867	2,048,110
Public Safety	1,606,480	1,480,312	-	-	1,606,480	1,480,312
Public Works	5,755,382	5,392,088	-	-	5,755,382	5,392,088
Health and Welfare	856,980	80,783	-	-	856,980	80,783
Culture and Recreation	1,071,259	1,232,261	-	-	1,071,259	1,232,261
Education	21,137,456	24,670,965	-	-	21,137,456	24,670,965
Interest on Long-Term Debt	294,701	342,104	-	-	294,701	342,104
Business-Type Activities:						
Water Pollution Control Authority	-	-	1,259,895	1,329,170	1,259,895	1,329,170
Total Expenses	33,536,125	35,246,623	1,259,895	1,329,170	34,796,020	36,575,793
Change in Net Position Before Special Items and Transfers	1,307,113	6,612,836	(34,329)	(35,191)	1,272,784	6,577,645
Special Items:						
Debt Service Payment Recevied from Region 20	1,186,272	-	-	-	1,186,272	-
Transfer of Operations to Region 20	(22,106,584)	-	-	-	(22,106,584)	-
Total of Special Items	(20,920,312)	-	-	-	(20,920,312)	-
Transfers	-	(4,568)	-	4,568	-	-
Change in Net Position	(19,613,199)	6,608,268	(34,329)	(30,623)	(19,647,528)	6,577,645
Beginning Net Position	67,254,065	72,170,484	5,557,748	5,452,139	72,811,813	77,622,623
Corrections of an Error	-	(11,524,687)	-	136,232	-	(11,388,455)
Change in Accounting Principle	(240,441)	-	(46,281)	-	(286,722)	-
Beginning Net Position, as adjusted	67,013,624	60,645,797	5,511,467	5,588,371	72,525,091	66,234,168
Ending Net Position	$ 47,400,425	$ 67,254,065	$ 5,477,138	$ 5,557,748	$ 52,877,563	$ 72,811,813

Governmental Activities. Governmental activities decreased the Town of Litchfield, CT's net position by $19,613,199. A significant portion of this decrease is related to the transfer of education operations as noted in Note 15.

Eighty-three percent (83%) of the revenues of the Town were derived from property taxes, followed by eleven percent (11%) from grants and contributions, three percent (3%) from charges for services and three percent (3%) of the Town's revenue in the fiscal year was derived from investment, contract, and other income.

Major revenue factors included:

- Property Tax revenue decreased $1,247,321 due to a decrease in the mill rate from 26.70 to 18.50 which is a result of the period property revaluation along with a transfer of operations to Region 20 and their contribution towards a portion of the annual general obligation debt service payments which reduced the budget by around $1.2 million.

- A decrease in operating grants and contributions as the on-behalf TRB and TRB OPEB pension expense amounts will be recognized at the Regional School District No. 20 going forward and not the Town of Litchfield.

Sixty-three percent (63%) of the expenses of the Town were related to education, followed by seventeen percent (17%) related to public works, eight percent (8%) related to general government, five percent (5%) related to public safety, and seven percent (7%) related to the remainder of the government's expenses.

Major expense factors included:

- A decrease in education expenses as the on-behalf TRB and TRB OPEB pension expense amounts will be recognized at the Regional School District No. 20 going forward and not the Town of Litchfield.

Business-Type Activities. The business-type activities consist of the Water Pollution Control Authority. The net position decreased by $34,329 during the current fiscal year.

Key elements of this decrease include:

- A decrease in charges for services to the users of the WPCA and also a decrease in operating costs during the year. The decrease in net position is consistent with the prior years.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the Town of Litchfield, CT's governmental funds reported combined ending fund balances of $12,871,456, a decrease of $2,187,071 in comparison with the prior year. The governmental funds currently have an unassigned fund balance of $7,640,023, or 59.4% of total governmental funds fund balance.

General Fund. The General Fund is the chief operating fund of the Town of Litchfield, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was $7,640,023. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24.0% of total General Fund Budget Basis actual expenditures and transfers out.

The fund balance of the Town of Litchfield, CT's General Fund increased by $226,805 during the current fiscal year. Key factors in this increase are as follows:

- Investment income coming in $422,253 greater than anticipated.
- Property tax collections coming in $279,791 greater than anticipated.
- Overall expenditures coming in $317,108 less than expected.
- A transfer to the Capital Projects Fund from unassigned fund balance of $704,965.

Capital Projects Fund. The fund balance of the Capital Projects Fund decreased by $1,936,494 during the current fiscal year. Current year capital expenditures of $3,635,384 were offset by transfers in of $1,206,262 and the recognition of intergovernmental revenues of $492,628.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of $347,300. Budgetary revenues were $697,051 greater than expected due primarily to higher than anticipated investment income and property tax collections. Budgetary expenditures were $317,108 less than expected due primarily to savings in public safety and fringe benefits which were offset by over expenditures in various general government lines and highways expenditures. There was an appropriation from unassigned fund balance of $704,965 to the Capital Reserve Fund during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Litchfield, CT's reported value in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to $56,029,916 (net of accumulated depreciation). This reported value in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure assets such as roads and bridges. The total decrease in the Town's investment in capital assets for the current fiscal year was $20,037,044.

	2025	2024*
Governmental Activities:		
Land	$ 1,598,267	$ 1,679,473
Construction in Progress	20,499	-
Buildings and Improvements	10,577,182	31,858,021
Machinery and Equipment	4,431,358	3,937,322
Infrastructure	35,445,689	34,624,580
	$ 52,072,995	$ 72,099,396

*Restated to correct errors in a prior year. See Note 17.

	2025	2024
Business-Type Activities:		
Buildings and Improvements	$ 2,219,361	$ 2,158,266
Machinery and Equipment	61,601	68,684
Infrastructure - Sewers	1,675,959	1,740,614
	$ 3,956,921	$ 3,967,564

Major capital asset events during the current fiscal year included the following:

- Various major road and bridge improvements.
- Various building improvements on Town facilities.
- Transfer of education operations to Regional School District No. 20 which included land, buildings, and machinery and equipment.

Additional information on the Town of Litchfield, CT's capital assets can be found in Note 6 on pages 38-39 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Litchfield, CT had long-term debt and other long-term liabilities outstanding of $18,511,654.

	2025	2024*
Governmental Activities:		
General Obligation Bonds	$ 15,045,000	$ 17,940,000
Unamortized Bond Premiums	1,477,830	1,757,467
Region 20 Budget Deficit Mitigation Agreement	1,478,117	-
Compensated Absences	454,903	490,206
Net Pension Liability	4,893	958,112
	$ 18,460,743	$ 21,145,785

	2025	2024*
Business-Type Activities:		
Compensated Absences	$ 50,911	$ 46,281

Beginning compensated absences balances are restated for the Implementation of GASB 101, *Compensated Absences*. See Note 17.

The Town of Litchfield, CT's total long-term debt and other long-term liabilities decreased by $2,680,412 (12.6 percent) during the current fiscal year due mainly to the repayment of GO Bonds and reduction in the net pension liability offset by the addition of the Region 20 budget deficit mitigation agreement. Additional information on the Town of Litchfield, CT's long-term debt and other long-term liabilities can be found in Note 7 on pages 39-41 of this report.

The Town of Litchfield currently maintains a bond rating of AA+ by Standard and Poor's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.

- Increased threat of losing State funding will continue to be a variable in our local budget.

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

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Litchfield, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town's Finance Department, Town of Litchfield, 74 West Street, Litchfield, CT 06759.

Basic Financial Statements

TOWN OF LITCHFIELD, CONNECTICUT

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 15,436,013	$ 50	$ 15,436,063
Restricted Cash and Cash Equivalents	110,842	-	110,842
Receivables, Net of Allowance	3,095,169	457,439	3,552,608
Internal Balances	(1,117,304)	1,117,304	-
Net Pension Asset	1,163,994	-	1,163,994
Net OPEB Asset	1,984,037	-	1,984,037
Inventory	25,113	-	25,113
Capital Assets:			
Assets Not Being Depreciated	1,618,766	-	1,618,766
Assets Being Depreciated, Net	50,454,229	3,956,921	54,411,150
Total Assets	72,770,859	5,531,714	78,302,573
Deferred Outflows of Resources			
Deferred Outflows - Pension	213,345	-	213,345
Deferred Outflows - OPEB	128,539	-	128,539
Deferred Charge on Refunding	110,128	-	110,128
Total Deferred Outflows of Resources	452,012	-	452,012
Liabilities			
Accounts Payable and Accrued Items	1,086,965	3,665	1,090,630
Accrued Interest Payable	191,100	-	191,100
Performance Bonds	110,842	-	110,842
Unearned Revenue	1,446,429	-	1,446,429
Noncurrent Liabilities:			
Due Within One Year	3,009,919	10,182	3,020,101
Due In More Than One Year	15,450,824	40,729	15,491,553
Total Liabilities	21,296,079	54,576	21,350,655
Deferred Inflows of Resources			
Deferred Inflows - Pension	1,561,176	-	1,561,176
Deferred Inflows - OPEB	1,645,918	-	1,645,918
Lease Related	1,319,273	-	1,319,273
Total Deferred Inflows of Resources	4,526,367	-	4,526,367
Net Position			
Net Investment in Capital Assets	35,660,293	3,956,921	39,617,214
Restricted for:			
Purposes of Trust - Nonexpendable	10,000	-	10,000
Purposes of Trust - Expendable	194	-	194
Pension Benefits	1,163,994	-	1,163,994
Other Post-Employment Benefits	1,984,037	-	1,984,037
Road Improvements	197,607	-	197,607
WPCA Operations	537,676	-	537,676
Other Purposes	661,180	-	661,180
Unrestricted	7,185,444	1,520,217	8,705,661
Total Net Position	$ 47,400,425	$ 5,477,138	$ 52,877,563

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT
Statement of Activities
For the Year Ended June 30, 2025

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General Government	$ 2,813,867	$ 826,539	$ 36,839	$ 102,365	$ (1,848,124)	$ -	$ (1,848,124)
Public Safety	1,606,480	15,748	1,600	-	(1,589,132)	-	(1,589,132)
Public Works	5,755,382	69,391	440,604	492,628	(4,752,759)	-	(4,752,759)
Health and Welfare	856,980	1,337	863,112	-	7,469	-	7,469
Culture and Recreation	1,071,259	128,957	144,522	247,631	(550,149)	-	(550,149)
Education	21,137,456	1,295	1,310,061	-	(19,826,100)	-	(19,826,100)
Interest on Long-Term Debt	294,701	-	-	-	(294,701)	-	(294,701)
Total Governmental Activities	33,536,125	1,043,267	2,796,738	842,624	(28,853,496)	-	(28,853,496)
Business-Type Activities:							
Water Pollution Control Authority	1,259,895	1,166,372	-	-	-	(93,523)	(93,523)
Total Business-Type Activities	1,259,895	1,166,372	-	-	-	(93,523)	(93,523)
Total Primary Government	$ 34,796,020	$ 2,209,639	$ 2,796,738	$ 842,624	(28,853,496)	(93,523)	(28,947,019)
General Revenues:							
Property Taxes					29,046,454	-	29,046,454
Grants and Contributions not Restricted to Specific Programs					88,764	-	88,764
Unrestricted Investment Earnings					906,979	59,194	966,173
Miscellaneous					118,412	-	118,412
Special Item - Debt Service Payment Received from Region 20					1,186,272	-	1,186,272
Special Item - Transfer of Operations to Region 20					(22,106,584)	-	(22,106,584)
Total General Revenues, Transfers, and Special Items					9,240,297	59,194	9,299,491
Change in Net Position					(19,613,199)	(34,329)	(19,647,528)
Net Position - Beginning					78,778,752	5,421,516	84,200,268
Adjustment/Restatement					(11,765,128)	89,951	(11,675,177)
Net Position - Beginning, as Adjusted					67,013,624	5,511,467	72,525,091
Net Position - End of Year					$ 47,400,425	$ 5,477,138	$ 52,877,563

