

OFFICIAL STATEMENT DATED JULY 28, 2026**NEW MONEY ISSUE****S&P GLOBAL RATINGS AA****(See “Rating” 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 and the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. (See “Tax Matters” herein.)

TOWN OF LEDYARD, CONNECTICUT**\$4,900,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026 (the “Bonds”)****(BANK QUALIFIED)****Dated: Date of Delivery****Due: August 1, as shown on the inside cover page**

Interest on the Bonds will be payable on August 1, 2027 and semiannually thereafter on February 1 and August 1 in each year until maturity. **The Bonds are subject to optional redemption prior to maturity. See “Redemption Provisions” herein.**

\$1,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the “Notes”)**(BANK QUALIFIED)****(OPTION FOR NO BOOK-ENTRY)****Dated: Date of Delivery****Due: August 10, 2027**

The Notes will bear interest calculated on the basis of a 360-day year, consisting of twelve 30-day months, payable at maturity at the rate per annum as shown on the inside cover page. The Notes are not subject to redemption prior to maturity.

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

The Bonds and the Notes 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”). DTC will act as securities depository for the Bonds and the Notes. Principal of, redemption premium, if any, and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds and the Notes. Purchases of the Bonds and the Notes will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds and the Notes. So long as Cede & Co. is the Bondowner or Noteowner, as nominee of DTC, reference herein owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds and the Notes. See “Book-Entry-Only Transfer System” herein.

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

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and the Notes in book-entry-only form will be made to DTC on or about **August 11, 2026**.

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

TOWN OF LEDYARD, CONNECTICUT

\$4,900,000 GENERAL OBLIGATION BONDS, ISSUE OF 2026 (BOOK-ENRTY-ONLY)

Dated: Date of Delivery

Due: August 1, as shown below

MATURITY SCHEDULE

Maturity	Amount	Coupon	Yield	CUSIP ¹	Maturity	Amount	Coupon	Yield	CUSIP ¹
2027	\$245,000	5.000%	2.360%	523336TQ8	2037	\$245,000 *	4.000%	3.330%	523336UA1
2028	245,000	5.000%	2.440%	523336TR6	2038	245,000 *	4.000%	3.430%	523336UB9
2029	245,000	5.000%	2.530%	523336TS4	2039	245,000 *	4.000%	3.580%	523336UC7
2030	245,000	5.000%	2.640%	523336TT2	2040	245,000 *	4.000%	3.680%	523336UD5
2031	245,000	5.000%	2.740%	523336TU9	2041	245,000 *	4.000%	3.760%	523336UE3
2032	245,000	5.000%	2.830%	523336TV7	2042	245,000 *	4.000%	3.820%	523336UF0
2033	245,000	5.000%	2.910%	523336TW5	2043	245,000 *	4.000%	3.940%	523336UG8
2034	245,000	5.000%	3.020%	523336TX3	2044	245,000	4.000%	4.020%	523336UH6
2035	245,000 *	5.000%	3.100%	523336TY1	2045	245,000	4.000%	4.100%	523336UJ2
2036	245,000 *	4.000%	3.170%	523336TZ8	2046	245,000	4.125%	4.170%	523336UK9

*Priced assuming optional redemption on August 1, 2034; however redemption is at the election of the Town. See "Redemption Provisions" herein.

FIDELITY CAPITAL MARKETS

\$1,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (OPTION FOR NO BOOK-ENRTY)

Dated: August 11, 2026

Due: August 10, 2027

Amount	Coupon	Yield	CUSIP ¹
\$1,500,000	4.000%	2.850%	523336UL7

FIDELITY CAPITAL MARKETS

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

No dealer, broker, salesperson or other person has been authorized by the Town of Ledyard, Connecticut (the “Town”) or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

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

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

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

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

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.

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

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

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

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

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BOND ISSUE SUMMARY

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

Issuer:	Town of Ledyard, Connecticut (the “Town”).
Issue:	\$4,900,000 General Obligation Bonds, Issue of 2026 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	Semiannually on February 1 and August 1 in each year until maturity, commencing August 1, 2027.
Principal Due:	Serially, August 1, 2027 through August 1, 2046 as shown on the inside cover page to this Official Statement.
Purpose and Authority:	The proceeds of the Bonds will be used to permanently finance a portion of the \$8,500,000 Bond Anticipation Notes of the Town maturing August 11, 2026 which were used for various school improvement projects as authorized by the voters of the Town. (See “Authorization and Use of Proceeds” herein).
Redemption:	The Bonds are subject to optional redemption prior to maturity. (See “Redemption Provisions” herein).
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a credit rating of “AA” with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds. (See “Rating” herein).
Basis of Award:	Lowest True Interest Cost (TIC) as of dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Bonds will be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events, not in excess of 10 business days of the occurrence of such events, and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See 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 11, 2026 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Matthew E. Bonin, Director of Finance, Town of Ledyard, 741 Colonel Ledyard Highway, Ledyard, Connecticut 06339. Telephone: 860-464-3235.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

NOTE ISSUE SUMMARY

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

Issuer:	Town of Ledyard, Connecticut (the “Town”).
Issue:	\$1,500,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of Delivery, August 11, 2026.
Interest Due:	At maturity, August 10, 2027.
Principal Due:	At maturity, August 10, 2027.
Purpose and Authority:	The proceeds of the Notes will be used for various school improvement projects authorized by the voters of the Town. (See “Authorization and Use of Proceeds” herein).
Redemption:	The Notes <u>are not</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due. (See “Security and Remedies” herein).
Credit Rating:	The Town has not applied for a credit rating on the Notes. Currently the Town has a credit rating of “AA” with a stable outlook from S&P Global Ratings (“S&P”) on their outstanding bonds. (See “Rating” herein).
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	See “Tax Matters” herein.
Bank Qualification:	The Notes <u>will be</u> designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notice of the occurrence of certain events, not in excess of ten (10) business days of the occurrence of such events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix E to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See Appendix C to this Official Statement).
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about August 11, 2026 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Matthew E. Bonin, Director of Finance, Town of Ledyard, 741 Colonel Ledyard Highway, Ledyard, Connecticut 06339. Telephone: 860-464-3235.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Ledyard, Connecticut (the “Town”) in connection with the issuance and sale of \$4,900,000 General Obligation Bonds, Issue of 2026 (the “Bonds”) and \$1,500,000 General Obligation Bond Anticipation Notes (the “Notes”), of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and the Notes. 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. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the Notes, and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes, and such proceedings.

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

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

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

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

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

AUTHORIZATION AND USE OF PROCEEDS

The Bonds and the Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town, and bond resolutions approved by the voters of the Town on (i) January 20, 2015 for the School Consolidation/Renovations Project, and (ii) February 22, 2022, October 17, 2023 and July 8, 2025 for the Various School Improvement Projects.

The proceeds of the Bonds and the Notes will be used to finance the following projects authorized by the Town:

Project	Amount Authorized	Previously Bonded	Paydown/ Grants	Notes Maturing 8/11/2026	Additions/ (Reductions)	Notes This Issue	Bonds This Issue
School Consolidation/ Renovations.....	\$ 65,835,000	\$ 27,000,000	\$ 36,453,298	\$ -	\$ 900,000	\$ -	\$ 900,000
Various School Improvement Projects.....	9,800,000	705,000	3,159,084	8,500,000	(3,000,000)	1,500,000	4,000,000
	<u>\$ 75,635,000</u>	<u>\$ 27,705,000</u>	<u>\$ 39,612,382</u>	<u>\$ 8,500,000</u>	<u>\$ (2,100,000)</u>	<u>\$ 1,500,000</u>	<u>\$ 4,900,000</u>

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on August 1 in each of the years and in principal amounts set forth on the inside cover page of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, commencing on August 1, 2027 and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if the fifteenth is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership 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-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement.

The Bonds are subject to redemption prior to maturity. See “Redemption Provisions” herein.

REDEMPTION PROVISIONS

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

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 2034 and thereafter	100.00%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days but not more than sixty (60) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company (“DTC”) is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

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

Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

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

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

DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and will be due and payable as to both principal and interest at maturity, August 10, 2027. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry-only system will be employed evidencing ownership of the Notes with transfers of ownership on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein.

The Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix C to this Official Statement.

The Notes are not subject to redemption prior to maturity.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Bonds and the Notes is to be transferred and how the principal of, premium, if any, and interest on the Bonds and the Notes are to be paid to and accredited by DTC while the Bonds and the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds and the Notes, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds and the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered

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

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered to DTC.

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

REPLACEMENT BONDS AND NOTES

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

DTC PRACTICES

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

SECURITY AND REMEDIES

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

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

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

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

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

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

TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 \$4,327,093 and the Board of Education received \$1,855,487 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 capital needs that comply with the program eligibility criteria. The Board of Education used the funds to support students in academic and social emotional areas as well as provided for technical equipment to support student instruction that comply with the program eligibility criteria, and there will be no future impact as these costs have been absorbed back into the district budget. 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. Additionally, the Town purchases cybersecurity insurance, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial. As of July 20, 2026 there have been no cyber breaches.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. The Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances, the Town believes it holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses resulting from the increasing frequency of severe weather. Additionally, the Town works closely with the local power company to address trees that have been identified as a hazard to the utility infrastructure. Overall, new development and redevelopment is not increasing risks to natural resources.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

AVAILABILITY OF CONTINUING DISCLOSURE

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

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

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

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RATING

The Town received a rating of “AA” with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds. The Town has not applied for a rating on the Notes. The Town currently has a rating of “AA” from S&P on their outstanding bonds.

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

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Ledyard (the “Town” or “Ledyard”), a suburban coastal community with a population of approximately 15,575 (State of Connecticut Department of Public Health 2024), was incorporated in 1836 and covers an area of 40.5 square miles on the east shore of the Thames River between Groton and Norwich. The Town, located approximately 45 miles southeast of Hartford, Connecticut and approximately 5 miles south of Norwich, Connecticut, is bound on the north by Preston, on the east by North Stonington, on the south by Groton and on the western side of the Thames River by Waterford and Montville. Ledyard is intersected by State Routes 2, 12, 117 and 214 with easy access to Interstates 95 and 395 from Boston and New York. The Town hosts northern portions of the U.S. Naval Submarine Base and is located three miles from Mystic.

Gaming and the manufacturing of chemicals and plastics are the principal industries located in the Town. Most retail business is concentrated along Route 12 in Gales Ferry, and Route 117 in Ledyard Center.

Transportation is provided by Amtrak Rail Service in New London and Mystic, numerous motor common carriers, and air freight out of Groton/New London Airport in Groton.

Ledyard is also home to the Mashantucket Pequot Indian Tribe, who reside within an approximately 2,244 acre reservation established by an Act of Congress in 1983, located in the northeastern portion of the Town on Route 2. The Mashantucket Pequots have built one of the world’s largest gaming facilities Foxwoods Resort and Casino and MGM Grand, which currently has four operating casinos, three hotels, a 4,000 seat theater, and numerous restaurants. A 28 pump gas station (24 regular and 4 diesel), and a 300,000 square foot, 80-store retail outlet center opened in May, 2015. The Mashantucket Pequot Tribe currently pays in excess of \$725,000 in annual property taxes to Ledyard for the Two Trees Hotel and several other properties located off the reservation. A state-of-the-art, \$150 million museum celebrating Native American History opened in August 1998. In addition, a \$350,000,000, 550 room Great Wolf Lodge (hotel and waterpark) opened on April 25, 2025.

PLAN OF DEVELOPMENT AND APPROVAL OF CAPITAL EXPENDITURES

Ledyard's Planning Commission last updated the Town's Plan of Conservation and Development in February 2020.

An annual program of capital improvements, including the estimated costs of such improvements and projects, is submitted by the Mayor to the Town Council. This capital improvement program also identifies projects anticipated to be undertaken within the next five years. In accordance with the Town Charter and with Section 8-24 of the General Statutes, the Planning Commission must approve all capital improvements proposed by the Mayor during this annual capital budget process.

The Town aggressively pursues state and federal grants to offset capital project costs. Prior to filing grant applications, the Mayor seeks resolutions empowering him to do so from an elected 9-person Town Council, thus ensuring a necessary commitment for the local share of funding that many grants require.

FORM OF GOVERNMENT

Ledyard operates under a home rule charter adopted on November 2, 1971, and revised in 1973, 1979, 1985, 2002, 2009, and 2018. The charter established a Mayor-Town Council form of government. The Mayor is the full-time Administrator and Chief Executive, and is elected to a four-year term. The nine-member Town Council and nine-member Board of Education are elected for two-year terms in accordance with state statutes.

The Town Council is responsible for passing ordinances, appointing commissions/committees, and proposing a fiscal year operating and capital budget to the Annual Town Meeting. From the Annual Town Meeting, the budget then goes to a referendum. If not passed after three referenda, the Council adopts the most recent budget approved by it.

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Term	Years of Service
Mayor.....	Fred Allyn III.....	Elected	12/23-12/27	9 Years ¹
Town Council Chairman.....	Gary St. Vil.....	Elected	12/25-12/27	3 Years ²
Treasurer.....	Ian Stammel.....	Appointed	Indefinite	5 Years ³
Director of Finance.....	Matthew E. Bonin.....	Appointed	Indefinite	4 Years ⁴
Director of Public Works.....	Steve Masalin.....	Appointed	Indefinite	32 Years
Director of Land Use & Planning.....	Elizabeth Burdick.....	Appointed	Indefinite	2 Years
Assessor.....	Adrianna Hedwall.....	Appointed	Indefinite	10 Years
Tax Collector.....	Kathleen Damicis.....	Appointed	Indefinite	7 Years
Town Clerk.....	Patricia A. Riley.....	Appointed	Indefinite	14 Years
Town Attorney.....	Matthew D. Ritter.....	Appointed	Indefinite	3 Years

¹Appointed in 2017 by Town Council due to previous Mayor's resignation.

²Served as Town Councilor for 2 years.

³Has served as the Assistant Director of Finance since October 2016, added Treasurer duties in June 2020.

⁴Previously served 32 years in municipal audit.

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Police - Police protection is provided by a full-service law enforcement agency. The department is staffed with a chief, one captain, one lieutenant, and twenty-one full-time officers. All officers have completed basic training at the Connecticut Police Academy and are recertified every three years. The police headquarters facility is located next to the Town Hall creating a central municipal government complex.

Fire - Fire protection is provided by five paid, full-time, day firefighters and a volunteer firefighter force. One fire building is owned by the Town and another is rented to the Town. The paid and volunteer firefighter force and one full-time Fire Marshal are funded by the Town.

Ambulance Service – The Town contracts with American Ambulance to provide BLS & ALS Ambulance service to Town residents.

Communications – The Ledyard Emergency Communications Center operates 24 hours a day, 365 days a year. The center employs eight full-time and four per diem dispatchers. The center is located inside the police facility and is the answering point for all 911 calls. The center provides all police, fire and emergency medical service dispatch for the Town and fire and emergency medical service dispatching for the nearby Town of Preston.

Health - Health Services are provided by Ledge Light Health District, on a membership basis.

The Town is serviced by a full-time Director of Health and one part-time sanitarian through the Ledge Light Health District, a regional district made up of ten towns. The District provides environmental health services in the areas of water, sewer, inspection of food service establishments, daycare and abatement programs. Health promotional grant initiatives in the prevention of chronic diseases such as asthma and Lyme disease are coordinated through the Health District. Ledge Light Health District serves as the regional planning agency for mass bioterrorism responses.

Public Works/Town Engineer - The Director's general responsibilities comprise the management of all activities of the Public Works Department concerning maintenance and improvements of roads and Town facilities, waste management, and regulatory compliance. The Engineer's general responsibilities include the design and engineering of minor construction and maintenance projects, the review and comment on various development plans, the review and inspection of construction work performed by private contractors, and the maintenance of maps and files.

The Highway Department Group provides maintenance and repairs to existing facilities such as streets, sidewalks, snowshelves, guardrails, storm drainage, traffic markings, and snow/ice control. There are 112 miles of paved roads within the Town.

The Vehicle Maintenance Group provides maintenance/repairs/service for vehicles and equipment belonging to most Town departments including the Police Department and Board of Education.

The Buildings and Grounds Maintenance Group provides maintenance and repairs to Town-owned buildings including the Town Hall and Annex, Public Works buildings, Libraries, Police Station, Emergency Services Building, and Senior Citizens Center. This group also provides ground maintenance for these buildings and other Town properties. Two historic buildings are maintained by the Historic District Commission.

Libraries – Ledyard funds the operation of two libraries, Bill Library and Gales Ferry Library. The libraries belong to Libraries Online ("LION"), a consortium of thirty public and academic libraries which links the collections of each one in a central database. The libraries provide programs serving children, teens and adults, ages 6 months and up. Those programs include story hours, arts and craft programs and workshops, as well as singers, storytellers, magicians and more. The Town library staff includes one full-time MLS Director, two full-time Assistant Directors, a full-time children's librarian and seven part-time positions.

Recreation - Highlights of the Parks and Recreation program include five soccer fields, eight baseball fields, three softball fields, two football fields, three tennis courts, six pickleball courts, one outdoor volleyball court, three basketball courts, two gaga pits, nine playscapes, fourteen parks that include six pavilions, and one major beach. The Colonel Ledyard Park picnic area and Highland Lake Pavilion are booked every weekend from late April through late October/early November with thousands of visitors. The Ledyard Town Green hosts the Ledyard Farmers Market from June to September and has thousands of visitors weekly.

The full-time staff includes the Director, Assistant Director Office Assistant, Park Caretaker, and nutrition site supervisor.

Senior Citizen Center - The Senior Citizen Center provides meals, activities, wellness programs, travel to medical appointments and shopping, special events, trips, and coordinates with local agencies for special needs. In 2019, the Senior Citizen Center was combined with Parks and Recreation and the staffs were merged.

Historic Sites - The Town owns and operates two historic sites under the direction of the Town's Historic District Commission. The Nathan Lester House is an 18th century farmhouse that includes the original outbuildings, a farm museum

and over 100 acres of land including hiking trails. The Up-Down Sawmill is a rare surviving example of a technology that was once commonplace – a water-powered up-and-down, or sash-type sawmill. The sawmill still operates using the original machinery that dates from just after the Civil War.

Water - The Town of Ledyard Water Pollution Control Authority (“WPCA”) presently oversees the operation of the water system in Ledyard and Gales Ferry, which serves approximately one thousand five hundred and thirty-five single-family residences, a high school, middle school, three elementary schools and eighty-two commercial businesses. The Town of Ledyard contracts with Groton Utilities as the operator of the Water Utility and for the operation of billing and customer services of the Ledyard system. The remainder of the Town is served by the Southeastern Connecticut Water Authority (approximately 200 customers) and individual on-site wells.

Wastewater - The WPCA operates and maintains the only existing wastewater treatment plant in the Town. This system has been upgraded to a design capacity of 260,000 gallons per day with a peak flow of 800,000 gallons per day. The current usage is 162,000 gallons per day. This plant also accepts residential and commercial septage. This system is located in the highly populated Highlands housing development and serves approximately 2,000 residents. The Town completed a \$1.3 million upgrade to the plant in July 2018. An approved 80-unit senior citizen development, “Stonegate” with 48 units completed, is tied into the Town’s sewer network. The remainder of the Town is served by individual septic systems.

Service Contract - Solid Waste Disposal – The Town entered into the Municipal Solid Waste Management Services Contract, as amended (the “Service Contract”), with the Southeastern Connecticut Regional Resource Recovery Authority (the “SCRRA”), with eleven other southeastern Connecticut municipalities. The Southeastern Connecticut System (the “System”) consists of a mass-burn solid waste, disposal and electric generation facility located in the Town of Preston and various improvements and facilities related thereto, including landfills. The contract expires December 31, 2030.

Under the Service Contract, the Town is required to deliver or cause to be delivered to the System, solid waste generated within its boundaries and to pay a uniform per ton disposal service payment (the “Service Payment”). The tipping fee for Fiscal Year 2026-27 is \$83.10 per ton.

Service Payments are payable so long as the System is accepting solid waste delivered by or on behalf of the Town, whether or not such solid waste is processed at the facility. The Town’s obligation to pay the Service Payment, so long as the Authority is accepting the Town’s solid waste, is absolute and unconditional. It is not subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other right which the Town may have against the SCRRA or any person for any reason whatsoever, and is not to be affected by any defect in title, design, fitness for use, loss or destruction of the System. The Town has pledged its full faith and credit for the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments. Since January 1, 2003, the Town has back-charged haulers for commercial disposals at the SCRRA site at the SCRRA tipping rate plus an administration fee of \$4 per ton.

The Town's Sanitary Facility operates as a transfer station to accept brush, stumps, demolition waste, other bulky waste, waste oil, waste anti-freeze, metals, electronics, paint, and tires according to the regulations of the Connecticut Department of Energy and Environmental Protection. The Town provides curbside refuse collection and then transports Municipal Solid Waste to the Wheelabrator trash-to-energy plant in Lisbon, Connecticut and recyclables to the Casella Single-Stream processing facility in Willimantic, and bulky waste to proper collections sites.

Service Contract – Trash/Recyclables – The Town entered into a six-year contract with CWPM, LLC effective July 1, 2025. The cost of the contract is \$713,708 for Fiscal Year 2027.

TOWN EMPLOYEES

Fiscal Year	2027	2026	2025	2024	2023
General Government.....	139	138	138	142	147
Board of Education.....	394	393	391	386	383
Total.....	533	531	529	528	530

Source: Mayor’s Office, Town of Ledyard.

MUNICIPAL EMPLOYEES' BARGAINING UNITS

<u>Organization</u>	<u>Number of Employee</u>	<u>Current Contract Expiration</u>
<u>General Government</u>		
Public Works Department - General Teamsters.....	18	June 30, 2027
Supervisors/Professional Local 1303-818.....	12	June 30, 2027
Town Hall Employees/Library Local 1303-184.....	20	June 30, 2026 ¹
Public Health Nurses and School Nurses.....	5	June 30, 2027
Dispatchers.....	8	June 30, 2026 ¹
Police Union.....	22	June 30, 2026 ¹
Firefighters Union.....	6	June 30, 2026 ¹
School Health Assistant.....	4	June 30, 2027
General Government sub-total.....	95	
<u>Board of Education</u>		
Ledyard Administration Association.....	14	June 30, 2027
Ledyard Education Association.....	232	June 30, 2029
Ledyard Association of Educational Secretaries.....	19	June 30, 2029
Local 1303 of Council #4 AFSCME, AFL-CIO Custodians.....	23	June 30, 2028
Local 1303 of Council #4 AFSCME, AFL-CIO IT.....	4	June 30, 2026 ¹
Local 784 of Council #4, AFSCME, AFL-CIO Paraprofessionals..	75	June 30, 2027
Board of Education sub-total.....	367	
Total General Government and Board of Education.....	462	

¹ In negotiations.

Source: Mayor's Office, Town of Ledyard.

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 party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' 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 wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

EDUCATION SYSTEM

An elected nine-member Board of Education has responsibility for the operations for the Town's five schools, which include three elementary, one middle and one high school that provide educational programs to students in grades pre-kindergarten through twelve. Ledyard Public Schools also educate certain special needs students at out of district school facilities.

IN DISTRICT SCHOOL FACILITIES

School	Grades	Construction/Addition/ Renovation	Number of Classrooms	Enrollment 10/01/25	Capacity
Ledyard High School.....	9-12	1962, 1966, 1968, 1977, 1984, 2004	71	731	1226
Ledyard Middel School.....	7-8	1972, 2018, 2019	41	547	798
Juliet Long School.....	3-5	1961, 1964	25	231	444
Gallup Hill Elementary.....	PreK-5	1966, 2018, 2019	50	581	423
Gales Ferry Elementary.....	K-2	2000	21	189	241
Total			208	2,279	3,132

Source: Board of Education, Town of Ledyard.

IN DISTRICT SCHOOL ENROLLMENT AND PROJECTIONS

School Year	Elementary School	Middle School	High School	Total
<i>Historical</i>				
2021-22	1,122	546	770	2,438
2022-23	1,137	534	734	2,405
2023-24	1,116	560	745	2,421
2024-25	1,052	535	741	2,328
2025-26	1,001	547	731	2,279
<i>Projected</i>				
2026-27	1035	529	743	2,307
2027-28	994	528	738	2,260
2028-29	1007	502	742	2,251
2029-30	995	512	731	2,238
2030-31	1008	517	739	2,264

Source: Board of Education, Town of Ledyard.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Population¹	% Increase	Density²
1970	14,837	175.0	366
1980	13,735	(7.4)	339
1990	14,913	8.6	368
2000	14,687	(1.5)	363
2010	15,055	2.5	372
2020	15,420	2.4	381
2024	15,575	1.0	385

¹ U.S. Department of Commerce, Bureau of Census, 1970 – 2010; State of Connecticut Department of Public Health, 2020 and 2024.