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 15,222,692	$ -	$ 213,321	$ 15,436,013
Restricted Cash	110,842	-	-	110,842
Receivables, Net of Allowance	1,934,120	524,337	636,712	3,095,169
Inventory	25,113	-	-	25,113
Due from Other Funds	1,019	3,222,408	2,548,815	5,772,242
Total Assets	$ 17,293,786	$ 3,746,745	$ 3,398,848	$ 24,439,379
Liabilities				
Accounts Payable and Accrued Items	$ 794,585	$ -	$ 292,380	$ 1,086,965
Performance Bonds	110,842	-	-	110,842
Unearned Revenue	-	741,838	704,591	1,446,429
Due to Other Funds	6,888,527	-	1,019	6,889,546
Total Liabilities	7,793,954	741,838	997,990	9,533,782
Deferred Inflows of Resources				
Unavailable Revenue:				
Property Taxes and Interest	544,606	-	-	544,606
Sewer Assessment Charges	-	-	159,912	159,912
Loans Receivable	-	-	10,350	10,350
Lease Related	1,031,920	-	287,353	1,319,273
Total Deferred Inflows of Resources	1,576,526	-	457,615	2,034,141
Fund Balances				
Nonspendable	37,226	-	15,215	52,441
Restricted	80,580	-	1,316,077	1,396,657
Committed	-	3,004,907	611,951	3,616,858
Assigned	165,477	-	-	165,477
Unassigned	7,640,023	-	-	7,640,023
Total Fund Balances	7,923,306	3,004,907	1,943,243	12,871,456
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 17,293,786	$ 3,746,745	$ 3,398,848	$ 24,439,379

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Fund balances reported in governmental funds Balance Sheet	$ 12,871,456
Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	85,611,300
Depreciation	(33,538,305)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property taxes and interest receivable greater than 60 days	544,606
Sewer assessments and interest receivable greater than 60 days	159,912
Loans receivable greater than 60 days	10,350
The net pension/OPEB asset is not recognized in the governmental funds. The net pension/OPEB asset results from the difference between the pension/OPEB plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the pension/OPEB plan.	3,148,031
Governmental funds report the effect of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.	(1,367,702)
Certain changes related to pensions and OPEB are deferred and amortized over time.	
Deferred Outflows - Pension	213,345
Deferred Outflows - OPEB	128,539
Deferred Inflows - Pension	(1,561,176)
Deferred Inflows - OPEB	(1,645,918)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
Accrued Interest payable	(191,100)
Bonds payable	(15,045,000)
Region 20 Budget Deficit Mitigation Agreement Payable	(1,478,117)
Net Pension Liability	(4,893)
Compensated Absences	(454,903)
Net position of governmental activities	$ 47,400,425

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes, Interest and Lien Fees	$ 28,995,793	$ -	$ -	$ -	$ 28,995,793
Intergovernmental	1,445,730	492,628	-	1,603,479	3,541,837
Licenses, Permits, and Charges for Services	758,421	-	-	204,971	963,392
Investment Income	822,253	-	-	74,567	896,820
Other Revenue	121,109	-	-	267,439	388,548
Total Revenues	32,143,306	492,628	-	2,150,456	34,786,390
Expenditures					
Current:					
General Government	1,891,211	-	-	222,841	2,114,052
Public Safety	1,162,804	-	-	-	1,162,804
Public Works	3,354,249	-	-	633,300	3,987,549
Health and Welfare	61,547	-	-	774,447	835,994
Culture and Recreation	682,659	-	-	302,622	985,281
Education	20,041,980	-	-	23,365	20,065,345
Other	1,629,742	-	-	-	1,629,742
Debt Service	2,225,264	-	-	-	2,225,264
Capital Outlay	-	3,635,384	-	237,365	3,872,749
Total Expenditures	31,049,456	3,635,384	-	2,193,940	36,878,780
Excess/(Deficiency) of Revenues over Expenditures	1,093,850	(3,142,756)	-	(43,484)	(2,092,390)
Other Financing Sources/(Uses)					
Transfers In	80,580	1,206,262	-	20,000	1,306,842
Transfers Out	(947,625)	-	-	(359,217)	(1,306,842)
Total Other Financing Sources/(Uses)	(867,045)	1,206,262	-	(339,217)	-
Special Item					
Transfer of Operations to Region 20	-	-	-	(94,681)	(94,681)
Net Change in Fund Balances	226,805	(1,936,494)	-	(477,382)	(2,187,071)
Fund Balances at Beginning of Year	7,162,610	4,941,401	100,359	2,320,266	14,524,636
Adjustment/Restatement	533,891	-	(100,359)	100,359	533,891
Fund Balances at Beginning of Year, Adjusted	7,696,501	4,941,401	-	2,420,625	15,058,527
Fund Balances at End of Year	$ 7,923,306	$ 3,004,907	$ -	$ 1,943,243	$ 12,871,456

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (2,187,071)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	4,027,071
Depreciation expense	(2,041,569)
Transfer of Operations to Region 20	(22,011,903)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds	
Property taxes and interest collected accrual basis change	50,661
Sewer assessment and interest revenue accrual basis change	20,553
Loans receivable revenue accrual basis change	(24,525)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal payments on long-term debt - general obligation bonds	2,895,000
Amortization of deferred charge on refunding	(37,641)
Amortization of bond premiums	279,637
Certain benefits are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred.	
Accrued interest payable	(20,161)
Net pension liability/asset and related outflows/inflows	1,191,056
Net OPEB liability/asset and related outflows/inflows	150,441
Region 20 Budget Deficit Mitigation Agreement	(1,478,117)
Compensated absences	35,303
Internal service funds are used by management to charge costs to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities.	(461,934)
Change in net position of governmental activities	$ (19,613,199)

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT
Statement of Fund Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 50	$ -
Receivables, Net	457,439	-
Due from Other Funds	1,117,304	-
Total Current Assets	1,574,793	-
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	3,956,921	-
Total Noncurrent Assets	3,956,921	-
Total Assets	5,531,714	-
Deferred Outflows of Resources	-	-
Liabilities		
Current Liabilities:		
Accounts Payable and Accrued Items	3,665	-
Compensated Absences	10,182	-
Total Current Liabilities	13,847	-
Noncurrent Liabilities:		
Compensated Absences	40,729	-
Total Noncurrent Liabilities	40,729	-
Total Liabilities	54,576	-
Deferred Inflows of Resources	-	-
Net Position		
Net Investment in Capital Assets	3,956,921	-
Unrestricted	1,520,217	-
Total Net Position	$ 5,477,138	$ -

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
OPERATING REVENUES		
Charges for Services	$ 1,116,367	$ 610,845
Fines, Penalties and Interest	50,005	-
Total Operating Revenues	1,166,372	610,845
OPERATING EXPENSES		
Salaries and Benefits	485,425	-
Materials and Supplies	64,012	-
Utilities	71,224	-
Depreciation	171,626	-
Administration and Operation	467,608	-
Health Insurance	-	1,082,938
Total Operating Expenses	1,259,895	1,082,938
Income (Loss) from Operations	(93,523)	(472,093)
NONOPERATING REVENUE (EXPENSES)		
Investment Income	59,194	10,159
Interest Expense and Issuance Costs	-	-
Total Nonoperating Revenues/(Expenses)	59,194	10,159
Income/(Loss) before Transfers	(34,329)	(461,934)
Transfers:		
Transfers In	-	-
Transfers Out	-	-
Total Transfers	-	-
Change in Net Position	(34,329)	(461,934)
Net Position - Beginning	5,421,516	461,934
Adjustment/Restatement	89,951	-
Net Position - Beginning, as Adjusted	5,511,467	461,934
Net Position - End of Year	$ 5,477,138	$ -

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 1,122,325	$ 610,845
Payments to Employees	(480,795)	-
Payments to Suppliers	(611,557)	-
Payments for Premiums and Administrative Charges	-	(1,082,938)
Net Cash Provided/(Used) by Operating Activities	29,973	(472,093)
Cash Flows from Noncapital Financing Activities:		
Advance/(Repayment) from Other Funds	71,816	456,141
Net Cash Provided/(Used) by Noncapital Financing Activities	71,816	456,141
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(160,983)	-
Net Cash Provided/(Used) by Capital and Related Financing Activities	(160,983)	-
Cash Flows from Investing Activities:		
Interest Income	59,194	10,159
Net Cash Provided by Investing Activities	59,194	10,159
Net Increase/(Decrease) in Cash and Cash Equivalents	-	(5,793)
Cash and Cash Equivalents at Beginning of Year	50	5,793
Cash and Cash Equivalents at End of Year	$ 50	$ -
Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities		
Income (Loss) from Operations	$ (93,523)	$ (472,093)
Adjustments to Reconcile Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	171,626	-
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(39,093)	-
(Increase) Decrease in Interest Receivable	(4,954)	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	(8,713)	-
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	4,630	-
Total Adjustments	123,496	-
Net Cash Provided by Operating Activities	$ 29,973	$ (472,093)

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Pension and OPEB Trust Funds	Custodial Funds
Assets		
Cash and Cash Equivalents	$ 574,407	$ -
Investments, at Fair Value:		
Mutual Funds - Equities	17,554,751	-
Mutual Funds - Bonds	10,760,238	-
Contribution Receivable	7,347	-
Total Assets	28,896,743	-
Deferred Outflows of Resources	-	-
Liabilities		
Payables	-	-
Total Liabilities	-	-
Deferred Inflows of Resources	-	-
Net Position		
Restricted for Pension Benefits	26,461,825	-
Restricted for OPEB Benefits	2,434,918	-
Restricted for Individuals	-	-
Total Net Position	$ 28,896,743	$ -

The notes to the financial statements are an integral part of this statement

TOWN OF LITCHFIELD, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Pension and OPEB Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer	$ 696,378	$ -
Employee	10,428	-
Total Contributions	706,806	-
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	2,453,231	-
Interest and Dividends	750,153	-
Total Investment Income	3,203,384	-
Less: Investment Management Fees	(68,008)	-
Net Investment Income	3,135,376	-
Total Additions	3,842,182	-
Deductions		
Benefit Payments	1,552,991	-
Transfer of Operations to Region 20	-	191,987
Total Deductions	1,552,991	191,987
Change in Net Position	2,289,191	(191,987)
Net Position - Beginning	26,607,552	313,379
Adjustment/Restatement	-	(121,392)
Net Position - Beginning, as Adjusted	26,607,552	191,987
Net Position at End of Year	$ 28,896,743	$ -

The notes to the financial statements are an integral part of this statement

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Financial Reporting Entity

The Town was incorporated in 1719. The Town operates under a Selectmen/Town Meeting and Board of Finance form of government with a Board of Finance and provides the following services: general government, public safety, public works, health and welfare, and culture and recreation.

The Town is the administrator of the following single-employer defined benefit pension plans: the Town Defined Benefit Pension Plan and the Merit Service Pension Plan. The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, balances of the Plans as of and for the year ended June 30, 2025, are accounted for in the fiduciary fund financial statements as pension trust funds.

The Town is the administrator of the Other Post-Employment Benefits Program (the OPEB Plan), which is a single-employer defined benefit other post-employment benefits plan. The OPEB Plan does not issue stand-alone financial statements and is a part of the Town's financial reporting entity. As such, balances of the OPEB Plan as of and for the year ended June 30, 2025, are accounted for in the fiduciary fund financial statements as an other post-employment benefits trust fund.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Litchfield (the primary government) and any component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Litchfield.

Related Organizations

The Town is a member of Regional School District No. 20 (the "District"), which is located in Litchfield, Connecticut. The District provides educational services for Pre-K through grade 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. Assessments for the Town in the current fiscal year totaled $20,041,980. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District's outstanding bonds. The District is governed by an elected Board of Education and issues publicly available financial reports.

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, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.

- The *Capital Projects Fund* is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements, and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds and capital grants. Other sources include current tax revenues.

The Town reports the following major proprietary funds:

- The *Water Pollution Control Authority (WPCA)* is used to account for the operations of the Town's wastewater treatment system. The Town operates its own sewage treatment plant, sewage pumping stations, and collection system. The operations are financed from direct charges to the users of the services.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension and OPEB Trust Funds* account for the resources held in trust for the members and beneficiaries of the Town Pension Plan and Merit Service Pension Plan, both of which are defined benefit pension plans, and the Other Post-Employment Benefits Plan, which is also a defined benefit plan.

- The *Custodial Funds* are used to account for monies held as a custodian for outside groups and agencies.

Additionally, the Town reports the following fund types:

- The *Internal Service Fund (Proprietary)* is used to account for the Town's medical insurance premiums.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund 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*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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 the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

The Short-Term Investment Fund (STIF) is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAm by Standard & Poor's. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

Fair Value of Financial Instruments - In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

> **Level 1:** Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.
>
> **Level 2:** Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
>
> a. Quoted prices for similar assets or liabilities in active markets.
> b. Quoted prices for identical or similar assets in markets that are not active;
> c. Observable inputs other than quoted prices for the assets or liability;
> d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
>
> **Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.
>
> *Observable inputs* reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value and are presented in Note 3.

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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables, including those for WPCA funds, are shown net of an allowance for uncollectibles.

Inventories and Prepaid Items - Inventories are reported at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories 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 the government-wide and the fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

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

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

Capital Assets - Capital assets, which include property, plant and equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $20,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment, and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings and Improvements	25-50
Machinery and Equipment	5-20
Infrastructure	10-65

Deferred Outflows/Inflows of Resources In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports a deferred charge on refunding in this category. 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. The Town also reports Deferred Pension and OPEB Expense in this category. Deferred pension and OPEB expense 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 on a systematic and rational basis.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and deferred leases in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Also, within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension and OPEB plans. These amounts are deferred and included in pension and OPEB expense on a systematic and rational basis. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and interest, special assessments, and loans. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

Unearned Revenue – This liability represents resources that have been received but not yet earned.

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

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

Compensated Absences - Employees accumulate, by prescribed formula, vacation, sick and personal days for subsequent use or for payment upon termination or retirement. The liability for compensated absences reported in the government-wide and proprietary fund financial 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. A liability for these amounts is reported in the governmental funds only for amounts expected to be paid with available resources; for example, as a result of employee resignations and retirements.

Net Pension Liability/Asset – The net pension liability/asset 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.

Net OPEB Liability/Asset – The net OPEB liability/asset is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability/asset 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.

Leases and Subscription-Based Information Technology Arrangements (as Lessee) – The Town recognizes a lease/subscription liability and an intangible right-of-use asset (lease/subscription asset) for a noncancellable lease/subscription in the government-wide and proprietary fund financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of $20,000 or more. At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease/subscription liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases/subscriptions include how the Town determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments. The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate. When the interest rate charged by the lessor/subscription vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases/subscriptions. The lease/subscription term includes the non-cancellable period of the lease/subscription. Lease/subscription payments included in the measurement of the lease/subscription liability are composed of fixed payments and 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/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability. Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt and other long-term obligations in the statement of net position.

Net Position and Fund Balance – Equity in the government-wide and proprietary fund financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

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

The equity of the governmental fund financial statements is defined as "fund balance" and is classified in the following five separate categories:

Nonspendable Fund Balance - Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories, prepaid expenditures, and permanent fund principal. Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance - Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by a government's highest level of decision-making authority (Litchfield Board of Selectmen).

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official.

Unassigned Fund Balance - Represents the remaining fund balance after amounts are set aside for all other classifications in the General Fund. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Board of Finance formally adopted a general fund balance policy on May 13, 2019. In accordance with the policy, the Town limits the use of undesignated ("unassigned") general fund balance in excess of 15% of the next year's appropriation to the following: limited funds for capital projects, equipment sinking fund, capital improvement projects, debt service, or any one-time nonrecurring expenditure.

Property Taxes – The Town's property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in two installments (July 1 and January 1). Personal property taxes are payable annually (July 1) and motor vehicle taxes are due in one single payment on July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are filed on delinquent real estate taxes within one year.

Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

Encumbrances - In the governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

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

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

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. In May, the Board of Finance submits to the annual Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally enacted through passage of a resolution.

- The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of $20,000 per department per year. Transfers and additional appropriations aggregating more than $20,000 for any one department per year must be approved by the Town Meeting. During the year, the Board of Finance and, where required, the Town Meeting, approved no additional appropriations.

- Formal budgetary integration is employed as a management control device during the year.

- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

Generally, all unencumbered appropriations lapse at year-end except those for the Capital Projects Fund. Encumbered appropriations are carried forward. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one year.

Excess of Expenditures over Appropriations
For the year ended June 30, 2025, the following department expenditures exceeded appropriations in the General Fund:

Board of Finance	$	18,908
Board of Selectman		4,067
Treasurer		247
Tax Collector		5,517
Town Clerk		2,970
Elections		16,760
Finance Department		8,995
Planning and Zoning		908
Zoning Board of Appeals		13
Building Grounds and Maintenance		30,964
Legal		58,979
Municipal Management		10,184
Fire Protection		5,914
Supervision		1,439
Highways		37,987
Solid Waste & Recycling		9,270
Director		495
Social Services		2,774
OSHA Mandated Health		1,094
Recreation		3,466
	$	220,951

NOTE 3 – **CASH, CASH EQUIVALENTS, RESTRICTED CASH, 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 following is a summary of cash, cash equivalents, and restricted cash at June 30, 2025:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	$ 9,928,244	$ 50	$ -	$ 9,928,294
Cash Equivalents	5,507,769	-	574,407	6,082,176
Restricted Cash	110,842	-	-	110,842
	$ 15,546,855	$ 50	$ 574,407	$ 16,121,312

Deposits
Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash, Cash Equivalents, and Restricted Cash	$ 16,121,312
Less: Cash Equivalents (STIF)	(5,507,769)
Less: Cash Equivalents (MM)	(574,407)
	$ 10,039,136

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was $10,039,136 and the bank balance was $10,092,685. Of the bank balance, the Federal Depository Insurance Corporation insured $8,228,338.

As of June 30, 2025, $1,864,347 of the Town’s bank balance of $10,092,685 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,627,912
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	236,435
	$ 1,864,347

Cash Equivalents
At June 30, 2025, the Town’s cash equivalents amounted to $6,082,176. Of this amount, $5,507,769 is held in the Connecticut Short-Term Investment Fund (STIF) and $574,407 is held in a Government Money Market Fund. Both funds are rated AAAm by Standard & Poor’s and have an average maturity of under 60 days.

Investments
As of June 30, 2025, the Town's investments measured at fair value were comprised of the following:

		Fair Value Measurements Using		
Investment Type	June 30, 2025	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Funds	$ 17,554,751	$ 17,554,751	$ -	$ -
Mutual Funds Fixed Income	10,760,238	10,760,238	-	-
	$ 28,314,989	$ 28,314,989	$ -	$ -

Interest Rate Risk - The Town has, for the Pension Trust Funds, an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Pension Commission's Investment Policy requires its fixed income portion to be high quality bonds managed consistent with Union Saving's Bank's forecast of interest rates, inflation, and valuation levels. The benchmark is the Barclays US Intermediate Gov/Credit Bond Index for high quality and the Barclays US Corp High Yield Index for high yield. This is a means to manage the Town's exposure to fair value losses arising from increasing interest rates.

Credit Risk-Investments – Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State Statutes limit the investment options of cities and towns. The Investment Policy further limits the investment choices. The Pension Commission's investment benchmark for large capitalization companies is the S&P 500 Index, and for small capitalization companies the benchmark is the Russell 2000. The benchmark for international equities is the Morgan Stanley EAFE Index.

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's investments are not exposed to custodial credit risk at June 30, 2025, as they are held by a trustee in the Town's name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Investment Policy sets forth the following asset allocation targets: Equities 55%-65%; Fixed Income 35%-45%; and Cash and Cash Equivalents 2%-15%.

NOTE 4 – **RECEIVABLES AND UNEARNED REVENUE**

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

	General Fund	Capital Projects Fund	WPCA Fund	Nonmajor and Other Funds	Total
Receivables:					
Property taxes	$ 529,275	$ -	$ -	$ -	$ 529,275
Interest, Liens, and Fees	159,298	-	141,186	-	300,484
Usage Charges	-	-	323,253	-	323,253
Loans	-	-	-	10,350	10,350
Region 20 Member Towns	178,707	-	-	-	178,707
Leases	1,044,033	-	-	292,568	1,336,601
Intergovernmental	-	524,337	-	173,882	698,219
Assessments	-	-	-	159,912	159,912
Accounts	58,807	-	-	-	58,807
Gross Receivables	1,970,120	524,337	464,439	636,712	3,595,608
Less allowance for uncollectibles:					
Property taxes, interest, liens, and fees	(36,000)	-	-	-	(36,000)
Usage Charges	-	-	(7,000)	-	(7,000)
Total allowance	(36,000)	-	(7,000)	-	(43,000)
Net Total Receivables	$ 1,934,120	$ 524,337	$ 457,439	$ 636,712	$ 3,552,608

The loans receivable of $10,350 in the nonmajor governmental funds and a portion of the leases receivable of $1,336,601 are long-term receivables are not expected to be collected within one year.

The receivable of $178,707 from the Regional School District No. 20 member towns related to start up costs paid by the Town of Litchfield will be adjusted and collected based upon future agreements with the member Towns and is subject to change.

Leases Receivable

The Town, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. In the Governmental Activities, the Town recognized lease and interest revenue of $102,853 and $41,542 for the year ended June 30, 2025, respectively.

The future minimum lease payments to be received under lease agreements are as follows:

Year(s)	Principal	Interest	Total
2026	$ 86,389	$ 42,811	$ 129,200
2027	89,098	40,102	129,200
2028	91,892	37,308	129,200
2029	94,774	34,426	129,200
2030	75,264	31,536	106,800
2031-2035	171,468	138,532	310,000
2036-2040	202,982	107,018	310,000
2041-2045	240,287	69,713	310,000
2046-2050	284,447	25,553	310,000
	$ 1,336,601	$ 526,999	$ 1,863,600

Unearned Revenue

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

	Governmental Funds
Capital Projects Fund:	
Advances on Grants	$ 741,838
Nonmajor Funds:	
Fees Collected in Advance	32,882
Advances on Grants	671,709
Total Unearned Revenue	$ 1,446,429

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Fund 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) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2025, were as follows:

Transfers In:	Transfers Out:	Amount
Governmental Funds:		
General Fund	Nonmajor Governmental Funds	$ 80,580
Capital Projects Fund	General Fund	927,625
	Nonmajor Governmental Funds	278,637
		1,206,262
Nonmajor Governmental Funds	General Fund	20,000
	Total Transfers	$ 1,306,842

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2025, the outstanding balances between funds were:

Receivable Fund:	Payable Fund:	Total
Governmental Funds:		
General Fund	Nonmajor Governmental Funds	$ 1,019
Capital Projects Fund	General Fund	3,222,408
Nonmajor Governmental Funds	General Fund	2,548,815
	Total Governmental Funds	5,772,242
Proprietary Funds:		
Water Pollution Control Authority	General Fund	1,117,304
	Total Proprietary Funds	1,117,304
	Total Interfund Balances	$ 6,889,546

NOTE 6 – **CAPITAL ASSETS**

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

Govermental Activities	Beginning Balances*	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	$ 1,679,473	$ 125,000	$ (206,206)	$ 1,598,267
Construction in Progress	-	20,499	-	20,499
Total capital assets, not being depreciated	1,679,473	145,499	(206,206)	1,618,766
Capital assets, being depreciated:				
Buildings and Improvements	57,068,355	987,954	(40,247,003)	17,809,306
Machinery and Equipment	12,491,811	904,057	(1,032,248)	12,363,620
Infrastructure	51,830,047	1,989,561	-	53,819,608
Total capital assets, being depreciated	121,390,213	3,881,572	(41,279,251)	83,992,534
Less accumulated depreciation for:				
Buildings and Improvements	25,210,334	438,636	(18,416,846)	7,232,124
Machinery and Equipment	8,554,489	434,481	(1,056,708)	7,932,262
Infrastructure	17,205,467	1,168,452	-	18,373,919
Total accumulated depreciation	50,970,290	2,041,569	(19,473,554)	33,538,305
Total capital assets, being depreciated	70,419,923	1,840,003	(21,805,697)	50,454,229
Governmental Activities capital assets, net	$ 72,099,396	$ 1,985,502	$ (22,011,903)	$ 52,072,995

*The beginning capital asset balances have been restated for corrections of an error. See Note 17.