² Per square mile: 40.5 square miles.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Ledyard		Southeastern CT Planning Region¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	812	5.3	13,387	4.8	181,691	5.0
5 - 9.....	1,314	8.5	13,978	5.0	195,164	5.4
10 - 14.....	1,317	8.5	16,528	5.9	214,972	5.9
15 - 19.....	1,123	7.3	17,987	6.4	239,710	6.6
20 - 24.....	537	3.5	19,723	7.0	238,387	6.6
25 - 34.....	2,057	13.3	36,907	13.2	454,892	12.6
35 - 44.....	2,154	14.0	33,770	12.1	460,916	12.7
45 - 54.....	1,881	12.2	32,685	11.7	453,917	12.5
55 - 59.....	673	4.4	19,900	7.1	256,068	7.1
60 - 64.....	873	5.7	20,430	7.3	258,234	7.1
65 - 74.....	1,708	11.1	31,920	11.4	386,232	10.7
75 - 84.....	833	5.4	16,399	5.9	196,373	5.4
85 and over..	151	1.0	6,357	2.3	87,952	2.4
Total	<u>15,433</u>	<u>100.0</u>	<u>279,971</u>	<u>100.0</u>	<u>3,624,508</u>	<u>100.0</u>
Median Age (years)	37.1		41.1		41.1	

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

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

INCOME DISTRIBUTION

	Town of Ledyard		Southeastern CT Planning Region ¹		State of Connecticut	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000	153	3.9	1,939	2.7	24,004	2.6
\$ 10,000 to 14,999	0	0.0	1,381	1.9	12,584	1.4
\$ 15,000 to 24,999	76	1.9	2,456	3.4	27,285	3.0
\$ 25,000 to 34,999	66	1.7	3,169	4.4	33,429	3.6
\$ 35,000 to 49,999	291	7.5	5,437	7.6	59,826	6.5
\$ 50,000 to 74,999	412	10.5	9,463	13.2	106,611	11.6
\$ 75,000 to 99,999	626	16.0	9,197	12.8	106,893	11.6
\$100,000 to 149,999 ..	964	24.7	14,956	20.8	182,785	19.8
\$150,000 to 199,999 ..	586	15.0	11,091	15.5	131,310	14.3
\$200,000 or more	732	18.7	12,677	17.7	236,661	25.7
Total	<u>3,906</u>	<u>100.0</u>	<u>71,766</u>	<u>100.0</u>	<u>921,388</u>	<u>100.0</u>

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

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

INCOME LEVELS

	<u>Town of Ledyard</u>	<u>Southeastern CT Planning Region ¹</u>	<u>State of Connecticut</u>
Per Capita Income, 2024.....	\$46,610	\$47,133	\$55,915
Per Capita Income, 2020.....	\$43,225	\$40,995	\$45,668
Per Capita Income, 2010.....	\$37,663	\$32,888	\$36,775
Per Capita Income, 2000.....	\$24,953	\$24,678	\$28,766
Median Family Income, 2024.....	\$111,455	\$108,228	\$122,706
Median Family Income, 2020.....	\$107,044	\$94,894	\$102,061
Median Family Income, 2010.....	\$97,152	\$80,425	\$84,170
Median Family Income, 2000.....	\$69,214	\$59,857	\$65,521
Percent Below Poverty Level 2024.....	5.9%	7.8%	6.9%

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

Source: U.S. Department of Commerce, Bureau of Census, 2000, 1990; U.S. Census Bureau, 2020-2024 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

Educational Attainment Group	Town of Ledyard		Southeastern CT Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	106	1.0	5,909	3.0	101,458	4.0
9th to 12th grade.....	202	2.0	8,396	4.2	114,887	4.5
High School graduate.....	2,550	24.7	57,464	29.0	647,192	25.3
Some college - no degree.....	2,195	21.2	38,024	19.2	410,903	16.1
Associates degree.....	1,098	10.6	17,552	8.8	195,081	7.6
Bachelor's degree.....	2,201	21.3	39,277	19.8	595,631	23.3
Graduate or professional degree.....	1,978	19.1	31,746	16.0	489,432	19.2
Total.....	10,330	100.0	198,368	100.0	2,554,584	100.0
Percent High School Graduate or Higher.....		97.0%		92.8%		91.5%
Percent Bachelor's Degree or Higher.....		40.5%		35.8%		42.5%

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

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

MAJOR EMPLOYERS
As of July 2026

Employer	Nature of Business	Estimated Number of Employees
Foxwoods Casino & High Stakes Bingo.....	Casino & Entertainment.....	6,500
Town of Ledyard.....	Municipality.....	533
Hard Rock Café.....	Restaurant.....	85
Emprise Corp.....	Engineering.....	55
Brand Services.....	Professional Services.....	43
Students Transportation America.....	School Bus Transportation.....	42
Holdridge Farm Nursery.....	Nursery.....	36
Americas Styrenics.....	Chemical Company.....	31
Cashman Inc.....	Logistics.....	28
Ocean State Job Lot.....	Retail.....	24
Dollar General.....	Retail.....	18

Source: Town Officials.

EMPLOYMENT BY INDUSTRY

	Town of Ledyard		Southeastern CT Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	31	0.4	904	0.7	7,132	0.4
Construction.....	786	10.7	8,507	6.3	113,006	6.1
Manufacturing.....	1,333	18.1	20,706	15.2	198,526	10.7
Wholesale trade.....	46	0.6	1,764	1.3	35,592	1.9
Retail trade.....	708	9.6	14,345	10.6	192,698	10.4
Transportation & warehousing & utilities...	329	4.5	5,381	4.0	87,076	4.7
Information.....	110	1.5	1,970	1.5	37,488	2.0
Finance, insurance, real estate.....	226	3.1	5,725	4.2	161,226	8.7
Professional, scientific & management.....	622	8.4	12,967	9.5	228,229	12.3
Educational, health & social services.....	1,651	22.4	35,314	26.0	496,559	26.8
Arts, entertainment & recreation.....	713	9.7	16,740	12.3	143,851	7.8
Other professional services.....	351	4.8	5,211	3.8	80,617	4.4
Public administration.....	474	6.4	6,247	4.6	67,864	3.7
Total.....	<u>7,380</u>	<u>100.0</u>	<u>135,781</u>	<u>100.0</u>	<u>1,849,864</u>	<u>100.0</u>

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

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

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EMPLOYMENT DATA

	Percentage Unemployed			
	Norwich -			
Yearly Average	Town of Ledyard %	New London Labor Market ¹ %	State of Connecticut %	United States %
2016	4.0	5.0	4.8	4.9
2017	3.5	4.3	4.4	4.4
2018	3.2	3.8	3.9	3.9
2019	2.9	3.5	3.6	3.7
2020	9.3	10.0	8.0	8.1
2021	6.1	6.9	6.4	5.4
2022	3.8	4.1	4.1	3.7
2023	2.7	3.2	3.2	3.6
2024	2.7	3.1	3.2	4.0
2025	3.4	3.8	3.9	4.3
2026 Monthly ²				
January	4.5	5.4	5.5	4.7
February	5.0	5.6	5.8	4.7
March	4.1	4.9	5.1	4.3
April	4.5	5.0	5.2	4.0

¹ Not seasonally adjusted.

² Estimated.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Ledyard		Southeastern CT Planning Region ¹		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	321	5.5	29,792	23.6	311,584	20.2
1940 - 1949.....	54	0.9	5,307	4.2	96,711	6.3
1950 - 1959.....	686	11.7	13,569	10.7	217,807	14.1
1960 - 1969.....	1,585	27.0	15,669	12.4	199,847	13.0
1970 - 1979.....	1,594	27.1	17,865	14.1	210,797	13.7
1980 - 1989.....	531	9.0	15,862	12.5	199,083	12.9
1990 - 1999.....	366	6.2	9,887	7.8	115,803	7.5
2000 - 2009.....	448	7.6	12,415	9.8	109,783	7.1
2010 - 2019.....	255	4.3	5,019	4.0	69,596	4.5
2020 or later.....	36	0.6	1,040	0.8	10,811	0.7
Total.....	5,876	100.0	126,425	100.0	1,541,822	100.0
Percent Owner Occupied.....	82.7%		65.1%		66.5%	

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.

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

HOUSING INVENTORY

Type	Town of Ledyard		Southeastern CT Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	4,861	82.7	77,228	61.1	902,771	58.6
1-unit, attached.....	317	5.4	7,259	5.7	99,493	6.5
2 units.....	38	0.6	9,617	7.6	115,211	7.5
3 or 4 units.....	362	6.2	9,047	7.2	125,486	8.1
5 to 9 units.....	207	3.5	7,331	5.8	76,014	4.9
10 to 19 units.....	3	0.1	4,525	3.6	54,675	3.5
20 or more units.....	17	0.3	8,521	6.7	156,730	10.2
Mobile home, boat, other.....	71	1.2	2,897	2.3	11,442	0.7
Total	5,876	100.0	126,425	100.0	1,541,822	100.0

¹ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.
Source: U.S. Census Bureau, 2020-2024 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Ledyard		Southeastern CT Planning Region ³		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	19	0.4	2,894	3.8	23,262	2.4
\$ 50,000 to \$ 99,999 ...	56	1.2	1,541	2.0	14,209	1.5
\$ 100,000 to \$149,999 ...	191	4.2	2,994	4.0	31,134	3.3
\$ 150,000 to \$199,999 ...	158	3.4	6,068	8.1	65,851	6.9
\$ 200,000 to \$299,999 ...	1,603	34.9	20,051	26.6	205,349	21.5
\$ 300,000 to \$499,999 ...	2,039	44.4	29,171	38.7	350,277	36.8
\$ 500,000 to \$999,999 ...	474	10.3	10,946	14.5	197,853	20.8
\$1,000,000 and over	51	1.1	1,676	2.2	65,054	6.8
Total	4,591	100.0	75,341	100.0	952,989	100.0
Median Value ¹	\$144,300		\$142,200		\$166,900	
Median Value ²	\$326,200		\$323,400		\$366,900	

¹ Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

² Median Sales Price, U.S. Census Bureau, 2020-2024 American Community Survey.

³ Starting with the 2019-2023 American Community Survey data, the area was adjusted to reflect regional planning areas.
Source: U.S. Census Bureau, 2020-2024 American Community Survey.

BUILDING PERMITS ²

Fiscal Year Ending 6/30	Residential		Commercial and Industrial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2026 ¹	1092	\$18,166,026	21	\$ 983,111			1,113	\$19,149,137
2025	1071	23,443,920	27	768,986			1,098	24,212,906
2024	1141	20,255,000	31	4,547,000			1,172	24,802,000
2023	1029	22,429,000	43	2,054,000			1,072	24,483,000
2022	1213	8,060,400	75	1,968,950			1,288	10,029,350
2021	575	13,211,106	33	292,550	710	5,669,212	1,318	19,172,868
2020	367	6,074,339	25	138,490	427	3,121,631	819	9,334,460
2019	363	6,057,450	16	650,758	424	3,076,699	803	9,784,907
2018	523	10,805,908	26	945,665	616	15,538,129	1,165	27,289,702
2017	295	5,511,984	19	1,108,716	394	2,623,147	708	9,243,847

¹ As of May 2026.

² In 2022 the Town removed the other columns from the building permits.

Source: Building Department, Town of Ledyard.

LAND USE SUMMARY

Type of Land Use	1990		2000		2011		2024	
	Land Use in Use (Acres)	% of Total Town Area	Land Use in Use (Acres)	% of Total Town Area	Land Use in Use (Acres)	% of Total Town Area	Land Use in Use (Acres)	% of Total Town Area
<u>Developed Land</u>								
Residential.....	3,881	14.9%	3,959	14.9%	5,921	22.2%	7,138	29.2%
Industrial.....	126	0.5%	129	0.5%	369	1.4%	177	0.7%
Commercial.....	105	0.4%	94	0.4%	275	1.0%	525	2.1%
Institutional.....	635	2.4%	409	1.5%	519	1.9%	112	0.5%
Mixed Urban Use.....	0	0.0%	0	0.0%	8	0.0%	0	0.0%
Transportation & Utilities.....	1,000	3.8%	1,125	4.2%	1,004	3.8%	34	0.1%
Total Developed.....	5,747	22.1%	5,716	21.5%	8,096	30.4%	7,986	32.6%
<u>Preserved Land</u>								
Reserved Open Space.....	1,278	4.9%	2,792	10.5%	3,036	11.4%	2,604	10.6%
Groton reservoir.....	1,541	5.9%	1,541	5.8%	1,541	5.8%	1,370	5.6%
Active Recreation.....	730	2.8%	646	2.4%	318	1.2%	239	1.0%
Agricultural Development Rights..	300	1.2%	637	2.4%	646	2.4%	646	2.6%
Total Preserved.....	3,849	14.8%	5,616	21.1%	5,541	20.8%	4,859	19.8%
Tribal Owned.....	2,716	10.5%	2,328	8.7%	2,214	8.3%	2,351	9.6%
Undeveloped Land.....	13,665	52.6%	12,969	48.7%	10,780	40.5%	9,288	37.9%
Total Land.....	25,977	100.0%	26,629	100.0%	26,631	100.0%	24,484	100.0%

Source: Assessor's Office, Town of Ledyard.

IV. TAX BASE DATA

ASSESSMENTS

The Town had a general property revaluation effective October 1, 2025. The next revaluation is scheduled for October 1, 2029. Under section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than ten years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. A 2006 statute permits a municipality, upon approval of its legislative body, to phase-in a real property assessment increase resulting from a revaluation over a period of up to five years. Various state statutes provide for or authorize exemptions, abatement and other adjustments to assessments. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable and non-taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation, while assessments for personal property and motor vehicles are computed at 70 percent of the annual appraisal value.

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

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town. 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 has been included on the October Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following August 1. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits.

PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate tax bills are payable in two installments on July 1 and January 1. Real estate and personal property taxes of less than \$100 are due in full in July. Motor vehicle taxes are payable in full, regardless of amount, on July 1. Supplemental motor vehicle taxes are due in January. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed monthly, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle, personal property, and real estate accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with State Statutes.