Depreciation and amortization expense were charged to functions/programs of the Town as follows:

Governmental Activities:	
General Government	$ 50,448
Public Safety	366,896
Public Works	1,586,581
Culture and Recreation	37,644
Total Depreciation and Amortization Expense	
Governmental Activities	$ 2,041,569

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

Business-Type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, being depreciated:				
Buildings and Improvements	$ 3,853,887	$ 160,983	$ -	$ 4,014,870
Machinery and Equipment	99,823	-	-	99,823
Infrastructure - Sewers	4,783,418	-	-	4,783,418
Total capital assets, being depreciated	8,737,128	160,983	-	8,898,111
Less accumulated depreciation for:				
Buildings and Improvements	1,695,621	99,888	-	1,795,509
Machinery and Equipment	31,139	7,083	-	38,222
Infrastructure - Sewers	3,042,804	64,655	-	3,107,459
Total accumulated depreciation	4,769,564	171,626	-	4,941,190
Business-Type Activities capital assets, net	$ 3,967,564	$ (10,643)	$ -	$ 3,956,921

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

Business-Type Activities:	
Water Pollution Control Authority	$ 171,626

NOTE 7 – **LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 17,940,000	$ -	$ 2,895,000	$ 15,045,000	$ 2,290,000
Unamortized Bond Premiums	1,757,467	-	279,637	1,477,830	198,531
Total Bonds Payable	19,697,467	-	3,174,637	16,522,830	2,488,531
Region 20 Budget Deficit Mitigation Agreement	-	1,478,117	-	1,478,117	430,407
Compensated Absences	490,206	-	35,303	454,903	90,981
Net Pension Liability	958,112	-	953,219	4,893	-
Total Governmental Activities Long-Term Liabilities	$ 21,145,785	$ 1,478,117	$ 4,163,159	$ 18,460,743	$ 3,009,919
Business-Type Activities					
Compensated Absences	$ 46,281	$ 4,630	$ -	$ 50,911	$ 10,182

*The beginning balances of the compensated absences have been restated for the implementation of GASB 101, *Compensated Absences*. See Note 17.

The change in the liabilities for compensated absences is presented net of increases and decreases. Long-term liabilities are generally liquidated by the General Fund.

General Obligation Bonds
The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2025, consisted of the following:

Description	Year of Issue	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2025
General Obligation Bonds*	2012	8/1/2025	2.00-4.00%	$ 4,555,000	$ 640,000
General Obligation Bonds	2012	2/1/2027	2.00-3.00%	2,900,000	350,000
General Obligation Bonds	2016	8/1/2031	2.00-3.00%	6,438,000	3,010,000
General Obligation Bonds	2017	8/1/2032	2.00-3.00%	2,535,000	1,345,000
General Obligation Bonds	2018	8/1/2033	2.125-4.00%	1,691,000	1,005,000
General Obligation Bonds	2019	8/1/2034	3.00-5.00%	9,400,000	2,425,000
General Obligation Bonds	2020	8/1/2035	2.00-4.00%	2,000,000	1,520,000
General Obligation Bonds	2021	8/1/2036	2.00-4.00%	2,020,000	1,615,000
General Obligation Bonds	2022	8/1/2037	3.00-5.00%	2,085,000	1,805,000
General Obligation Bonds	2023	8/1/2038	4.00-5.00%	1,430,000	1,330,000
				$ 35,054,000	$ 15,045,000

*Refunding Bonds

The annual debt service requirements of the Town's general obligation bonds are as follows:

	Governmental Activities		
Year(s)	Principal	Interest	Total
2026	$ 2,290,000	$ 424,925	$ 2,714,925
2027	1,650,000	366,365	2,016,365
2028	1,475,000	312,162	1,787,162
2029	1,470,000	263,924	1,733,924
2030	1,470,000	218,349	1,688,349
2031-2035	5,525,000	527,801	6,052,801
2036-2040	1,165,000	54,722	1,219,722
	$ 15,045,000	$ 2,168,248	$ 17,213,248

As part of the agreement between the Regional School District No. 20 and the Town of Litchfield related to the transfer of education operations, the Regional School District No. 20 will reimburse the Town of Litchfield for a portion of the general obligation bond payments which are related to the assets that were transferred as part of the agreement. During the year ended June 30, 2025, the Town received $1,186,272 which it used as part of the annual debt service payment. There will be one more payment to be received from the Regional School District No. 20 in fiscal year 2026 for $631,517.

Authorized, Unissued Bonds
As of June 30, 2025, the Town had authorized, but unissued bonds totaling $3,922,319 for various capital projects.

Regional School District No. 20 Budget Deficit Mitigation Agreement
The Regional School District No. 20 is projecting a shortfall in their fiscal year 2025 budget of roughly $2,700,000. Due to this, an agreement between the Regional School District No. 20 and the member Towns (Litchfield, Morris, Goshen, and Warren) was signed and the member Towns have agreed to help the District cover the shortfall by making voluntary payments based upon their percent share of the Districts fiscal year 2025 budget. When this agreement was made, the Town of Litchfield's share was 56.14%. The estimated deficit is subject to change pending the District's fiscal year 2025 audit and any future changes in estimates are unknown at this time. As of the time of the agreement, Litchfield's estimated share is $1,478,117 and payments will be made annually to the District according to the following schedule:

Fiscal Year	Amount
2026	$ 430,407
2027	523,855
2028	523,855
	$ 1,478,117

Shared Debt
The Town is contingently liable for its pro-rata share of Regional School District No. 20's ("the District") outstanding debt. As of June 30, 2025, the District's total outstanding debt was $3,425,389, with 56.14%, or $1,923,013 representing the Town's share.

In addition, the Borough of Litchfield, a special taxing district located within the Town, debt is legally considered underlying debt of the Town. As of June 30, 2025, the outstanding debt of the Borough of Litchfield was $130,000.

Compensated Absences
Employees may accumulate unused vacation and sick leave in accordance with policies, union contracts, and employment agreements. A liability has been recorded in the Governmental Activities, Business-Type Activities, and Proprietary Fund financial statements for amounts which have been earned that are more likely than not to be used as time off or paid. The liability is based on estimates of the amount of vacation and sick leave that employees will use in future years. Actual leave usage could differ from those estimates, and those differences could be material to the financial statements.

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	$ 69,245,222	$ 18,242,929	$ 51,002,293
Schools	138,490,443	2,777,403	135,713,040
Sewers	115,408,703	-	115,408,703
Urban Renewal	100,020,876	-	100,020,876
Pension Deficit	92,326,962	-	92,326,962

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or $215,429,578.

NOTE 8 - **FUND BALANCE COMPONENTS**

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	$ 25,113	$ -	$ -	$ 25,113
Leases	12,113	-	5,215	17,328
Cemeteries	-	-	10,000	10,000
Total Nonspendable	37,226	-	15,215	52,441
Restricted for:				
General Government	11,451	-	34,591	46,042
Public Safety	76	-	12,759	12,835
Public Works	-	-	234,356	234,356
Health and Welfare	-	-	283,329	283,329
Culture and Recreation	17,128	-	187,529	204,657
Education	-	-	25,837	25,837
WPCA Operations	-	-	537,676	537,676
Capital Purposes	51,925	-	-	51,925
Total Restricted	80,580	-	1,316,077	1,396,657
Committed to:				
General Government	-	-	266,981	266,981
Public Works	-	-	71,263	71,263
Health and Welfare	-	-	84,758	84,758
Capital Purposes	-	3,004,907	188,949	3,193,856
Total Committed	-	3,004,907	611,951	3,616,858
Assigned:				
Encumbrances	92,581	-	-	92,581
Animal Control	72,896	-	-	72,896
Total Assigned	165,477	-	-	165,477
Unassigned	7,640,023	-	-	7,640,023
Total Fund Balances	$ 7,923,306	$ 3,004,907	$ 1,943,243	$ 12,871,456

NOTE 9 – **PENSION PLANS**

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

	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town Retirement Plan	$ -	$ 1,163,994	$ -	$ 1,169,480	$ (542,086)
Merit Service Plan	4,893	-	213,345	391,696	34,208
	$ 4,893	$ 1,163,994	$ 213,345	$ 1,561,176	$ (507,878)

Detailed disclosures of each plan follow

Single-Employer Defined Benefit Pension Plans

Plan Description

The Town is the administrator of the following two single-employer defined benefit pension plans: the Town Retirement Plan and the Merit Service Plan (the Plans). The Town Retirement Plan covers substantially all eligible employees of the Town and Board of Education except certified staff of the Board of Education covered by the State Teachers' Retirement Plan hired prior to July 1, 2012. The Merit Service Plan covers all firefighters and ambulance volunteers. The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, balances of the Plans as of and for the year ended, June 30, 2025, are accounted for in the fiduciary fund financial statements as pension trust funds.

Plan Administration

Plan administration and management is vested in the PERS Board, which consists of five voting members and two alternate members. Members of the Board are appointed by the Board of Selectmen. The First Selectmen serves as an ex-officio member.

Plan Membership

Town Retirement Plan

Employees are eligible to participate in the Town Retirement Plan when they complete 1 year of eligible service, have completed 1,000 hours during the first 12 months of employment, and have attained the age of 18. For employees who do not complete 1,000 hours of service during the first 12 months of employment, eligibility begins on the first day of the year during which 1,000 hours were completed. Employees are 100% vested after 5 years of credited service. This Plan was closed to new employees as of July 1, 2012. All employees hired after July 1, 2012, will only be eligible to participate in the defined contribution plan for which the Town will contribute a sum equal to 3% of the employee's bi-weekly wages to a 401(a)-account commencing the first payroll after the employee's one year anniversary.

Merit Service Plan

All volunteer firefighters who belong to the volunteer fire departments and, as of July 1, 1992, the members of the volunteer ambulance corps are eligible to participate in the Plan. Volunteer firefighters and ambulance corps members are eligible to participate in the Merit Service Plan on July 1 following the date on which one year of eligible service has been completed and age 18 has been attained. Employees are 100% vested after 5 years of credited service.

As of the date of the latest actuarial valuations, membership of the Plans consisted of the following:

	Town Retirement Plan	Merit Service Plan
Inactive plan members or beneficiaries receiving payments	101	88
Inactive plan members entitled but not yet receiving payments	43	46
Active Members	11	181
	155	315

Benefit Provisions

Town Retirement Plan

Normal retirement age is the later of age 65 or 5 years of credited services. Normal retirement benefits are 1.75% times final average compensation times years of credited services up to a maximum of 30 years. Final average compensation is defined as the average annual compensation for the 60 months during which compensation is highest. Compensation is defined as total wages and other amounts reportable on Form W-2 for any continuous 12 month period. Years of credited services is defined as all years in which the participant completes 1,000 hours of service. Board of Education members hired prior to October 1, 1989 must complete 720 hours. Service for Board of Education members will stop accruing as of June 30, 2024.