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 32.46 mills. For fiscal year ending June 30, 2027, the motor vehicle mill rate is 26.55.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions ¹	Net Taxable Grand List	% Growth
2025 ²	83.3	8.7	8.0	1,912,181,099	48,327,102	1,863,853,997	42.1%
2024	78.2	11.0	10.8	1,344,263,628	33,032,062	1,311,231,566	-0.5%
2023	78.1	10.6	11.4	1,338,561,441	20,630,781	1,317,930,660	4.3%
2022	80.7	6.9	12.3	1,284,368,862	20,746,716	1,263,622,146	1.3%
2021	81.3	6.9	11.8	1,269,160,492	21,733,117	1,247,427,375	3.2%
2020 ²	83.5	6.8	9.7	1,228,724,981	20,530,390	1,208,194,591	7.5%
2019	82.9	7.2	9.9	1,136,131,217	19,669,270	1,116,461,947	0.5%
2018	83.1	7.3	9.6	1,133,385,468	22,163,465	1,111,222,003	0.6%
2017	83.1	7.5	9.4	1,127,032,262	22,714,226	1,104,318,036	0.4%
2016	83.7	6.9	9.4	1,119,983,362	20,235,162	1,099,748,200	0.9%

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

² Revaluation Year.

Source: Assessor’s Office, Town of Ledyard.

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PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2025	Amount Uncollected as of 6/30/2025
2025	2027	\$1,863,853,997	26.55	\$49,530,174	Collections 7/1/2026 and 1/1/27			N/A
2024	2026	1,311,231,566	37.14/32.46 ⁶	48,100,971	-Unaudited-			N/A
2023	2025	1,317,930,660	35.21/32.46 ⁵	46,205,215	99.2%	0.8%	0.8%	\$387,994
2022	2024	1,263,622,146	34.56/32.46 ⁴	43,573,553	99.1%	0.9%	0.5%	197,705
2021	2023	1,247,427,375	33.82/32.46 ³	42,235,493	98.8%	1.2%	0.3%	127,226
2020	2022	1,208,194,591	33.72	40,952,646	98.8%	1.2%	0.0%	15,004
2019	2021	1,116,461,947	34.97	39,021,528	99.0%	1.0%	0.0%	9,585
2018	² 2020	1,111,222,003	35.06	38,919,035	98.1%	1.9%	0.0%	4,376
2017	² 2019	1,104,318,036	34.29 ¹	37,725,417	98.7%	1.3%	0.0%	4,093
2016	² 2018	1,099,748,200	32.54	35,429,203	98.9%	1.1%	0.0%	3,995

¹ The Town Council issued a 1 mil, one-time, supplemental tax bill, on real property only, due to reductions in State grants implemented mid-year. That tax bill, not included in this mill rate, generated \$900,000.

² In 2019, American Styrenics challenged their assessment for tax years 2016, 2017 and 2018 and a settlement was reached with the Town resulting in a grand list reduction of \$1,408,010 and a one-time tax reduction of \$48,280 for the three contested years.

³ Mill rate for Real Estate and Personal Property was levied at 33.82; mill rate for Motor Vehicles was levied at 32.46 mills.

⁴ Mill rate for Real Estate and Personal Property was levied at 34.56; mill rate for Motor Vehicles was levied at 32.46 mills.

⁵ Mill rate for Real Estate and Personal Property was levied at 35.21; mill rate for Motor Vehicles was levied at 32.46 mills.

⁶ Mill rate for Real Estate and Personal Property was levied at 37.14; mill rate for Motor Vehicles was levied at 32.46 mills.

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

TEN LARGEST TAXPAYERS

Business-Name	Nature Of Business	Assessment 10/1/2025	Rank	Percent of Total ¹
Eversource.....	Utility.....	\$ 92,333,364	1	4.95%
Mashantucket Pequot Tribe & Tribal Nation & Gaming Enterprises...	Real Estate.....	21,470,193	2	1.15%
GWR Connecticut LLC (Great Wolf Resort).....	Real Estate.....	18,367,544	3	0.99%
Fox Run-Ledyard LLC.....	Apartments.....	9,230,055	4	0.50%
Gales Ferry Intermodel.....	Industrial.....	3,989,800	5	0.21%
U-Store It.....	Storage Facility.....	3,167,200	6	0.17%
NS Retail Holdings.....	Retail Pharmacy.....	3,106,400	7	0.17%
American Styrenics LLC.....	Manufacturer.....	2,898,297	8	0.16%
Riverside Mall Inc.....	Commercial.....	2,683,500	9	0.14%
Yankee Gas.....	Utility.....	2,551,115	10	0.14%
Total		\$159,797,468		8.57%

¹ Based on a 10/1/25 Net Taxable Grand List of \$1,863,853,997.

Source: Assessor's Office, Town of Ledyard.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2024	\$2,885,028,873	3.32%
2023	2,792,210,515	12.05%
2022	2,491,987,328	10.10%
2021	2,263,306,513	31.13%
2020	1,726,045,882	0.98%
2019	1,709,335,985	0.36%
2018	1,703,274,468	2.58%
2017	1,660,436,363	1.26%
2016	1,639,827,665	5.31%
2015	1,557,080,423	-0.06%

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

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

BASIS OF ACCOUNTING

Accounting Policies

The financial statements of the Town of Ledyard, Connecticut (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Audited Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

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

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

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

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

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

BUDGETARY PROCEDURES

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

- The Mayor compiles the budget requests from the Town departments and agencies, with the exception of the Board of Education, and presents the budget to the Town Council. The Board of Education files a detailed estimate of expenditures with the Mayor for transmittal to the Town Council. The Town Council, after its review process, prepares and presents a recommended budget for Town Meeting approval.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Town Council and, if necessary, Town Meeting approval.
- 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 exceed appropriations, is at the department level.

- Individual additional appropriations of less than one percent of the current tax levy can be made by the Town Council, the accumulative total of which cannot exceed two percent of the current tax levy.

- Additional appropriations of more than one percent, and any resolution authorizing the issuance of bonds or notes or other borrowing, require Town Meeting approval. Upon request by the Mayor, during the last three months of the fiscal year, the Town Council may transfer any unencumbered appropriation, or portion thereof, from one department, commission, board, or office to another. No transfer may be made from any appropriation for debt service and other statutory charges.

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

- The Town has adopted a fund balance reserve policy and has set the minimum undesignated/unreserved balance for the General Fund at an amount equal to 7% of current year General Fund expenditures. The Town will avoid the appropriation of fund balance for recurring operating expenditures.

Municipal Budget Expenditures Cap

Connecticut General Statutes Section 4-66I creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

ANNUAL AUDIT

Pursuant to 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 audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town of Ledyard is in full compliance with said provisions. For the fiscal year ended June 30, 2025, the financial statements of the Town were audited by the firm of CliftonLarsonAllen LLP, West Hartford, Connecticut.

PENSION PLANS

Defined Benefit Public Employee Retirement System

The Town of Ledyard is the administrator of a single-employer defined benefit Public Employee Retirement System (“PERS”) established by Town ordinance and administered by the Town to provide pension benefits for its employees. Plan provisions are determined by the various union contracts. The PERS is considered to be part of the Town of Ledyard’s financial reporting entity and is included in the Town’s financial reports as a pension trust fund. The PERS does not issue a stand-alone report.

The Town has obtained an actuarial valuation as of July 1, 2025:

Actuarial Valuation Date	Actuarial Determined Employer Contribution (ADEC)	Annual Contribution	% of ADEC Contributed
<i><u>Town Plan</u></i>			
2021	1,098,284	1,098,284	100.00%
2022	1,096,614	1,131,235	103.16%
2023	1,129,512	1,163,197	102.98%
2024	669,144	950,000	141.97%
2025	689,218	850,000	123.33%
2026	718,728	740,000	102.96%

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the Town Pension Plan at June 30, 2025, determined by an actuarial valuation as of July 1, 2025 and based on actuarial assumptions as of that date, were as follows:

GASB 67 Schedules - Town Pension Plan	
Total pension liability as of June 30, 2025	\$34,702,813
Plan fiduciary net position	<u>32,343,514</u>
Net pension liability	<u>2,359,299</u>
Plan fiduciary net position as a % of total pension liability	93.2%

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

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Town's Net Pension Liability as of June 30, 2025	\$ 5,860,980	\$ 2,359,299	\$ (631,726)

Employees Defined Contribution Plan

The Town has established a defined contribution plan for Non-Union Professionals hired after July 1, 2009, Town Hall Union employees hired after July 1, 2012; Supervisors Union employees hired after July 1, 2012, Nurses Union employees hired after July 1, 2013, Teamsters Union employees hired after July 1, 2012, Police Union employees hired after July 1, 2012, and Firefighters Union employees hired after July 1, 2013. It is a mandatory plan with no opt out. As of June 30, 2025, the plan was administered by Voya. The authority for establishing and amending plan provisions rests with the Town Council.

The Town matches up to 5% of employee contributions for the Nurses Union, Emergency Communication Service Union, and Town Hall Union, and matches up to 6% for the Supervisors Union, Teamsters Union, and Firefighters Union, and matches up to 10% for the Police Union and department heads. Actual contributions to the plan for the year ended June 30, 2025 totaled \$1,298,817, which consisted of \$908,255 contributed by employees and \$390,562 contributed by the Town. The Town's matching contributions for Non-Union Professionals are determined by a "Resolution Establishing Administrator/Department

Head Benefits,” as adopted by Town Council. The Town’s matching contributions for union employees are determined by collective bargaining agreements.

The Board of Education has established a 403(b) plan, a defined contribution plan administered by OMNI. The plan is offered to employees of Ledyard Public Schools who are expected or scheduled to work 20 hours or more per week. Actual contributions for the year ended June 30, 2025 totaled \$879,919, which consisted of \$817,382 contributed by employees and \$62,536 contributed by the Board of Education

In addition, the eligible employees can voluntarily contribute to the State of Connecticut 457 Plan, a defined contribution plan. For eligible Ledyard employees not covered by a defined benefit plan, the 457 participants are eligible for matching contributions to the Town’s 401(a). Actual contributions to the plan for the year ended June 30, 2025 totaled \$174,909, which consisted of \$117,371 contributed by employees and \$57,538 contributed by the Town.

Connecticut State Teachers’ Retirement System

The faculty and professional personnel of the Board of Education are eligible to participate in the State of Connecticut Teachers’ Retirement System, a multiple employer public employees retirement system described in the Connecticut General Statutes Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The financial report for this may be obtained through the State Teachers’ Retirement Board.

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

OTHER POST-EMPLOYMENT BENEFITS

The Town administers one single-employer, post-retirement healthcare plan for the Board of Education, the Town OPEB plan. The plan provides medical benefits to eligible retirees and their spouses. The Town OPEB plan is administered by the Town. Plan provisions are determined by union contract and may be amended by union negotiations. The Town currently pays for post-employment health care benefits on a pay-as-you-go basis. Administration costs are financed from current operations.

The Town implemented GASB Statement No. 74 effective in Fiscal Year 2017. The following net OPEB liability of the Town OPEB Plan at June 30, 2025, determined by an actuarial valuation as of June 30, 2024 and based on actuarial assumptions as of that date, were as follows:

	1% Decrease	Current	1% Increase
	4.20%	Discount Rate	5.20%
			6.20%
Town's Net OPEB Liability			
as of June 30, 2025	\$ 11,832,437	\$ 10,223,957	\$ 8,930,887

Connecticut State Teachers’ Retirement System

Teachers, principals, superintendents and supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (“TRS-RHIP”), a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Connecticut State Teachers’ Retirement Board (the “Board”) that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The Teachers’ Retirement System (“TRS”) is governed by Connecticut General Statutes (“CGS”) Title 10, Chapter 167a. Detailed information about the Connecticut State Teachers OPEB Plan is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov/trb.

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

Please refer to the Town of Ledyard's "Notes to Financial Statements", Note 11, in "Appendix A" herein for further information on the Town's Other Post-Employment Benefits.

INVESTMENT PRACTICES

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

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

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

	Fiscal Year 2024-25			Fiscal Year 2025-26	Fiscal Year 2026-27
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	Adopted Budget	Adopted Budget
REVENUES					
Property Taxes	\$ 46,778,010	\$ 46,435,916	\$ (342,094)	\$ 49,063,033	\$ 50,822,226
Intergovernmental	16,611,389	17,611,570	1,000,181	16,999,476	18,005,193
Charges for Services	2,241,174	2,367,093	125,919	2,272,793	2,223,552
Investment Income.....	550,000	1,031,324	481,324	525,000	650,000
TOTAL REVENUES	66,180,573	67,445,903	1,265,330	68,860,302	71,700,971
EXPENDITURES					
Current:					
General Government	1,781,280	1,715,198	66,082	1,982,128	2,128,554
Department of Finance	840,886	946,298	(105,412)	905,453	909,525
Commissions.....	49,486	28,773	20,713	23,346	31,785
Boards and Committees.....	2,500	2,348	152	10,140	10,320
Fixed Charges.....	10,996,760	10,783,513	213,247	11,824,298	12,707,350
Public Safety	4,733,022	4,874,505	(141,483)	4,947,718	5,146,010
Health and Welfare.....	598,892	570,251	28,641	512,490	550,188
Public Works.....	3,251,458	3,148,282	103,176	3,369,123	3,516,761
Library.....	627,909	581,263	46,646	635,260	652,651
Parks and Recreation.....	617,484	582,533	34,951	667,550	690,299
Education	38,369,823	38,157,522	212,301	40,462,242	41,857,335
Debt Service.....	3,528,671	3,480,295	48,376	3,847,450	3,664,241
TOTAL EXPENDITURES	65,398,171	64,870,781	527,390	69,187,198	71,865,019
Excess (deficiency) of revenues over expenditures	782,402	2,575,122	1,792,720	(326,896)	(164,048)
Other financing sources (uses):					
Appropriation of fund balance.....	560,929	-	(560,929)	-	-
Other income sources	-	-	-	-	-
Transfers In	1,250,000	250,000	(1,000,000)	1,504,675	1,854,535
Transfers Out	2,593,331	2,629,849	(36,518)	1,177,779	1,690,487
Total Other financing sources (uses) ..	(782,402)	(2,379,849)	(1,597,447)	326,896	164,048
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 195,273	\$ 195,273	\$ -	\$ -

Source: Annual Audited Financial Statement 2025, Budgets 2026 & 2027.

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

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
ASSETS					
Cash and cash equivalents	\$15,434,130	\$25,475,804	\$18,513,571	\$17,011,520	\$17,384,029
Cash held by Fiscal Agent.....	374,446	381,277	613,342	-	-
Receivables					
Property Taxes.....	910,489	886,467	958,811	984,313	755,062
Other.....	136,658	203,856	94,081	125,608	114,114
Due from Other Funds.....	785,312	2,943,292	463,164	2,381,164	1,416,028
Prepaid Expenses.....	-	-	-	1,128,952	484,782
TOTAL ASSETS.....	\$17,641,035	\$29,890,696	\$20,642,969	\$21,631,557	\$20,154,015
LIABILITIES					
Accounts payable	\$ 1,450,526	\$ 842,169	\$ 1,839,024	\$ 2,482,378	\$ 3,048,198
Accrued Payroll/Lliabilities	428,916	414,477	350,323	520,667	356,213
Due to Other Funds.....	9,214,570	22,329,872	12,260,231	12,812,496	11,089,252
Unearned Revenue	26,063	25,918	23,759	-	-
Total Liabilities	11,120,075	23,612,436	14,473,337	15,815,541	14,493,663
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	820,152	772,725	828,545	844,809	645,770
Unavailable Revenue - Loans.....	-	-	-	-	-
TOTAL DEFERRED INFLOWS.....	820,152	772,725	828,545	844,809	645,770
FUND BALANCE					
Nonspendable	-	-	-	1,128,952	484,782
Restricted	-	-	-	-	-
Committed	212,301	118,629	217,387	-	-
Assigned	-	-	-	-	-
Unassigned	5,488,507	5,386,906	5,123,700	3,842,255	4,529,800
TOTAL FUND BALANCE.....	5,700,808	5,505,535	5,341,087	4,971,207	5,014,582
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$17,641,035	\$29,890,696	\$20,642,969	\$21,631,557	\$20,154,015

Source: Annual Audited Financial Statements 2021-2025.

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

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
REVENUES					
Property Taxes	\$46,435,916	\$43,935,807	\$42,464,155	\$41,109,833	\$39,445,437
Intergovernmental	24,702,614	24,656,548	23,590,263	21,939,791	21,000,821
Charges for Services	2,367,093	2,377,275	2,948,248	2,911,472	3,464,944
Revenue from Use of Money.....	-	-	-	-	-
Income on investments	1,031,324	1,010,972	576,150	43,051	23,871
Transfers In	432,129 ³	313,480	580,517	808,093 ¹	714,474
Total Revenues & Transfers In	<u>\$74,969,076</u>	<u>\$72,294,082</u>	<u>\$70,159,333</u>	<u>\$66,812,240</u>	<u>\$64,649,547</u>
EXPENDITURES					
General Government	13,592,530	13,282,281	12,804,387	12,188,344	11,647,271
Public Safety	4,874,505	4,609,316	4,637,826	4,305,814	4,142,334
Public Works.....	3,148,282	2,974,444	2,869,289	2,825,303	2,688,617
Health & Welfare.....	453,851	640,367	1,190,965	1,233,152	1,230,965
Library.....	581,263	564,866	543,199	528,633	518,940
Parks & Recreation.....	582,533	588,720	470,617	459,325	414,637
Board of Education.....	45,248,566	42,956,301	40,982,594	38,637,354	37,903,144
Debt Service.....	2,449,221	2,673,303	2,679,702	2,550,942	2,537,407
Interest & Other Charges.....	1,031,074	1,140,007	1,245,560	1,202,357	1,235,240
Lease Payment.....	-	-	-	45,735	-
Capital Outlay.....	182,129	-	-	204,820	-
Transfers Out.....	2,629,849	2,700,029	2,365,315	2,673,836	1,947,047
Total Expenditures & Transfers Out	<u>74,773,803</u>	<u>72,129,634</u>	<u>69,789,454</u>	<u>66,855,615</u>	<u>64,265,602</u>
Results from Operations.....	195,273	164,448	369,879	(43,375)	383,945
Fund Balance - July 1	<u>5,505,535</u>	<u>5,341,087</u>	<u>4,971,208 ²</u>	<u>5,014,582</u>	<u>4,630,637</u>
Fund Balance - June 30	<u>\$5,700,808</u>	<u>\$5,505,535</u>	<u>\$5,341,087</u>	<u>\$ 4,971,207</u>	<u>\$5,014,582</u>

¹ Includes \$204,820 of lease issuance.

² Restated.

³ Includes \$182,129 of lease issuance.

Source: Annual Audited Financial Statements 2021-2025.

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

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
Nonspendable.....	\$ -	\$ -	\$ -	\$ 1,128,952	\$ 484,782
Committed.....	212,301	118,629	217,387	-	-
Unassignend.....	5,488,507	5,386,906	5,123,700	3,842,255	4,529,800
Total Fund Balance.....	<u>5,700,808</u>	<u>5,505,535</u>	<u>5,341,087</u>	<u>4,971,207</u>	<u>5,014,582</u>
Unassigned Fund Balance As % of					
Total Expenditures.....	7.34%	7.47%	7.34%	5.75%	7.05%

Source: Annual Audited Financial Statements 2021-2025.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Property Tax Revenues	Property Tax Revenues as a Percentage of General Fund Revenues
2027 ¹	\$73,555,506	\$50,822,226	69.1 %
2026 ¹	70,364,977	49,063,033	69.7
2025	74,969,076	46,435,916	61.9
2024	72,294,082	43,935,807	60.8
2023	70,159,333	42,464,155	60.5
2022	66,812,240	41,109,833	61.5
2021	64,649,547	39,445,437	61.0

¹ Adopted budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Intergovernmental Revenue	Aid as a Percentage of General Fund Revenues
2027 ¹	\$73,555,506	\$18,005,193	24.5 %
2026 ¹	70,364,977	16,999,476	24.2
2025	74,969,076	24,702,614	33.0
2024	72,294,082	24,656,548	34.1
2023	70,159,333	23,590,263	33.6
2022	66,812,240	21,939,791	32.8
2021	64,649,547	21,000,821	32.5

¹ Adopted budget.

EXPENDITURES

Fiscal Year	Education	Public Safety	General Government	Public Works	Debt Service
2027 ¹	56.9%	7.0%	21.5%	4.8%	5.0%
2026 ¹	57.5%	7.0%	21.0%	4.8%	5.5%
2025	60.5%	6.5%	18.2%	4.2%	3.3%
2024	59.6%	6.4%	18.4%	4.1%	3.7%
2023	58.7%	6.6%	18.3%	4.1%	3.8%
2022	57.8%	6.4%	18.2%	4.2%	3.8%
2021	59.0%	6.4%	18.1%	4.2%	3.9%

¹ Adopted budget.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 11, 2026

(Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 8/11/2026</u>	<u>Fiscal Year Maturity</u>
<u>General Purpose</u>					
12/17/2010	Drinking Water - PLO.....	2.00	\$ 1,629,000	\$ 361,228	2030
2/27/2015	Drinking Water - PLO.....	2.00	3,781,622	1,660,878	2034
5/25/2016	General Purpose, Series A.....	1.50-5.00	6,561,000	3,455,000	2036
5/25/2016	General Purpose Refunding, Series B....	1.00-4.00	3,005,000	95,000	2029
5/25/2016	Water Refunding, Series B.....	1.00-4.00	2,910,000	405,000	2029
7/6/2021	General Purpose Refunding, Series B....	0.40-4.00	2,136,000	1,420,000	2034
5/10/2022	General Purpose.....	3.125-5.00	295,000	235,000	2042
	Total.....		\$ 20,317,622	\$ 7,632,106	
<u>Schools</u>					
5/25/2016	Schools Refunding, Series B.....	1.00-4.00	2,975,000	124,000	2029
5/24/2017	Schools	3.00-5.00	15,000,000	7,890,000	2037
6/12/2019	Schools.....	3.00-5.00	6,000,000	4,095,000	2039
5/11/2021	Schools, Series A.....	2.00-4.00	4,000,000	3,000,000	2041
7/6/2021	School Refunding, Series B.....	0.40-4.00	469,000	305,000	2034
5/10/2022	Schools.....	3.125-5.00	2,705,000	2,165,000	2042
8/11/2026	Schools.....	4.00-5.00	4,900,000	4,900,000	2047
	Total.....		\$ 36,049,000	\$ 22,479,000	
<u>Sewers</u>					
8/31/2006	CWF - PLO.....	2.05	926,007	9,389	2027
5/25/2016	Sewers Refunding, Series B.....	1.00-4.00	425,000	6,000	2029
5/24/2017	Sewers Refunding, Series B.....	3.00-5.00	1,300,000	670,000	2037
	Total.....		\$ 2,651,007	\$ 685,389	
	Total Long Term Debt.....		\$ 59,017,629	\$ 30,796,495	

Short-Term Debt:

<u>Project</u>	<u>Amount Authorized</u>	<u>Notes Maturing 8/11/2025</u>	<u>Notes This Issue Due 8/11/26</u>	<u>Renewable Limit</u>
		\$ 300,000	\$ -	5/1/2034
		5,200,000	-	8/13/2034
Various School Improvement Projects..	\$ 9,800,000	3,000,000	1,500,000	8/12/2035
Total.....	\$ 9,800,000	\$ 8,500,000	\$ 1,500,000	

Leases

The Town has various equipment leases:

Leases Payable as of August 11, 2026 (principal only)

FY 2027	42,772
FY 2028	31,009
FY 2029	32,595
FY 2030	34,274
	<u>\$ 140,650</u>

Financed Purchases

The Town has entered into a financed purchase agreement for the acquisition of machinery and equipment:

Leases Payable as of August 11, 2026 (principal only)

FY 2027	54,775
FY 2028	58,409
FY 2029	62,283
	<u>\$ 175,467</u>

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State's share of the eligible construction costs. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

CLEAN WATER FUND PROGRAM

The Town is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrification projects (30% grant and 70% loan). Loans to each municipality are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation ("IFO") from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion a 20-year debt obligation called a Project Loan Obligation ("PLO") is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

DRINKING WATER STATE REVOLVING FUND PROGRAM

The Town participates in the State of Connecticut Drinking Water State Revolving Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended), which provides financial assistance through loans bearing interest at rates ranging from 2% to 3% per annum and grants.

Loans and grants are made pursuant to a Project Loan and Subsidy Agreement. Each municipality is obligated to repay only that amount that is drawn down for the payment of project costs ("Loan Agreement"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program listed on the previous page.

COMBINED ANNUAL BONDED DEBT MATURITY SCHEDULE ^{1,2}

As of August 11, 2026
(Pro Forma)

Fiscal Year Ending 30-Jun				The Bonds (<i>This Issue</i>)		Percent Retired
	Principal	Interest	Total	Principal	Interest	
2027	\$ 1,507,776	\$ 687,191	\$ 2,194,966	\$ -	\$ -	4.90%
2028	2,726,843	765,828	3,492,671	245,000	560,344	14.55%
2029	2,693,036	662,435	3,355,471	245,000	444,981	24.09%
2030	2,404,354	569,628	2,973,982	245,000	432,731	32.69%
2031	2,311,927	487,342	2,799,269	245,000	420,481	40.99%
2032	2,311,507	409,962	2,721,469	245,000	408,231	49.29%
2033	2,316,180	337,476	2,653,657	245,000	395,981	57.61%
2034	2,194,872	270,513	2,465,385	245,000	383,731	65.53%
2035	1,865,000	209,213	2,074,213	245,000	371,481	72.38%
2036	1,865,000	152,228	2,017,228	245,000	359,231	79.23%
2037	1,520,000	95,709	1,615,709	245,000	348,206	84.97%
2038	665,000	62,900	727,900	245,000	338,406	87.92%
2039	665,000	43,450	708,450	245,000	328,606	90.88%
2040	350,000	24,000	374,000	245,000	318,806	92.81%
2041	350,000	14,000	364,000	245,000	309,006	94.74%
2042	150,000	6,000	156,000	245,000	299,206	96.02%
2043	-	-	-	245,000	289,406	96.82%
2044	-	-	-	245,000	279,606	97.61%
2045	-	-	-	245,000	269,806	98.41%
2046	-	-	-	245,000	260,006	99.20%
2047	-	-	-	245,000	250,053	100.00%
Total	\$ 25,896,495	\$ 4,797,874	\$ 30,694,369	\$ 4,900,000	\$ 7,068,310	

¹ Excludes capital lease obligations.