Employees are eligible for early retirement at age 50 with 10 years of service. The early retirement benefits are the same as the normal retirement benefits with a reduction to the accrued benefit of 4% per year by which the retirement date precedes the normal retirement date.

Death benefits will be paid if the member dies after 10 years of credited service with a survivor annuity payable to the members spouse or designated beneficiary for life as if the member retired on the later of the first day of the month following date of death and the first day of the month following attainment of age 50.

A plan member who leaves Town service prior to retirement is eligible for the vested portion of accrued benefits as of date of termination, first payable upon normal retirement eligibility. Earlier benefit commencement may be elected, subject to early retirement eligibility and reduction factors.

Merit Service Plan

The plan provides retirement, disability and death benefits. Normal retirement is the first day of the month coinciding with or next following the later of age 65 or 2 years of service. Normal retirement benefit is $15 per month for each year of service up to a maximum of 30 years. A plan member who leaves service prior to retirement is eligible for the vested portion of accrued benefits as of the date of termination, first payable upon normal retirement eligibility. Death benefits for married participants are survivor portion of 100% joint and survivor annuity payable to the participant’s spouse for life as if the participant separated from service on the date of death and survived to their earliest retirement date. In the case of a death for an unmarried participant, a death benefit is payable to the participant’s designated beneficiary equal to a lifetime pension guaranteed for 120 payments as if the participant had separated from service on the date of death, survived to their earliest retirement date, commenced their benefit on that date, and died the following day.

Contributions

The Contribution requirements of plan members and the Town are established and may be amended by the Town of Litchfield. The Town is required to contribute amounts necessary to fund the Plan.

Town Retirement Plan

Effective July 1, 2015, all active employees are required to contribute 1% of their salary to the defined benefit plan. Effective July 1, 2016, active employees in the Highway and Sewer Departments contribute 2% of their pay. Total employee contributions totaled $10,428 for the year ended June 30, 2025.

For the year ended June 30, 2025, employer contributions to the Town Retirement Plan totaled $514,350 and represented 69.54% of covered payroll.

Merit Service Plan

Participants of the Merit Service Plan are not required to contribute to the Plan.

For the year ended June 30, 2025, employer contributions to the Merit Service Plan totaled $168,828.

Summary of Significant Accounting Policies

The Plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans 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 Plans.

Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment Policy – The pension plan’s policy regarding allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans.

Concentrations – As of June 30, 2025, there were no investments in any one issuer that represented 5% or more of the Town Retirement Plan’s and Merit Service Plan’s total investments.

Rate of Return – For the year ended June 30, 2025, the annual money-weighted rate of return on the Town Retirement Plan’s and Merit Service Plan’s pension plan investments, net of pension plan investment expense, was 12.02% and 12.03%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability/(Asset)

The components of the Town's net pension liability/(asset) for each of its Plans as of June 30, 2025, were as follows:

	Town Retirement Plan	Merit Service Plan
Total pension liability	$ 19,644,581	$ 5,658,143
Plan fiduciary net position	20,808,575	5,653,250
Net pension liability/(asset)	$ (1,163,994)	$ 4,893
Plan fiduciary net position as a percentage of total pension liability	105.93%	99.91%

The components of the changes in the net pension liability/(asset) for each of the Town's Plans for the year ended June 30, 2025, were as follows:

	Increase (Decrease)		
Town Retirement Plan	Total Pension Liablity (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at June 30, 2024	$ 19,812,905	$ 19,283,470	$ 529,435
Changes for the year:			
Service Cost	176,290	-	176,290
Interest	1,210,484	-	1,210,484
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience including Changes in Assumptions	(293,069)	-	(293,069)
Employer Contributions	-	514,350	(514,350)
Member Contributions	-	10,428	(10,428)
Net Investment Income	-	2,262,356	(2,262,356)
Benefit Payments	(1,262,029)	(1,262,029)	-
Administrative Expenses	-	-	-
Net Changes	(168,324)	1,525,105	(1,693,429)
Balance at June 30, 2025	$ 19,644,581	$ 20,808,575	$ (1,163,994)

Merit Service Plan	Increase (Decrease) Total Pension Liablity (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2024	$ 5,582,556	$ 5,153,879	$ 428,677
Changes for the year:			
Service Cost	65,288	-	65,288
Interest	344,442	-	344,442
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(56,381)	-	(56,381)
Changes in Assumptions	-	-	-
Employer Contributions	-	168,828	(168,828)
Member Contributions	-	-	-
Net Investment Income	-	608,305	(608,305)
Benefit Payments	(277,762)	(277,762)	-
Administrative Expenses	-	-	-
Net Changes	75,587	499,371	(423,784)
Balance at June 30, 2025	$ 5,658,143	$ 5,653,250	$ 4,893

Actuarial Assumptions – The total pension liabilities were determined by actuarial valuations as of July 1, 2024, for the Town Retirement Plan and the Merit Service Plan using the following actuarial assumptions, applied to all periods included in the measurement:

	Town Retirement Plan	Merit Service Plan
Inflation	2.50%	2.50%
Salary increases (average, including inflation)	3.50%	Not applicable
Investment rate of return (net of investment expense)	6.25%	6.25%

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

Mortality rates for the Merit Service Plan were based on the PUB-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety Employees), projected to valuation date with Scale MP-2021.

The long-term expected rate of returns on pension plan investments were 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.

The target asset allocation and most recent best estimates of geometric real rates of return for each major asset class included in both pension plan's actuarial valuation as of July 1, 2024, are summarized in the following table:

Target Allocation and Expected Rate of Return
June 30, 2025

Town Retirement Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S Equities	49.00%	4.40%	2.16%
Developed Economies	6.00%	5.80%	0.35%
Emerging Economies	5.00%	6.10%	0.31%
High Quality Bond	33.00%	1.20%	0.40%
High Yield Bond	5.00%	3.70%	0.19%
Cash Equivalents	2.00%	-0.20%	0.00%
	100.00%		3.41%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			5.91%

Merit Service Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S Equities	49.00%	4.40%	2.16%
Developed Economies	6.00%	5.80%	0.35%
Emerging Economies	5.00%	6.10%	0.31%
High Quality Bond	33.00%	1.20%	0.40%
High Yield Bond	5.00%	3.70%	0.19%
Cash Equivalents	2.00%	-0.20%	0.00%
	100.00%		3.41%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			5.91%

Discount Rate – The discount rate used to measure the total pension liability for the Town Retirement Plan and the Merit Service Plan was 6.25%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, each of the Plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine each Plan's total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability/(asset) for each Plan, calculated using the current discount rate, as well as what the Town's net pension liability/(asset) would be for each of the Plans 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 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability/(Asset)			
Town Retirement Plan	$ 663,393	$ (1,163,994)	$ (2,735,197)
Merit Service Plan	720,982	4,893	(584,197)
	$ 1,384,375	$ (1,159,101)	$ (3,319,394)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the aggregate amount of pension expense recognized for the Town Retirement Plan and Merit Service Plans was $(507,878). The Town recognized pension expense of $(542,086) for the Town Retirement Plan and pension expense of $34,208 for the Merit Service Plan. As of June 30, 2025, the Town reported deferred inflows and outflows of resources related to each of the Plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Retirement Plan		
Net differences between projected and actual earnings on pension plan investments	$ -	$ (1,169,480)
Total Town Retirement Plan	$ -	$ (1,169,480)
Merit Service Plan		
Net differences between projected and actual earnings on pension plan investments	$ -	$ (312,250)
Difference between expected and actual experience	-	(79,446)
Changes of assumptions	213,345	-
Total Merit Service Plan	$ 213,345	$ (391,696)

Amounts reported as deferred outflows and inflows of resources will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	Town Retirement Plan	Merit Service Plan	Total
2026	$ 113,999	$ 73,467	$ 187,466
2027	(593,179)	(124,022)	(717,201)
2028	(474,335)	(95,028)	(569,363)
2029	(215,965)	(29,084)	(245,049)
2030	-	10,931	10,931
Thereafter	-	(14,615)	(14,615)
Total	$ (1,169,480)	$ (178,351)	$ (1,347,831)

Defined Contribution Retirement Plan
On July 1, 2012, the Town established a defined contribution retirement plan that covers employees of the Town and Board of Education hired after July 1, 2012. This plan was adopted and can be amended by the Board of Selectmen. Under this plan, the Town contributes an amount equal to 3% each year of an eligible employee's wages into a 401(a) Plan on the employee's behalf. In addition, eligible employees may make an additional contribution up to the amount allowed by law. There are currently 32 participants in the plan as of June 30, 2025, and contributions of $74,822 have been made in the fiscal year ended June 30, 2025.

NOTE 10 - **OTHER POST-EMPLOYMENT BENEFITS**

Board of Education OPEB Plan

Plan Description

The Town of Litchfield administers an other post-employment benefits program (the OPEB Plan), which is a single-employer defined benefits plan. The OPEB Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are established by the Town and the General Statutes of the State of Connecticut. Effective July 1, 2024, only members who were retired on that date are eligible. Active employees became part of the new Regional School District No. 20 and are no longer eligible for retiree medical benefits through the Town of Litchfield. The OPEB Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided (Members who retired prior to July 1, 2024)

Teachers and Administrators: Teachers or Administrators who retired under the Connecticut State Teachers Retirement System are eligible to receive health benefits for self and spouse. Eligibility for coverage is age 60 with 10 years of service, age 50 with 25 years of service, or age 55 with 20 years of service. Retirees and spouses of retirees must pay 100% of the cost for medical coverage. Spouse coverage may continue at 100% of cost after the death of a retiree.

Superintendent – Eligibility is after 7 years of service. Benefits provided are $5,000 per year paid by the Town until eligible for Medicare (age 65) or 5 years immediately following retirement; whichever is less. The Superintendent is also eligible for a $250,000 life insurance policy until age 67, after 5 years of service.

Investments Policy

The OPEB plan's policy regarding the allocation of invested assets is established and may be amended by the Board of Education (now the Town). It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return on Investments

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Employees Covered by Benefit Terms

Membership of the Plan consisted of the following as of July 1, 2024, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	3
Active plan members	-
	3

Contributions

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with General Statutes of the State of Connecticut. Plan members are currently required to contribute 100% of their premiums to the Town, less any reimbursements received by the Town from the State Retirement Board for retired teachers. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions totaled $0 and TRB reimbursements totaled $13,200 for the year ended June 30, 2025.

Net OPEB Asset

The Town's net OPEB asset reported as of June 30, 2025, totaled $1,984,037. The net OPEB asset was measured as of June 30, 2025, using the Entry Age Normal Method. The components of the net OPEB asset as of June 30, 2025, were as follows:

	OPEB Plan
Total OPEB liability	$ 450,881
Plan fiduciary net position	2,434,918
Net OPEB asset	$ (1,984,037)
Plan fiduciary net position as a percentage of total OPEB liability	540.04%

Actuarial Assumptions and Other Inputs: The total OPEB liability as of June 30, 2025, was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.25%
Inflation	2.50%
Healthcare Cost Trend Rates	7.00% for 2024 reduced by 0.2% each year to an ultimate rate of 4.40% per year for 2038 and later. (Prior: 6.50% for 2022 reduced by 0.25% each year to an ultimate rate of 4.50% per year for 2030 and later.)

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Teachers, projected to the valuation date with Scale MP-2021.

The long-term expected rate of returns on OPEB Plan investments were 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.

The target asset allocation and most recent best estimates of geometric real rates of return for each major asset class as of the July 1, 2024 valuation, are summarized in the following table:

Target Allocation and Expected Rate of Return
June 30, 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S Equities	49.00%	4.40%	2.16%
Developed Economies	6.00%	5.80%	0.35%
Emerging Economies	5.00%	6.10%	0.31%
High Quality Bond	33.00%	1.20%	0.40%
High Yield Bond	5.00%	3.70%	0.19%
Cash Equivalents	2.00%	-0.20%	0.00%
	100.00%		3.41%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			5.91%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan’s investments were applied to all periods of projected benefit payments to determine the OPEB Plan’s total OPEB liability.

Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liablity (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at June 30, 2024	$ 278,986	$ 2,174,001	$ (1,895,015)
Changes for the year:			
Service Cost	17,031	-	17,031
Interest	133,387	-	133,387
Differences Between Expected and Actual Experience			
Changes in Assumptions	34,677	-	34,677
Net Investment Income	-	260,917	(260,917)
Contributions - TRB Reimbursements	-	13,200	(13,200)
Benefit Payments	(13,200)	(13,200)	-
Administrative Expenses	-	-	-
Net Changes	171,895	260,917	(89,022)
Balance at June 30, 2025	$ 450,881	$ 2,434,918	$ (1,984,037)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate: The following presents the net OPEB asset of the Town, as well as what the Town's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Asset	$ (1,931,644)	$ (1,984,037)	$ (2,028,306)

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Asset	$ (2,030,852)	$ (1,984,037)	$ (1,929,444)

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the Town recognized OPEB expense of ($150,441). As of June 30, 2025, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,918	$ (1,372,934)
Changes of assumptions	101,621	(131,722)
Net difference between projected and actual earnings on OPEB plan investments	-	(141,262)
	$ 128,539	$ (1,645,918)

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

Year ended June 30:	
2026	$ (129,465)
2027	(191,285)
2028	(176,995)
2029	(147,127)
2030	(122,117)
Thereafter	(750,390)
	$ (1,517,379)

NOTE 11 – **PENSION AND OPEB COMBINING SCHEDULES**

Combining Statement of Fiduciary Net Position

	Town Pension Trust Fund	Merit Service Pension Trust Fund	OPEB Trust Fund	Total
Assets				
Cash and Cash Equivalents	$ 405,344	$ 117,742	$ 51,321	$ 574,407
Investments, at Fair Value:				
Mutual Funds - Equities	12,649,632	3,427,353	1,477,766	17,554,751
Mutual Funds - Bonds	7,753,599	2,100,808	905,831	10,760,238
Contribution Receivable	-	7,347	-	7,347
Total Assets	$ 20,808,575	$ 5,653,250	$ 2,434,918	$ 28,896,743
Net Position				
Restricted for Pension Benefits	$ 20,808,575	$ 5,653,250	$ -	$ 26,461,825
Restricted for OPEB Benefits	-	-	2,434,918	2,434,918
Total Net Position	$ 20,808,575	$ 5,653,250	$ 2,434,918	$ 28,896,743

Combining Statement of Changes in Fiduciary Net Position

	Town Pension Trust Fund	Merit Service Pension Trust Fund	OPEB Trust Fund	Total
Additions				
Contributions:				
Employer	$ 514,350	$ 168,828	$ 13,200	$ 696,378
Employee	10,428	-	-	10,428
Total Contributions	524,778	168,828	13,200	706,806
Investment Income				
Net Appreciation/(Depreciation) in Fair Value of Investments	1,772,553	476,814	203,864	2,453,231
Interest and Dividends	538,914	144,682	66,557	750,153
Total Investment Income	2,311,467	621,496	270,421	3,203,384
Less: Investment Management Fees	(49,111)	(13,191)	(5,706)	(68,008)
Net Investment Income	2,262,356	608,305	264,715	3,135,376
Total Additions	2,787,134	777,133	277,915	3,842,182
Deductions				
Pension Benefits	1,262,029	277,762	13,200	1,552,991
Administrative Expenses	-	-	-	-
Total Deductions	1,262,029	277,762	13,200	1,552,991
Change in Net Position	1,525,105	499,371	264,715	2,289,191
Net Position at Beginning of Year	19,283,470	5,153,879	2,170,203	26,607,552
Net Position at End of Year	$ 20,808,575	$ 5,653,250	$ 2,434,918	$ 28,896,743

NOTE 12 – **RISK MANAGEMENT**

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally purchases commercial insurance for these risks. During the year ended June 30, 2025, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in coverage from the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering interlocal risk management program.

Internal Service Fund – The Town is no longer self-insured for medical and as a result the Internal Service Fund has been closed out during fiscal year 2025. The Town purchases commercial insurance and the premiums will be budgeted annually in the General Fund.

NOTE 13 – **LITIGATION AND CONTINGENCIES**

Litigation – The Town is currently a defendant in a number of lawsuits. Management and legal counsel believe that the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

Grants - The Town participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2025, have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 14 – **UPCOMING PRONOUNCEMENTS**

GASB Pronouncements Issued, But Not Yet Effective
The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 103 – *Financial Reporting Model Improvements* – The objective of this Statement is to provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2025.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2025.

NOTE 15 - **TRANSFER OF EDUCATION OPERATIONS**

In June of 2022, the citizens of the Towns of Goshen, Litchfield, Morris, and Warren approved to enter into the Regional School District No. 20 to provide educational services to children in grades K-12.

Effective July 1, 2024, the Town of Litchfield transferred responsibility for the governance, administration, and operation of public education services to the Regional School District No. 20 ("the District") in accordance with applicable state statutes, voter approvals, and intergovernmental agreements. This transaction represents a transfer of operations as described in GASB No. 69, *Government Combinations and Disposals of Operations*. The transfer was carried out for no consideration and was not a sale. Accordingly, the transfer of operations was accounted for as a disposal of government operations.

As a result of this transfer, the Town no longer operates an independent education department. Beginning on July 1, 2024, all educational programs, instructional and non-instructional personnel, student services, transportation, and related administrative functions are handled by the District.

Pursuant to the transfer agreement with the District, ownership and operational control of buildings, related facilities, and education-related equipment were transferred from the Town to the District. These capital assets were removed from the Town's governmental activities in the government-wide financial statements as of the effective date.

A summary of the capital assets transferred is as follows:

Asset Category	Historical Cost	Accumulated Depreciation
School Land	$ 206,206	$ -
School Buildings and Improvements	40,247,003	18,416,846
School Machinery and Equipment	1,032,248	1,056,708
	$ 41,485,457	$ 19,473,554

The total net book value of capital assets transferred was $22,011,903. In accordance with GASB Statement No. 69, the Town recognized a disposal of operations in its governmental activities. The resulting loss associated with the transfer was recognized as a special item in the government-wide financial statements.

Subsequent to the transfer, the costs of education for Litchfield students will be funded through the Town's required contributions to the Regional School District No. 20, which is a percentage based on student enrollment from the member towns.

NOTE 16 – **SUBSEQUENT EVENTS**

On August 14, 2025, the Town issued $2,100,000 of general obligation bonds. The general obligation bonds have interest rates ranging from 4-5% with principal and interest payments due annually through August 2040.

NOTE 17 – **ACCOUNTING CHANGES AND ERROR CORRECTIONS**

Corrections of Errors in Previously Issued Financial Statements
For the year ended June 30, 2025, the Town determined there was an error in the beginning accounts payable balances reported in the General Fund. The reported accounts payable balances were overstated by $600,861.

For the year ended June 30, 2025, the Town determined there was an error in the beginning accounts receivable balances reported in the General Fund. The reported accounts receivable balance was overstated by $66,970.

For the year ended June 30, 2025, the Town determined there was an error in the fund classification of the Performance Bond Fund as it does not qualify as a Custodial Fund in accordance with GASB Statement Number 84. The Town also determined that the amounts reported as Net Position/Fund Balance for the Performance Bond Fund should have instead been reported as a liability for performance bonds. The effect of correcting those errors was to reclassify the Performance Bond Fund to the General Fund and then remove the beginning fund balance and report it with performance bond liabilities.

For the year ended June 30, 2025, the Town determined that the interest receivable on delinquent sewer usage bills was not reported in the WPCA Fund. The reported receivable balance in the WPCA Fund was understated by $136,232.

For the year ended June 30, 2025, the Town determined that leases receivable and deferred inflows related to leases were not reported in the General Fund on long-term noncancellable lease agreements in accordance with GASB Statement Number 87. The reported leases receivable balance and deferred leases balances were understated by $1,073,197.

For the year ended June 30, 2025, the Town determined there was an error in previously reported capital asset values in the Governmental Activities. There were certain assets that had never been set to depreciate in the Town capital asset software resulting in an overstatement of $11,354,904. There was also an asset removed which was added in error in a prior year resulting in an overstatement of $703,674.

The effects of correcting these errors on beginning Net Position and Fund Balance is shown in the table below as items (A).

Changes to or within the Financial Reporting Entity
The American Rescue Plan Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2024, the fund no longer met the criteria to be reported as a major governmental fund and is reported as a nonmajor governmental fund for the fiscal year ended June 30, 2025. The effect of that change to or within the financial reporting entity is to remove the beginning fund balance of $100,359 from the American Rescue Plan Fund (a major governmental fund) and report it with the nonmajor governmental funds. The effects of the changes to or within the financial reporting entity are shown in the table below as item (B).

Change in Accounting Principle
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. As a result of the implementation of this standard, there was an adjustment to increase the beginning Governmental Activities and Business-Type Activities compensated absences liabilities by $240,441 and $46,281, respectfully, and to reduce the beginning Net Position by the same amount. The effects of the change in accounting principle are shown in the table below as item (C).

Adjustments and Restatements of Beginning Balances
The effect of the error corrections, changes to or within the financial reporting entity, and changes in accounting principle on the beginning fund balances and net position are described in the table below:

	Governmental Activities	Business-Type Activities	Water Pollution Control Authority	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Custodial Funds
Fund Balance/Net Position as Reported June 30, 2024	$ 78,778,752	$ 5,421,516	$ 5,421,516	$ 7,162,610	$ 100,359	$ 2,320,266	$ 313,379
(A) Corrections of an Error							
Accounts Payable	600,861	-	-	600,861	-	-	-
Accounts Receivable	(66,970)	-	-	(66,970)	-	-	-
Fund Classification of Performance Bonds	121,392	-	-	121,392	-	-	(121,392)
Performance Bonds Liability	(121,392)	-	-	(121,392)	-	-	-
Interest Receivable	-	136,232	136,232	-	-	-	-
Leases Receivable	1,073,197	-	-	1,073,197	-	-	-
Deferred Leases	(1,073,197)	-	-	(1,073,197)	-	-	-
Capital Assets Being Depreciated	(12,058,578)	-	-	-	-	-	-
(B) Changes to or Within Financial Reporting Entity							
American Rescue Plan Fund to Nonmajor	-	-	-	-	(100,359)	100,359	-
(C) Change in Accounting Principle							
GASB 101, *Compensated Absences*	(240,441)	(46,281)	(46,281)	-	-	-	-
Fund Balance/Net Position as Adjusted July 1, 2024	$ 67,013,624	$ 5,511,467	$ 5,511,467	$ 7,696,501	$ -	$ 2,420,625	$ 191,987

Required Supplementary Information

TOWN OF LITCHFIELD, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		**Actual Budgetary**	
	Original	Amended	**Basis**	Variance
Revenues				
Property Taxes	$ 28,716,002	$ 28,716,002	**$ 28,995,793**	$ 279,791
Intergovernmental	1,424,032	1,424,032	**1,445,730**	21,698
Charges for Services	807,798	807,798	**758,421**	(49,377)
Investment Income	400,000	400,000	**822,253**	422,253
Other Revenue	98,423	98,423	**121,109**	22,686
Total Revenues	31,446,255	31,446,255	**32,143,306**	697,051
Expenditures				
Current:				
General Government	1,792,255	1,826,355	**1,938,583**	(112,228)
Public Safety	1,309,566	1,309,566	**1,115,611**	193,955
Public Works	3,369,931	3,389,831	**3,404,282**	(14,451)
Health and Welfare	58,188	58,188	**62,056**	(3,868)
Culture and Recreation	681,512	681,512	**683,928**	(2,416)
Education	20,041,980	20,041,980	**20,041,980**	-
Other	1,951,559	1,897,559	**1,641,443**	256,116
Debt Service	2,225,264	2,225,264	**2,225,264**	-
Total Expenditures	31,430,255	31,430,255	**31,113,147**	317,108
Excess of Revenues Over Expenditures	16,000	16,000	**1,030,159**	1,014,159
Other Financing Sources (Uses)				
Encumbrance Credits	-	-	**38,106**	38,106
Transfers Out	(16,000)	(720,965)	**(720,965)**	-
Appropriation of Fund Balance	-	704,965	**-**	(704,965)
Total Other Financing Sources (Uses)	(16,000)	(16,000)	**(682,859)**	(666,859)
Net Change in Fund Balance	$ -	$ -	**$ 347,300**	$ 347,300

See accountant's report.