² Excludes principal of \$1,232,067.37 and \$187,206.57 in interest payments made in the current Fiscal Year 2026-27.

GENERAL OBLIGATION ANNUAL BONDED DEBT MATURITY SCHEDULE ^{1,2}

As of August 11, 2026
(Pro Forma)

Fiscal Year	General Obligation Bonds ^{1,2}					
Ending				The Bonds <i>(This Issue)</i>		Percent
30-Jun	Principal	Interest	Total	Principal	Interest	Retired
2027	\$ 1,230,000	\$ 652,863	\$ 1,882,863	\$ -	\$ -	4.28%
2028	2,420,000	733,556	3,153,556	245,000	560,344	13.54%
2029	2,380,000	636,356	3,016,356	245,000	444,981	22.67%
2030	2,085,000	549,869	2,634,869	245,000	432,731	30.77%
2031	2,085,000	473,125	2,558,125	245,000	420,481	38.87%
2032	2,080,000	400,325	2,480,325	245,000	408,231	46.95%
2033	2,080,000	332,513	2,412,513	245,000	395,981	55.03%
2034	2,075,000	269,813	2,344,813	245,000	383,731	63.10%
2035	1,865,000	209,213	2,074,213	245,000	371,481	70.43%
2036	1,865,000	152,228	2,017,228	245,000	359,231	77.77%
2037	1,520,000	95,709	1,615,709	245,000	348,206	83.90%
2038	665,000	62,900	727,900	245,000	338,406	87.07%
2039	665,000	43,450	708,450	245,000	328,606	90.23%
2040	350,000	24,000	374,000	245,000	318,806	92.30%
2041	350,000	14,000	364,000	245,000	309,006	94.37%
2042	150,000	6,000	156,000	245,000	299,206	95.74%
2043	-	-	-	245,000	289,406	96.59%
2044	-	-	-	245,000	279,606	97.44%
2045	-	-	-	245,000	269,806	98.30%
2046	-	-	-	245,000	260,006	99.15%
2047	-	-	-	245,000	250,053	100.00%
Total	\$ 23,865,000	\$ 4,655,919	\$28,520,919	\$ 4,900,000	\$ 7,068,310	

¹ Excludes capital lease obligations, Drinking Water Fund loans, and Clean Water Fund loans.

² Includes principal of \$1,195,000 and \$183,143.26 in interest payments made in the current Fiscal Year 2026-27.

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CWF AND DWSRF ANNUAL BONDED DEBT MATURITY SCHEDULE ^{1,2}

As of August 11, 2026

(Pro Forma)

Fiscal Year	Clean Water & Drinking Water Fund Loans			Percent
Ending	Principal	Interest	Total	Retired
30-Jun				
2027	\$ 277,776	\$ 34,328	\$ 312,104	13.67%
2028	306,843	32,272	339,114	28.78%
2029	313,036	26,078	339,114	44.19%
2030	319,354	19,760	339,114	59.91%
2031	226,927	14,217	241,144	71.08%
2032	231,507	9,637	241,144	82.47%
2033	236,180	4,964	241,144	94.10%
2034	119,872	700	120,572	100.00%
Total	\$2,031,495	\$141,956	\$ 2,173,451	

¹ Excludes capital lease obligations and general obligations debt.² Includes principal of \$37,067.37 and \$4,062.82 in interest payments made in the current Fiscal Year 2026-27.**OVERLAPPING/UNDERLYING DEBT**

The Town does not have overlapping or underlying debt.

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DEBT STATEMENT¹
As of August 11, 2026
(Pro Forma)

Long-Term Indebtedness	
General Purpose.....	\$ 5,205,000
Schools <i>(includes this issue)</i>	22,479,000
Water.....	2,427,106
Sewers.....	685,389
Total Long-Term Indebtedness.....	\$ 30,796,495
Short-Term Indebtedness	
Note payable <i>(this issue)</i>	\$ 1,500,000
Total Short-Term Indebtedness.....	\$ 1,500,000
Total Direct Indebtedness.....	\$ 32,296,495
Exclusions:	
Less:	
Water Assessments	\$ 807,372 ²
Net Direct Indebtedness.....	\$ 31,489,123
Overlapping/Underlying Indebtedness.....	-
Total Overall Net Direct Indebtedness.....	\$ 31,489,123

¹ Excludes capital lease obligations.

² Fiscal Year ended June 30, 2025.

CURRENT DEBT RATIOS
August 11, 2026
(Pro Forma)

Population ¹	15,575
Net Taxable Grand List (10/1/25).....	\$1,863,853,997
Estimated Full Value.....	\$2,662,648,567
Equalized Net Taxable Grand List (10/1/24)....	\$2,792,210,515
Per Capita Income (2024).....	\$46,610

	Total Direct debt \$32,296,495	Total Net Direct Debt \$31,489,123	Total Overall Net Debt \$31,489,123
Per Capita.....	\$2,073.61	\$2,021.77	\$2,021.77
Ratio to Net Taxable Grand List.....	1.73%	1.69%	1.69%
Ratio to Estimated Full Value.....	1.21%	1.18%	1.18%
Ratio to Equalized Net Taxable Grnad List.....	1.16%	1.13%	1.13%
Debt per Capita to Money Income per Capita.....	4.45%	4.34%	4.34%

¹State of Connecticut Department of Public Health, 2023.

BOND AUTHORIZATION

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the procedural requirements of the Town Charter. Under the Charter, bond and note issues (except refunding bonds, which only need to be authorized by the Town Council), are authorized by the Town Meeting upon the recommendations of the Board of Finance, the Town Council and the Mayor. This issuance of refunding bonds is authorized by a resolution adopted by the Town Council only.

TEMPORARY FINANCING

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

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

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

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

LIMITATION OF INDEBTEDNESS

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

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

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

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION

As of August 11, 2026

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2025 (including interest and lien fees)	\$ 43,321,008
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	19,215
Base for Establishing Debt Limit: ¹	<u>\$ 43,340,223</u>

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 97,515,502					
(4.50 times base)		\$195,031,004				
(3.75 times base)			\$162,525,836			
(3.25 times base)				\$140,855,725		
(3.00 times base)					\$130,020,669	
(7.00 times base)						\$ 303,381,561
Indebtedness						
Bonds Payable <i>(includes this issue)</i> ²	\$ 5,205,000	\$ 22,479,000	\$ 685,389	\$ -	\$ -	\$ 28,369,389
Notes Payable <i>(this issue)</i>	-	1,500,000	-	-	-	1,500,000
Authorized but Unissued Debt	-	1,917,618	-	-	-	1,917,618
Total Bonded Indebtedness	\$ 5,205,000	\$ 25,896,618	\$ 685,389	\$ -	\$ -	\$ 31,787,007
Less Sewer Assessments	-	-	-	-	-	-
Net Bonded Indebtedness	\$ 5,205,000	\$ 25,896,618	\$ 685,389	\$ -	\$ -	\$ 31,787,007
Excess of Limit Over Outstanding and Authorized Debt	\$ 92,310,502	\$169,134,386	\$161,840,447	\$140,855,725	\$130,020,669	\$ 271,594,554

¹ Includes tax collections of coterminous municipality – Gales Ferry Fire District.

² Excludes \$2,427,106 in outstanding Water Bonds payable as allowed under the Connecticut General Statutes.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$303,381,561.

AUTHORIZED BUT UNISSUED DEBT

As of August 11, 2026

(Pro Forma)

Project	Amount Authorized	Previously Bonded	Paydown/ Grants	Bonds This Issue	Notes This Issue	Debt Authorized but Unissued		
						General Purpose	School	Total
School Consolidation/ Renovations.....	\$65,835,000	\$27,000,000	\$ 36,453,298	\$ 900,000	\$ -	\$ -	\$1,481,702	\$1,481,702 ¹
Various School Improvement Projects.....	9,800,000	705,000	3,159,084	4,000,000	1,500,000	-	435,916	435,916 ²
Total.....	<u>\$75,635,000</u>	<u>\$27,705,000</u>	<u>\$ 39,612,382</u>	<u>\$4,900,000</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$1,917,618</u>	<u>\$1,917,618</u>

¹ It is anticipated that this project will qualify for State of Connecticut School Construction Grants of approximately 62.5% of eligible costs.

² The Town expects to receive 61% in grant funding from the State of Connecticut Department of Education on the roof projects totaling \$2.06M and \$925,000 for the solar projects.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT ¹

Long-Term Debt	2026 Est.	2025	2024	2023	2022	2021
Bonds.....	\$25,060,000	\$27,515,000	\$29,970,000	\$32,760,000	\$35,565,000	\$35,445,000
Clean Water Fund Loans.....	\$14,071	\$69,656	\$124,100	\$177,439	\$229,698	\$280,882
Drinking Water Fund Loans...	\$2,054,491	\$2,349,312	\$2,638,300	\$2,921,572	\$3,192,333	\$3,471,406
Short-Term Debt						
Bond Anticipation Notes.....	8,500,000	5,500,000	10,000,000	9,700,000	9,700,000	11,700,000
Totals.....	\$35,628,562	\$35,433,968	\$42,732,400	\$45,559,011	\$48,687,031	\$50,897,288

¹ Excludes capital lease obligations.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Net Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2026 Est.	\$1,311,231,566	\$1,873,187,951	\$35,628,562	2.72%	1.90%	15,575	\$2,287.55	4.91%
2025	1,317,930,660	1,882,758,086	35,433,968	2.69%	1.88%	15,575	2,275.05	4.88%
2024	1,263,622,146	1,805,174,494	42,732,400	3.38%	2.37%	15,575	2,743.65	5.89%
2023	1,247,427,375	1,782,039,107	45,559,011	3.65%	2.56%	15,459	2,947.09	6.32%
2022	1,208,194,591	1,725,992,273	48,687,031	4.03%	2.82%	15,456	3,150.04	6.76%
2021	1,116,461,947	1,594,945,639	50,897,288	4.56%	3.19%	15,366	3,312.33	7.11%

¹ Excludes State of Connecticut School Construction Grants, actual and estimated, due to the Town of Ledyard over the life of the bond issues.

² State of Connecticut, Department of Public Health, Estimates 2021-2024.

³ Income per Capita: \$46,610

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

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

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

The Town of Ledyard, its officers, employees, boards and commissions are defendants in various lawsuits. In particular, in June 2026, a lawsuit was filed in Connecticut Superior Court for the Judicial District of New London alleging negligence per se, negligence, and breach of duty of habitability against the Town of Ledyard and the Ledge Light Health District relating to an alleged lead paint hazard in the caretaker quarters of the Nathan Lester House. The complaint seeks, among other things, money damages for alleged injuries due to lead poisoning, emotional distress, medical and educational expenses, retroactive rent abatement, and attorney fees and costs. After consultation with the Town Attorney, it is the opinion of the Town officials that there are no claims or litigation pending, including the lawsuit referenced above, or to their knowledge threatened, which would individually or in the aggregate result in final judgments against the Town which would have a material adverse effect on the finances of the Town or which would impact the validity of the Bonds and the Notes or the power of the Town to levy and collect taxes to pay principal and interest on the Bonds and the Notes.

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 and the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

TRANSCRIPT AND CLOSING DOCUMENTS

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

1. A Signature and No Litigation Certificate stating that at the time of delivery of the Bonds and the Notes no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay the principal of and interest on the Bonds and the Notes.
2. A Certificate on behalf of the Town signed by the Mayor, Director of Finance, and Treasurer, or any two of them, which will be dated the date of delivery and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds and the Notes, the descriptions and statements contained in the Official Statement (with such supplemental information concerning ratings, insurance, interest rates and corrections) relating to the Town and its finances were and are true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that no view is expressed with respect to any information furnished to the Town by or on behalf of the purchasers or any insurer specifically for inclusion in the Official Statement, and that there has been no material adverse change in the financial condition of the Town from that set forth in or as contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and the Notes.
4. The approving opinions of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut in substantially the forms attached hereto as Appendices B and C.
5. Executed Continuing Disclosure Agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E.

6. The Town has prepared an Official Statement for the Bonds and the Notes which is dated July 28, 2026. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(i), but it is subject to revision or amendment. The Town will make available to the winning bidder(s) of the Bonds and the Notes a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening.

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

CONCLUDING STATEMENT

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

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

TOWN OF LEDYARD, CONNECTICUT

/s/ Fred B. Allyn, III

Fred B. Allyn, III, *Mayor*

/s/ Matthew E. Bonin

Matthew E. Bonin, *Director of Finance*

/s/ Ian Stammel

Ian Stammel, *Treasurer*

July 28, 2026

APPENDIX A - BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Appendix A - Basic Financial Statements - is taken from the Financial Statements of the Town of Ledyard for the Fiscal Year ended June 30, 2025 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Ledyard, Ledyard, Connecticut.



INDEPENDENT AUDITORS' REPORT

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Town Council
Town of Ledyard, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of the Town of Ledyard, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ledyard, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ledyard, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Cranston, Rhode Island
December 18, 2025

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

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

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$99,079,229 (net position). Of this amount, \$77,093,816 was attributable to governmental activities and \$21,985,413 to business-type activities.
- The Town's total net position increased by \$4,691,922. This was primarily due to the activity associated with the Town's pension and OPEB plans, capital outlay in excess of depreciation and scheduled debt payments (which are treated as expenditures at the fund level).
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$7,880,030, a decrease of \$3,170,779 in comparison with the prior year. The decrease is due primarily due to capital project expenditures financed by temporary borrowings in advance of state reimbursements and permanent financing.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$5,488,507 or 8.1% of total general fund expenditures and transfers out (budgetary basis).