TOWN OF LITCHFIELD, CONNECTICUT
Town Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 176,290	$ 186,518	$ 244,050	$ 235,797	$ 271,006	$ 261,842	$ 325,668	$ 316,176	$ 372,872	$ 358,531
Interest	1,210,484	1,233,267	1,322,783	1,289,746	1,251,272	1,215,723	1,174,819	1,132,494	1,144,711	1,092,779
Differences Between Expected and Actual Experience	(293,069)	-	(1,149,866)	-	(351,970)	-	(130,438)	-	(853,171)	-
Changes in Benefit Terms	-	(556,033)	-	-	-	-	-	-	-	-
Changes of Assumptions	-	-	912,223	-	430,877	-	823,306	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,262,029)	(1,175,389)	(1,096,870)	(993,523)	(998,381)	(923,012)	(881,041)	(826,927)	(739,058)	(708,980)
Net Change in Total Pension Liability	(168,324)	(311,637)	232,320	532,020	602,804	554,553	1,312,314	621,743	(74,646)	742,330
Total Pension Liability - Beginnning	19,812,905	20,124,542	19,892,222	19,360,202	18,757,398	18,202,845	16,890,531	16,268,788	16,343,434	15,601,104
Total Pension Liability - Ending (a)	$ 19,644,581	$ 19,812,905	$ 20,124,542	$ 19,892,222	$ 19,360,202	$ 18,757,398	$ 18,202,845	$ 16,890,531	$ 16,268,788	$ 16,343,434
Plan Fiduciary Net Position										
Contributions - Employer	$ 514,350	$ 508,217	$ 528,358	$ 520,645	$ 559,267	$ 550,742	$ 851,760	$ 850,572	$ 719,626	$ 672,363
Contributions - Employee	10,428	24,878	26,192	28,216	31,700	34,944	36,769	37,280	60,322	20,575
Net Investment Income	2,262,356	2,369,357	1,684,188	(2,260,095)	3,830,173	747,969	1,055,208	865,796	1,252,987	118,227
Benefit Payments, Including Refunds of Member Contributions	(1,262,029)	(1,175,389)	(1,096,870)	(993,523)	(998,381)	(923,012)	(881,041)	(826,927)	(739,058)	(708,980)
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Net Change in Pension Fiduciary Net Position	1,525,105	1,727,063	1,141,868	(2,704,757)	3,422,759	410,643	1,062,696	926,721	1,293,877	102,185
Plan Fiduciary Net Position - Beginning	19,283,470	17,556,407	16,414,539	19,119,296	15,696,537	15,285,894	14,223,198	13,296,477	12,002,600	11,900,415
Plan Fiduciary Net Position - Ending (b)	$ 20,808,575	$ 19,283,470	$ 17,556,407	$ 16,414,539	$ 19,119,296	$ 15,696,537	$ 15,285,894	$ 14,223,198	$ 13,296,477	$ 12,002,600
Net Pension Liability (Asset) - Ending: (a) - (b)	$ (1,163,994)	$ 529,435	$ 2,568,135	$ 3,477,683	$ 240,906	$ 3,060,861	$ 2,916,951	$ 2,667,333	$ 2,972,311	$ 4,340,834
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.93%	97.33%	87.24%	82.52%	98.76%	83.68%	83.98%	84.21%	81.73%	73.44%
Covered Payroll	$ 739,680	$ 1,653,971	$ 1,598,040	$ 2,251,490	$ 2,175,353	$ 3,484,630	$ 3,366,792	$ 3,831,932	$ 3,684,550	$ 4,272,039
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-157.36%	32.01%	160.71%	154.46%	11.07%	87.84%	86.64%	69.61%	80.67%	101.61%

See accountant's report.

TOWN OF LITCHFIELD, CONNECTICUT
Town Defined Benefit Pension Plan
Schedule of Contributions
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Employer Contribution (ADEC)	$ 514,350	$ 508,217	$ 528,358	$ 520,645	$ 559,267	$ 550,742	$ 665,541	$ 654,162	$ 682,320	$ 669,415
Contributions in Relation to the ADEC	514,350	508,217	528,358	520,645	559,267	550,742	851,760	850,572	719,626	672,363
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ (186,219)	$ (196,410)	$ (37,306)	$ (2,948)
Covered Payroll	739,680	1,653,971	1,598,040	2,251,490	2,175,353	3,484,630	3,366,792	3,831,932	3,684,550	4,272,039
Contributions as a Percentage of Covered Payroll	69.54%	30.73%	33.06%	23.12%	25.71%	15.80%	25.30%	22.20%	19.53%	15.74%

Notes to Schedule
Actuarially determined contributions for the fiscal year ending June 30, 2025 were determined from the July 1, 2022 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Salary
Remaining amortization period	14 years
Asset valuation method	Market Value of Assets
Inflation	2.50%
Salary increases	3.50%, including inflation
Investment rate of return	6.25%, net of pension plan investment expense
Normal Retirement	Later of age 65 or 5 years of service.
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021

See accountant's report.

TOWN OF LITCHFIELD, CONNECTICUT
Town Defined Benefit Pension Plan
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	12.02%	13.89%	10.48%	-12.05%	24.80%	4.96%	7.41%	6.47%	10.50%	1.01%

See accountant's report.

TOWN OF LITCHFIELD, CONNECTICUT
Merit Service Pension Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 65,288	$ 65,288	$ 60,529	$ 60,529	$ 54,579	$ 54,579	$ 52,540	$ 52,540	$ 59,412	$ 59,412
Interest	344,442	336,608	336,379	327,375	315,903	306,466	293,922	284,891	281,563	271,181
Differences Between Expected and Actual Experience	(56,381)	-	(41,069)	-	(7,459)	-	(53,714)	-	(94,174)	-
Changes of Assumptions	-	-	309,463	-	40,635	-	261,286	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(277,762)	(275,375)	(260,007)	(249,199)	(230,402)	(212,380)	(216,856)	(200,269)	(184,752)	(179,891)
Net Change in Total Pension Liability	75,587	126,521	405,295	138,705	173,256	148,665	337,178	137,162	62,049	150,702
Total Pension Liability - Beginnning	5,582,556	5,456,035	5,050,740	4,912,035	4,738,779	4,590,114	4,252,936	4,115,774	4,053,725	3,903,023
Total Pension Liability - Ending (a)	$ 5,658,143	$ 5,582,556	$ 5,456,035	$ 5,050,740	$ 4,912,035	$ 4,738,779	$ 4,590,114	$ 4,252,936	$ 4,115,774	$ 4,053,725
Plan Fiduciary Net Position										
Contributions - Employer	$ 168,828	$ 168,828	$ 127,954	$ 127,954	$ 119,508	$ 118,419	$ 118,419	$ 118,419	$ 158,102	$ 154,100
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net Investment Income	608,305	627,107	443,361	(595,269)	1,010,933	198,700	280,447	240,218	351,066	32,649
Benefit Payments, Including Refunds of Member Contributions	(277,762)	(275,375)	(260,007)	(249,199)	(230,402)	(212,380)	(216,856)	(200,269)	(184,752)	(180,389)
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Net Change in Pension Fiduciary Net Position	499,371	520,560	311,308	(716,514)	900,039	104,739	182,010	158,368	324,416	6,360
Plan Fiduciary Net Position - Beginning	5,153,879	4,633,319	4,322,011	5,038,525	4,138,486	4,033,747	3,851,737	3,693,369	3,368,953	3,362,593
Plan Fiduciary Net Position - Ending (b)	$ 5,653,250	$ 5,153,879	$ 4,633,319	$ 4,322,011	$ 5,038,525	$ 4,138,486	$ 4,033,747	$ 3,851,737	$ 3,693,369	$ 3,368,953
Net Pension Liability (Asset) - Ending: (a) - (b)	$ 4,893	$ 428,677	$ 822,716	$ 728,729	$ (126,490)	$ 600,293	$ 556,367	$ 401,199	$ 422,405	$ 684,772
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.91%	92.32%	84.92%	85.57%	102.58%	87.33%	87.88%	90.57%	89.74%	83.11%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accountant's report.

Merit Service Pension Plan
Schedule of Contributions
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Employer Contribution (ADEC)	$ 168,828	$ 168,828	$ 127,954	$ 127,954	$ 119,508	$ 119,508	$ 118,419	$ 118,419	$ 107,425	$ 107,425
Contributions in Relation to the ADEC	168,828	168,828	127,954	127,954	119,508	118,419	118,419	118,419	158,102	153,602
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ 1,089	$ -	$ -	$ (50,677)	$ (46,177)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Actuarially determined contributions for the fiscal year ending June 30, 2025 were determined from the July 1, 2022 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level Dollar
Amortization Period	15 years
Asset valuation method	Market Value of Assets
Inflation	2.50%
Salary increases	N/A
Investment rate of return	6.25%, net of pension plan investment expense
Normal Retirement	Later of age 65 or 2 years of service.
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021

TOWN OF LITCHFIELD, CONNECTICUT
Merit Service Pension Plan
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	12.03%	13.90%	10.46%	-12.01%	24.81%	5.00%	7.40%	6.51%	10.52%	1.02%

See accountant's report.

TOWN OF LITCHFIELD, CONNECTICUT
Other Post-Employment Benefits Plan - BOE
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Last Nine Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Cost	$ -	$ 37,267	$ 40,421	$ 39,054	$ 49,776	$ 48,092	$ 55,169	$ 53,304	$ 51,501
Interest	17,031	72,130	100,734	94,023	143,618	138,490	173,411	167,805	158,952
Difference Between Expected and Actual Experience	133,387	(9,545)	(570,401)	35,138	(828,563)	(103,897)	(435,011)	(125,270)	(68,299)
Changes of Assumptions/Benefit Terms	34,677	(924,124)	124,715	-	(39,674)	(21,039)	(186,094)	-	-
Benefit Payments, Including Implicit Cost	(13,200)	(26,692)	(34,367)	(104,793)	4,671	-	(30,775)	(4,897)	(95,701)
Net Change in Total OPEB Liability	171,895	(850,964)	(338,898)	63,422	(670,172)	61,646	(423,300)	90,942	46,453
Total OPEB Liability - Beginnning	278,986	1,129,950	1,468,848	1,405,426	2,075,598	2,013,952	2,437,252	2,346,310	2,299,857
Total OPEB Liability - Ending (a)	$ 450,881	$ 278,986	$ 1,129,950	$ 1,468,848	$ 1,405,426	$ 2,075,598	$ 2,013,952	$ 2,437,252	$ 2,346,310
Plan Fiduciary Net Position									
Contributions - Employer	$ -	$ 10,852	$ 14,737	$ 94,563	$ (16,221)	$ 9,049	$ 26,828	$ (25,903)	$ 215,521
Contributions - TRB Subsidy	13,200	15,840	19,630	10,230	11,550	11,990	22,770	30,800	27,170
Net Investment Income	260,917	268,443	180,984	(238,536)	391,086	76,902	103,480	88,644	124,083
Benefit Payments, Including Implicit Cost	(13,200)	(26,692)	(34,367)	(104,793)	4,671	(21,039)	(30,775)	(4,897)	(95,701)
Administrative Expenses	-	-	-	-	-	-	-	(5,100)	(5,625)
Net Change in Plan Fiduciary Net Position	260,917	268,443	180,984	(238,536)	391,086	76,902	122,303	83,544	265,448
Plan Fiduciary Net Position - Beginning	2,174,001	1,905,558	1,724,574	1,963,110	1,572,024	1,495,122	1,372,819	1,289,275	1,023,827
Plan Fiduciary Net Position - Ending (b)	$ 2,434,918	$ 2,174,001	$ 1,905,558	$ 1,724,574	$ 1,963,110	$ 1,572,024	$ 1,495,122	$ 1,372,819	$ 1,289,275
Net OPEB Liability (Asset) - Ending: (a) - (b)	$ (1,984,037)	$ (1,895,015)	$ (775,608)	$ (255,726)	$ (557,684)	$ 503,574	$ 518,830	$ 1,064,433	$ 1,057,035
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	540.04%	779.25%	168.64%	117.41%	139.68%	75.74%	74.24%	56.33%	54.95%
Covered-Employee Payroll	$ -	$ -	$ 8,933,836	$ 8,937,730	$ 8,635,466	$ 9,176,000	$ 8,865,708	$ 8,451,000	$ 8,165,000
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	N/A	N/A	-8.68%	-2.86%	-6.46%	5.49%	5.85%	12.60%	12.95%

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

See accountant's report.

Other Post-Employment Benefits Plan - BOE
Schedule of Contributions
Last Nine Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Employer Contribution (ADEC)	$ -	$ -	$ 22,463	$ 21,050	$ 102,746	$ 101,007	$ 177,535	$ 173,543	$ 210,274
Contributions in Relation to the ADEC	-	10,852	14,737	94,563	(16,221)	9,049	26,828	(25,903)	215,521
Contribution Deficiency (Excess)	$ -	$ (10,852)	$ 7,726	$ (73,513)	$ 118,967	$ 91,958	$ 150,707	$ 199,446	$ (5,247)
Covered-Employee Payroll	-	-	8,933,836	8,937,730	8,635,466	9,176,000	8,865,708	8,451,000	8,165,000
Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	0.16%	1.06%	-0.19%	0.10%	0.30%	-0.31%	2.64%

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

Notes to Schedule

Actuarially determined contributions for the fiscal year ending June 30, 2025 were determined from the July 1, 2022 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of salary
Amortization period	20 years
Asset valuation method	Plan assets equal the market value of assets.
Inflation	2.50%
Healthcare cost trend rates	6.50% for 2022 reduced by 0.25% each year to an ultimate rate of 4.50% per year for 2030 and later.
Salary increases	3.50%
Discount rate	6.25%

TOWN OF LITCHFIELD, CONNECTICUT
Other Post-Employment Benefits Plan - BOE
Schedule of Investment Returns
Last Nine Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.00%	14.09%	10.49%	-12.15%	24.88%	5.14%	7.46%	6.89%	10.85%

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

See accountant's report.

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

Budgetary Information and Accounting

The Town establishes its General Fund budget in accordance with the Connecticut General Statutes. The budget is adopted in accordance with GAAP, except that the issuance of leases/SBITAs/equipment financing is not reported as an expenditure and other financing source for budgetary purposes. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. In the governmental funds, open encumbrances are reported as a reservation of fund balance since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities in the governmental funds.

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

	Total Revenues	Total Expenditures	Other Financing Sources (Uses)
Budgetary Basis	$ 32,143,306	$ 31,113,147	$ (682,859)
Other Combining General Funds	-	48,890	16,000
Encumbrances	-	(92,581)	(38,106)
Transfers Reported as Expenditures	-	(20,000)	(20,000)
Transfers of Restricted Fund Balance In	-	-	80,580
Transfers of Restricted Fund Balance Out	-	-	(222,660)
GAAP Basis	$ 32,143,306	$ 31,049,456	$ (867,045)

APPENDIX B – FORM OF OPINION OF BOND COUNSEL

August __, 2026

Town of Litchfield
Town Hall
74 West Street
Litchfield, Connecticut 06759

We have acted as Bond Counsel to the Town of Litchfield, Connecticut (the "Town") in connection with the issuance by the Town of its $__________ General Obligation Bonds, Issue of 2026 (the "Bonds") dated August __, 2026. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the "Agreement")) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Town and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The Internal Revenue Code of 1986 (the "Code") establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

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

The Town has designated the Bonds as "qualified tax exempt obligations" within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") is executed and delivered as of August __, 2026, by the Town of Litchfield, Connecticut (the "Issuer"), acting by its undersigned officers, duly authorized, in connection with the issuance of $__________ General Obligation Bonds, Issue of 2026, dated August __, 2026 (the "Bonds") for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer, dated August __, 2026, prepared in connection with the Bonds.

"Listed Events" means any of the events listed in Section 3 of this Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"Rule" means rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2026) as follows:

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

(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 or amount of the annual property tax levy collected and uncollected;

(D) a schedule of annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);

(F) the direct debt and overall net debt of the Issuer per capita;

(G) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;

(H) a statement of statutory debt limitations and debt margins;

(I) the funding status of the Issuer's pension benefit obligation.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Issuer's fiscal year currently ends on June 30. The Issuer agrees that if audited information is not available eight (8) months after the close of any fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is www.emma.msrb.org, or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Issuer agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Issuer may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Issuer chooses to make a Voluntary Filing, the Issuer shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Issuer is under no obligation to provide any Voluntary Filing.

Section 3. Reporting of Listed Events.

The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of holders of the Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) defeasances;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of trustee, if material;

(o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Issuer should be made to the First Selectman, Town of Litchfield, 74 West Street, Litchfield, Connecticut 06759.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement as so amended or waived 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 change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

IN WITNESS WHEROF, the Issuer 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 LITCHFIELD, CONNECTICUT

By:________________________________
DENISE RAAP
First Selectman

By:________________________________
ERICH MARRIOTT
Town Treasurer

By:________________________________
AMAECHI E. OBI
Director of Finance

NOTICE OF SALE

TOWN OF LITCHFIELD, CONNECTICUT
$3,890,000* GENERAL OBLIGATION BONDS, ISSUE OF 2026
(BANK QUALIFIED)
BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS ***solely*** via ***PARITY*** ® will be received by the TOWN OF LITCHFIELD, CONNECTICUT (the "Issuer"), until 11:00 A.M. (E.T.) on WEDNESDAY,

AUGUST 12, 2026

(the "Sale Date") for the purchase, when issued, of all (but not less than all) of the Issuer's $3,890,000[1] General Obligation Bonds, Issue of 2026, dated August 26, 2026 (the "Bonds"), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on August 1 in the principal amounts and in each of the years as follows:

Maturity	Amount ($)*	Maturity	Amount ($)*
2027	230,000	2037	235,000
2028	230,000	2038	235,000
2029	235,000	2039	235,000
2030	235,000	2040	235,000
2031	235,000	2041	235,000
2032	235,000	2042	75,000
2033	235,000	2043	75,000
2034	235,000	2044	75,000
2035	235,000	2045	75,000
2036	235,000	2046	75,000

The Bonds will bear interest commencing February 1, 2027 and semiannually thereafter on August 1 and February 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Serial Bonds and/or Term Bonds

Bidders may provide that all the Bonds be issued as serial bonds payable in the years and amounts described above. Alternatively, bidders may provide that any two or more consecutive annual principal amounts bearing interest at the same interest rate be combined into one or more term bonds (see "Mandatory Sinking Fund Redemption" below).

Mandatory Sinking Fund Redemption

If the winning bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on August 1 of the first year that has been combined to form such term bond and continuing on August 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the annual principal amounts described in the table above. The Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot among the Bonds then subject to redemption. The Issuer, at its option, may credit against any mandatory sinking fund redemption term bonds of the maturity then subject to redemption that have been purchased and canceled by the Issuer or that have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

[1] Preliminary, subject to change. See "Adjustment of Principal Amount and Maturity Schedule of the Bonds" herein.

Optional Redemption

The Bonds maturing on or before August 1, 2032 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after August 1, 2032, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

Redemption Date	Redemption Price
August 1, 2032 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the fifteenth day of January and July, or the preceding business day if such fifteenth day is not a business day, in each year.

Proposals

Each bid must be for the entire $3,890,000* of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on ***PARITY®*** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms"" below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest TIC to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. For the purpose of making such determination, it shall be assumed that any Bond designated as term bonds by a bidder shall be deemed to be payable on the dates and in the amounts as described above. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. <u>The purchase price must be paid in immediately available federal funds</u>.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Adjustment of Principal Amount and Maturity Schedule of the Bonds

The Issuer reserves the right to change the maturity schedule after the determination of the winning bidder. In such event, the final aggregate principal amount of the Bonds will be increased or decreased by a net amount of such change or changes in principal amount of one or more maturities. The winning bidder will be required to provide the coupon, yield and reoffering price information to be included in the issue price certificate, if requested, for purposes of determining the adjustment. The dollar amount bid by the bidder will be adjusted to reflect any adjustments in the final maturity schedule and the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but every effort will be made to not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Issuer as stated herein. **The winning bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices provided as a result of any changes made to the principal amounts within these limits**.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

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* Preliminary, subject to change. See "Adjustment of Principal Amount and Maturity Schedule of the Bonds" herein.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of ***PARITY®***. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about ***PARITY®***, including any fee charged, may be obtained from ***PARITY®***, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021; email notice: munis@spglobal.com or parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of ***PARITY®*** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via ***PARITY®***, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY®*, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY®*, the use of *PARITY®* facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each ***PARITY®*** prospective electronic bidder shall be solely responsible to make necessary arrangements to access ***PARITY®*** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor ***PARITY®*** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or ***PARITY®*** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, ***PARITY®***. The Issuer is using ***PARITY®*** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of ***PARITY®*** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via ***PARITY®*** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone ***PARITY®*** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by ***PARITY®***, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on ***PARITY®*** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer ("FAST") on or about August 26, 2026 (the "Closing Date").

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the "Establishment of Issue Price" section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed "issue price" certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under "Establishment of Issue Price".

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the "Code"), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (the "Initial Offering Price") or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this "Establishment of Issue Price" section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: sdawson@pullcom.com and (2) the Municipal Advisor at Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the "Municipal Advisor"). Questions related to this "Establishment of Issue Price" section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this "Establishment of Issue Price" section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

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

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder's bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

<u>Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.</u>

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this "Establishment of Issue Price" section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Rule") because:

(1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;

(2) all bidders shall have an equal opportunity to bid;

(3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed "ISSUE PRICE CERTIFICATE" in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the "Actual Sales Rule") is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the "Hold-the-Offering-Price Rule"), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this "Establishment of Issue Price" section:

(1) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(2) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(3) "Related Party" generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(4) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated August 3, 2026 (the "Official Statement") describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the "Rule"), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer's expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer's Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o'clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the "Agreement"), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF LITCHFIELD, CONNECTICUT

DENISE RAAP
First Selectman

ERICH MARRIOTT
Town Treasurer

August 3, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF LITCHFIELD, CONNECTICUT
$___________ GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED AUGUST 26, 2026

The undersigned, on behalf of [UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Due Authorization***. The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price***. The TOWN OF LITCHFIELD, CONNECTICUT (the "Issuer") sold to [SHORT NAME OF UNDERWRITER], for delivery on or about August 26, 2026, the Bonds at a price of par ($_______), plus an aggregate net premium of $_______ and less an underwriter's discount of $_______, resulting in an aggregate net purchase price of $_______.

3. ***Reasonably Expected Initial Offering Price***.

(a) As of August 12, 2026 (the "Sale Date"), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms***.

(a) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information***. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the "Code"). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of ______, 2026.

[**UNDERWRITER]**

By:____
Name:
Title:

Schedule A to Issue Price Certificate

Maturity, August 1	Principal Amount ($)	Interest Rate (%)	Price ($, not Yield)
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			

Schedule B to Issue Price Certificate