Overview of the Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Ledyard that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, health and welfare, public works, library, parks and recreation and education. The business-type activities of the Town are for water operations and sewer operations. The government-wide financial statements can be found on Exhibits I and II.

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 Ledyard uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 14 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 three funds considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 3 and 4.

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

Major Governmental Funds

General
Capital Projects
Mill Rate Stabilization

Nonmajor Governmental Funds

Library Commission
Cafeteria
Education Grants
STARS Fund
Student Activities

Miscellaneous State Grants
Housing Rehab Program
Senior Center Fund
Student Scholarships
Endowment Fund
Parks and Recreation

The Town adopts an annual 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 Exhibits III and IV.

Proprietary Funds

The Town of Ledyard maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the sewer operations, which are considered to be major funds of the Town. The internal service fund financial statement provides information for the Town's medical plan benefits. The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. 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 Exhibits VIII and IX.

Notes to 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 28-72.

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Ledyard's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the budgetary information for the General Fund.

The individual and combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Ledyard, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$99,079,229 at the close of the fiscal year.

**Town of Ledyard, Connecticut
Statement of Net Position
June 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 20,726,186	\$ 31,322,458	\$ 2,387,280	\$ 4,225,179	\$ 23,113,466	\$ 35,547,637
Capital assets, net of accumulated depreciation	116,347,280	112,178,888	23,413,180	22,664,852	139,760,460	134,843,740
Total assets	<u>137,073,466</u>	<u>143,501,346</u>	<u>25,800,460</u>	<u>26,890,031</u>	<u>162,873,926</u>	<u>170,391,377</u>
Deferred outflows of resources	3,120,670	4,203,227	24,218	45,152	3,144,888	4,248,379
Current and other liabilities	12,798,803	20,247,876	1,176,432	2,874,808	13,975,235	23,122,684
Long-term liabilities outstanding	41,095,784	48,178,052	2,650,239	3,052,216	43,746,023	51,230,268
Total liabilities	<u>53,894,587</u>	<u>68,425,928</u>	<u>3,826,671</u>	<u>5,927,024</u>	<u>57,721,258</u>	<u>74,352,952</u>
Deferred inflows of resources	9,205,733	5,899,497	12,594	-	9,218,327	5,899,497
Net Position:						
Net investments in capital assets	80,743,352	68,582,500	20,486,661	19,388,497	101,230,013	87,970,997
Restricted	2,123,812	1,935,656	-	-	2,123,812	1,935,656
Unrestricted	<u>(5,773,348)</u>	<u>2,860,992</u>	<u>1,498,752</u>	<u>1,619,662</u>	<u>(4,274,596)</u>	<u>4,480,654</u>
Total Net Position	<u>\$ 77,093,816</u>	<u>\$ 73,379,148</u>	<u>\$ 21,985,413</u>	<u>\$ 21,008,159</u>	<u>\$ 99,079,229</u>	<u>\$ 94,387,307</u>

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

The largest portion of the Town's net position, \$101,230,013, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt and related liabilities used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$2,123,812, represents resources that are subject to external restrictions on how they may be used. Any remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental Activities

Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. A summary of changes in net position follows. For the fiscal year, net position increased by \$3,714,668.

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

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

**Town of Ledyard, Connecticut
Statement of Changes in Net Position
June 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 3,832,454	\$ 3,596,555	\$ 1,809,524	\$ 1,700,066	\$ 5,641,978	\$ 5,296,621
Operating grants and contributions	27,718,892	27,936,454	-	-	27,718,892	27,936,454
Capital grants and contributions	3,341,678	1,659,297	-	-	3,341,678	1,659,297
General revenues:						
Property taxes	46,483,343	43,879,987	-	-	46,483,343	43,879,987
Grants not restricted to specific programs	2,443,447	2,806,045	1,259,321	321,125	3,702,768	3,127,170
Unrestricted investment earnings	1,034,910	1,011,433	-	-	1,034,910	1,011,433
Miscellaneous revenue	75,091	385,380	-	-	75,091	385,380
Gain on sale of capital assets	50,574	36,656	-	-	50,574	36,656
Total revenues	84,980,389	81,311,807	3,068,845	2,021,191	88,049,234	83,332,998
Expenses:						
General government	13,628,999	14,854,941	-	-	13,628,999	14,854,941
Public safety	5,663,275	5,589,563	-	-	5,663,275	5,589,563
Public works	4,680,314	4,019,000	-	-	4,680,314	4,019,000
Health and welfare	561,656	691,424	-	-	561,656	691,424
Library	656,765	625,803	-	-	656,765	625,803
Parks and recreation	1,025,325	948,051	-	-	1,025,325	948,051
Education	53,799,028	50,103,303	-	-	53,799,028	50,103,303
Interest and fiscal charges	932,650	1,066,333	-	-	932,650	1,066,333
Water department	-	-	1,633,834	1,590,839	1,633,834	1,590,839
Sewer department	-	-	775,466	690,561	775,466	690,561
Total expenses	80,948,012	77,898,418	2,409,300	2,281,400	83,357,312	80,179,818
Change in net position before transfers	4,032,377	3,413,389	659,545	(260,209)	4,691,922	3,153,180
Transfers	(317,709)	(292,163)	317,709	292,163	-	-
Change in net position	3,714,668	3,121,226	977,254	31,954	4,691,922	3,153,180
Net Position at Beginning of Year	73,379,148	70,257,922	21,008,159	20,976,205	94,387,307	91,234,127
Net Position at End of Year	\$ 77,093,816	\$ 73,379,148	\$ 21,985,413	\$ 21,008,159	\$ 99,079,229	\$ 94,387,307

Significant changes from the prior year for revenues are as follows:

- Capital grants and contributions increased \$1,682,381 primarily due to revenue recognition relative to the LOTCIP grant.
- Property Tax Revenue increased \$2,603,356 due to an increase in the mill rate.

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

Revenues

Governmental activities revenues totaled \$84,980,389, for the fiscal year. Property taxes are the largest revenue source for the Town and represent 54.70% of governmental revenues. Operating grants and contributions revenues are the Town's second largest revenue source (32.62%) and include Education Cost Sharing funds and payments on-behalf payments made by the State of Connecticut for State teacher's Retirement pension and OPEB benefits.

Capital grants and contributions revenues account for 3.93% of governmental revenues for the year and are made up of school building grants, public works grants and general improvement grants. Charges for services accounts for 4.51% of governmental revenues and include the school lunch program, adult education, nurses, vocational agriculture and other tuition and park and recreation programs.

Expenses

Significant changes from the prior year are as follows:

- Education expenses increased by \$3,695,725 due to a budgeted increase in taxpayer funding.

Governmental activities expenses totaled \$80,948,012 for the fiscal year. Of the expenditures, 66.46% or \$53,799,028 was for education. Public safety expenses amounted to \$5,663,275, or 7.00%, while public works amounted to \$4,680,314 or 5.78%. Library expenses were \$656,765 or 0.81%. Park and recreation expenses were \$1,025,325 or 1.27%. General government expenses were \$13,628,999, or 16.84%, and health and welfare expenses were \$561,656 or 0.69%. Interest and fiscal charges were \$932,650 or 1.15%.

Business-Type Activities

Revenues

General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services, assessments, and transfers from the general fund. Of the \$3,068,845 in revenue from the Water department and Sewer department, 59% comes from charges for services and assessments. Grants not restricted to specific programs makes up the final 41% of revenues for the Town's business activities.

There were no significant changes noted from the prior year.

Expenses

Business-type expenses totaled \$1,633,834 and \$775,466 for the Water and Sewer departments, respectively, for the fiscal year ended June 30, 2025.

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

Financial Analysis of the Town's Funds

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

Governmental Funds

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

The combined fund balances of the governmental funds at June 30, 2025 was \$7,880,030, a decrease of \$3,120,779 in comparison with the prior year.

General Fund

The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,488,507. Current tax collections were 99.2% of the adjusted tax levy.

The fund balance of the general fund increased by \$195,273 during the fiscal year.

Capital Projects Fund

The Capital Projects fund balance decreased by \$3,527,412 primarily due to capital outlay exceeding revenues and transfers.

Proprietary Funds

The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds posted an overall increase in net position of \$977,254 for the fiscal year.

Water Fund

Unrestricted net position of the Water Fund at the end of the year amounted to \$675,104.

Sewer Fund

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$823,648.

Other factors concerning the finances of these funds have been previously addressed in the discussion of the Town's business-type activities.

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

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2025 is presented on Exhibit A-1 and A-2. A summary of that schedule follows:

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and other financing uses:				
Property taxes	\$ 46,778,010	\$ 46,778,010	\$ 46,435,916	\$ (342,094)
All other revenues	19,402,563	19,402,563	21,009,987	1,607,424
Appropriation of fund balance	-	560,929	-	(560,929)
Transfers in	1,250,000	1,250,000	250,000	(1,000,000)
Total	67,430,573	67,991,502	67,695,903	(295,599)
Expenditures and other financing uses:				
Expenditures	65,213,116	65,398,171	64,870,781	527,390
Transfers out	2,217,457	2,593,331	2,629,849	(36,518)
Total expenditures	67,430,573	67,991,502	67,500,630	490,872
Change in Fund Balance	\$ -	\$ -	\$ 195,273	\$ 195,273

Capital Assets and Debt Administration

At June 30, 2025, the Town of Ledyard's investment in capital assets in both governmental and business-type activities amounted to \$139,760,460 net of depreciation. This includes land, buildings, equipment, distribution and collection system and infrastructure. Capital assets for governmental activities increased by 3.72% (net), while business-type capital assets increased 3.30% (net). These changes included the following:

Construction in progress for governmental-type activities increased \$5,728,511 highlighted by continued construction of the Colonel Ledyard Highway recreational pathway and various school roof and photovoltaic projects. Significant additions to business-type capital assets included design and construction of sewer line extensions.

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

**Town of Ledyard, Connecticut
Statement of Capital Assets, Net
June 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 6,310,688	\$ 6,310,688	\$ 984,285	\$ 984,285	\$ 7,294,973	\$ 7,294,973
Construction in progress	9,084,218	3,355,707	1,646,193	419,525	10,730,411	3,775,232
Land improvements	3,467,441	3,540,380	-	-	3,467,441	3,540,380
Buildings and improvements	86,132,327	88,504,124	15,715	17,370	86,148,042	88,521,494
Distribution and collection system	-	-	20,652,507	21,113,277	20,652,507	21,113,277
Machinery and equipment	1,932,813	1,502,269	106,658	122,063	2,039,471	1,624,332
Right-of-use Asset	178,372	51,472	-	-	178,372	51,472
Vehicles	3,979,738	3,456,216	7,822	8,333	3,987,560	3,464,549
Infrastructure	5,261,683	5,458,035	-	-	5,261,683	5,458,035
Total	\$ 116,347,280	\$ 112,178,891	\$ 23,413,180	\$ 22,664,853	\$ 139,760,460	\$ 134,843,744

Additional information on the Town's capital assets can be found in Note 5.

Long-Term Debt

For the year ended June 30, 2025, the Town's long-term debt decreased by \$2,798,431. At the end of the current fiscal year, the Town had total bonded and note debt outstanding of \$ 29,933,968.

**Town of Ledyard, Connecticut
General Obligation, Sewer Bonds, Clean Water and Water Notes
June 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General purpose bonds	\$ 5,763,887	\$ 6,333,088	\$ -	\$ -	\$ 5,763,887	\$ 6,333,088
School bonds	19,993,000	21,550,000	-	-	19,993,000	21,550,000
Sewer bonds	1,267	1,585	820,731	893,414	821,998	894,999
Water bonds	855,000	1,090,000	81,115	101,911	936,115	1,191,911
Clean water notes	465,788	553,490	-	-	465,788	553,490
Water notes	-	-	1,953,180	2,208,911	1,953,180	2,208,911
Total	\$ 27,078,942	\$ 29,528,163	\$ 2,855,026	\$ 3,204,236	\$ 29,933,968	\$ 32,732,399

The Town has an "AA/Stable" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.0% to 4.0% times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$303,381,561 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7.

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

Next Year's Budget and Rates

The Town elected and appointed officials considered many factors when setting the fiscal year 2025-2026 budget. The Town decided that it was important to continue the support of the schools and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2025-2026 budget, the Town recognized the need to continue its pattern of cost containment.

The 2025-2026 general fund budget will be \$70,364,977 an increase of 4.35% over the prior year budget. While utilizing \$1,000,000 from the Mill Rate Stabilization Fund, the final Council approved budget still increased 1.93 mills.

Requests for Information

This financial report is designed to familiarize our citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or request for additional financial information, should be directed to the Finance Director, 741 Colonel Highway, Ledyard, CT 06339.

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 17,745,145	\$ -	\$ 17,745,145
Cash Held by Fiscal Agent	374,446	23,481	397,927
Receivables:			
Property Taxes, Net	910,489	-	910,489
User Charges, Net	-	153,969	153,969
Loans	626,030	-	626,030
Intergovernmental	2,227,551	-	2,227,551
Other Receivables	244,983	-	244,983
Internal Balances	(1,402,458)	1,402,458	-
Total Current Assets	20,726,186	1,579,908	22,306,094
Noncurrent Assets:			
Assessment Receivable, Net	-	807,372	807,372
Capital Assets, Nondepreciable	15,394,906	2,630,478	18,025,384
Capital Assets, Net of Accumulated Depreciation/Amortization	100,952,374	20,782,702	121,735,076
Total Noncurrent Assets	116,347,280	24,220,552	140,567,832
Total Assets	137,073,466	25,800,460	162,873,926
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	119,338	24,218	143,556
Deferred Outflows Related to Pension	-	-	-
Deferred Outflows Related to OPEB	3,001,332	-	3,001,332
Total Deferred Outflows of Resources	3,120,670	24,218	3,144,888
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	2,491,308	264,440	2,755,748
Accrued Payroll and Related Liabilities	450,183	27,135	477,318
Accrued Interest Payable	312,721	13,465	326,186
Unearned Revenue	702,186	516,992	1,219,178
Bond Anticipation Notes Payable	5,500,000	-	5,500,000
Current Maturities of Long-Term Liabilities	3,342,405	354,400	3,696,805
Total Current Liabilities	12,798,803	1,176,432	13,975,235
Noncurrent Liabilities:			
Due in More Than One Year	41,095,784	2,650,239	43,746,023
Total Liabilities	53,894,587	3,826,671	57,721,258
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	538,682	12,594	551,276
Deferred Inflows Related to OPEB	8,667,051	-	8,667,051
Total Deferred Inflows of Resources	9,205,733	12,594	9,218,327
NET POSITION			
Net Investment in Capital Assets	80,743,352	20,486,661	101,230,013
Restricted for:			
Endowments:			
Nonexpendable	41,914	-	41,914
Expendable	20,985	-	20,985
Education	1,039,816	-	1,039,816
Housing Rehabilitation	730,386	-	730,386
Unspent Grants Proceeds	290,711	-	290,711
Unrestricted	(5,773,348)	1,498,752	(4,274,596)
Total Net Position	\$ 77,093,816	\$ 21,985,413	\$ 99,079,229

See accompanying Notes to Financial Statements.

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

Function/Program Activities	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 13,628,999	\$ 1,814,806	\$ 536,995	\$ 2,531,515	\$ (8,745,683)	\$ -
Public Safety	5,663,275	187,511	103,671	-	(5,372,093)	-
Public Works	4,680,314	208,149	614,017	801,168	(3,056,980)	-
Health and Welfare	561,656	17,959	1,208,020	-	664,323	-
Library	656,765	7,250	4,935	8,995	(635,585)	-
Parks and Recreation	1,025,325	383,755	57,248	-	(584,322)	-
Education	53,799,028	1,213,024	25,194,006	-	(27,391,998)	-
Interest and Fiscal Charges	932,650	-	-	-	(932,650)	-
Total Governmental Activities	80,948,012	3,832,454	27,718,892	3,341,678	(46,054,988)	-
Business-Type Activities:						
Water	1,633,834	1,281,622	-	-	-	(352,212)
Sewer	775,466	527,902	-	-	-	(247,564)
Total Business-Type Activities	2,409,300	1,809,524	-	-	-	(599,776)
Total Primary Government	\$ 83,357,312	\$ 5,641,978	\$ 27,718,892	\$ 3,341,678	(46,054,988)	(599,776)
					(46,654,764)	
GENERAL REVENUES						
Property Taxes					46,483,343	-
Grants and Contributions Not Restricted to Specific Programs					2,443,447	1,259,321
Unrestricted Investment Earnings					1,034,910	-
Miscellaneous					75,091	-
Gain on Sale of Capital Assets					50,574	-
Transfers					(317,709)	317,709
Total General Revenues					49,769,656	1,577,030
					51,346,686	-
CHANGE IN NET POSITION						
Net Position - Beginning of Year					3,714,668	977,254
					73,379,148	21,008,159
NET POSITION - END OF YEAR					\$ 77,093,816	\$ 21,985,413
					\$ 99,079,229	

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
BALANCE SHEET
JUNE 30, 2025**

	General Fund	Capital Projects Fund	Mill Rate Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 15,434,130	\$ 50	\$ -	\$ 2,310,965	\$ 17,745,145
Cash held by Fiscal Agent	374,446	-	-	-	374,446
Receivables:					
Property Taxes Receivable, Net	910,489	-	-	-	910,489
Loans	-	-	-	626,030	626,030
Due from Other Governments	-	1,970,722	-	256,829	2,227,551
Other Receivables	136,658	99,513	-	8,812	244,983
Due from Other Funds	785,312	5,965,049	3,489,099	824,249	11,063,709
	<u>785,312</u>	<u>5,965,049</u>	<u>3,489,099</u>	<u>824,249</u>	<u>11,063,709</u>
Total Assets	<u>\$ 17,641,035</u>	<u>\$ 8,035,334</u>	<u>\$ 3,489,099</u>	<u>\$ 4,026,885</u>	<u>\$ 33,192,353</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,450,526	\$ 612,917	\$ -	\$ 427,865	\$ 2,491,308
Accrued Payroll and Other Liabilities	428,916	-	-	21,267	450,183
Due to Other Funds	9,214,570	2,520,042	-	785,313	12,519,925
Unearned Revenue	26,063	506,713	-	169,410	702,186
Bond Anticipation Notes Payable	-	5,500,000	-	-	5,500,000
Total Liabilities	<u>11,120,075</u>	<u>9,139,672</u>	<u>-</u>	<u>1,403,855</u>	<u>21,663,602</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	820,152	-	-	-	820,152
Unavailable Revenue - Loans	-	-	-	626,030	626,030
Unavailable Revenue - Intergovernmental Receivable	-	2,049,934	-	152,605	2,202,539
Total Deferred Inflows of Resources	<u>820,152</u>	<u>2,049,934</u>	<u>-</u>	<u>778,635</u>	<u>3,648,721</u>
FUND BALANCES					
Nonspendable	-	-	-	41,914	41,914
Restricted	-	-	-	1,455,868	1,455,868
Committed	212,301	1,216,152	3,489,099	346,613	5,264,165
Unassigned	5,488,507	(4,370,424)	-	-	1,118,083
Total Fund Balances	<u>5,700,808</u>	<u>(3,154,272)</u>	<u>3,489,099</u>	<u>1,844,395</u>	<u>7,880,030</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,641,035</u>	<u>\$ 8,035,334</u>	<u>\$ 3,489,099</u>	<u>\$ 4,026,885</u>	<u>\$ 33,192,353</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
RECONCILIATION TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund Balances - Total Governmental Funds (Exhibit III)	\$ 7,880,030
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental Capital Assets	161,756,751
Less: Accumulated Depreciation and Amortization	<u>(45,409,471)</u>
Net Capital Assets	116,347,280
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property Tax Receivables Greater Than 60 Days	820,152
School Construction Intergovernmental Receivable - Accrual Basis Change	1,970,722
Housing Rehabilitation Loan Receivables - Accrual Basis Change	626,030
Unavailable Grants	231,817
Deferred Outflows Related to OPEB	3,001,332
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	53,758
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(27,078,942)
Financed Purchases Payable	(226,835)
Lease Payable	(184,170)
Deferred Charge on Refunding	119,338
Unamortized Premium on Bonds Payable	(2,120,402)
Interest Payable on Bonds	(312,721)
Landfill Post-Closure Costs	(39,000)
Total OPEB Liability	(10,223,957)
Compensated Absences	(2,259,486)
Net Pension Liability	(2,305,397)
Deferred Inflows Related to Pension	(538,682)
Deferred Inflows Related to OPEB	<u>(8,667,051)</u>
Net Position of Governmental Activities (Exhibit I)	<u><u>\$ 77,093,816</u></u>

See accompanying Notes to Financial Statements.

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

	General Fund	Capital Projects Fund	Mill Rate Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes, Interest, and Lien Fees	\$ 46,435,916	\$ -	\$ -	\$ -	\$ 46,435,916
Intergovernmental Revenues	24,702,614	3,922,559	-	3,550,346	32,175,519
Charges for Services	2,367,093	353,034	-	1,082,617	3,802,744
Investment Income	1,031,324	-	-	3,586	1,034,910
Contributions	-	-	-	98,037	98,037
Other	-	38,243	-	36,848	75,091
Total Revenues	<u>74,536,947</u>	<u>4,313,836</u>	<u>-</u>	<u>4,771,434</u>	<u>83,622,217</u>
EXPENDITURES					
Current:					
General Government	13,592,530	-	-	177,580	13,770,110
Public Safety	4,874,505	-	-	-	4,874,505
Public Works	3,148,282	-	-	1,200	3,149,482
Health and Welfare	453,851	-	-	11,114	464,965
Library	581,263	-	-	32,718	613,981
Parks and Recreation	582,533	-	-	251,959	834,492
Education	45,248,566	-	-	4,127,713	49,376,279
Debt Service:					
Principal Retirement	2,449,221	-	-	-	2,449,221
Interest and Other Charges	1,031,074	193,915	-	-	1,224,989
Capital Outlay	182,129	10,047,647	-	-	10,229,776
Total Expenditures	<u>72,143,954</u>	<u>10,241,562</u>	<u>-</u>	<u>4,602,284</u>	<u>86,987,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,392,993	(5,927,726)	-	169,150	(3,365,583)
OTHER FINANCING SOURCES (USES)					
Premiums	-	-	39,820	-	39,820
Lease Issuance	182,129	-	-	-	182,129
Financed Purchase Issuance	-	289,990	-	-	289,990
Sale of Capital Assets	-	50,574	-	-	50,574
Transfers In	250,000	2,307,640	-	2,390	2,560,030
Transfers Out	(2,629,849)	(247,890)	-	-	(2,877,739)
Total Other Financing Sources (Uses)	<u>(2,197,720)</u>	<u>2,400,314</u>	<u>39,820</u>	<u>2,390</u>	<u>244,804</u>
NET CHANGE IN FUND BALANCES	195,273	(3,527,412)	39,820	171,540	(3,120,779)
Fund Balances - Beginning of Year, As Originally Reported	5,505,535	373,140	-	5,122,134	11,000,809
Entity Reporting Entity (Nonmajor to Major Fund)	<u>-</u>	<u>-</u>	<u>3,449,279</u>	<u>(3,449,279)</u>	<u>-</u>
Fund Balances - Beginning of Year, As Adjusted	<u>5,505,535</u>	<u>373,140</u>	<u>3,449,279</u>	<u>1,672,855</u>	<u>11,000,809</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,700,808</u>	<u>\$ (3,154,272)</u>	<u>\$ 3,489,099</u>	<u>\$ 1,844,395</u>	<u>\$ 7,880,030</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,120,779)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Capital Outlay	7,828,788
Depreciation and Amortization Expense	(3,333,189)
Disposition of Capital Assets	(327,210)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes Receivable - Accrual Basis Change	47,427
Change in Housing Loans	29,710
Change in Grant Deferred Revenue	(17,933)
Changes in Deferred Outflows Related to Pensions	(563,667)
Changes in Deferred Outflows Related to OPEB	(486,478)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal Payments on Bonds and Notes Payable	2,449,221
Principal Payments on Financed Purchases	63,155
Bond Premium	(39,820)
Lease Issuance	(182,129)
Payments on Leases	55,704
Financed Purchases Issuance	(289,990)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of Deferred Charge on Refunding	(32,412)
Amortization of Premium	349,498
Accrued Interest	80,032
Landfill Post-Closure Costs	13,000
Change in Compensated Absences	(494,435)
Change in Net Pension Liability	1,761,306
Change in Deferred Inflows Related to Pension	(538,682)
Change in Total OPEB Liability	3,231,105
Change in Deferred Inflows Related to OPEB	(2,767,554)
Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 3,714,668</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Water	Sewer	Enterprise Funds	Service Fund
ASSETS				
Current Assets:				
Cash Held by Fiscal Agent	\$ 20,799	\$ 2,682	\$ 23,481	\$ -
Receivables:				
User Charges, Net	104,066	49,903	153,969	-
Due from Other Funds	328,418	1,074,040	1,402,458	53,758
Total Current Assets	453,283	1,126,625	1,579,908	53,758
Noncurrent Assets:				
Receivables:				
Assessments	807,372	-	807,372	-
Capital Assets, Nondepreciable	682,577	1,947,901	2,630,478	-
Capital Assets, Net of Accumulated Depreciation	16,840,600	3,942,102	20,782,702	-
Total Noncurrent Assets	18,330,549	5,890,003	24,220,552	-
Total Assets	18,783,832	7,016,628	25,800,460	53,758
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge in Refunding	20,078	4,140	24,218	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	129,327	135,113	264,440	-
Accrued Liabilities	-	27,135	27,135	-
Accrued Interest Payable	-	13,465	13,465	-
Unearned Revenue	434,127	82,865	516,992	-
Bonds, Notes, and Loans Payable	281,718	72,682	354,400	-
Total Current Liabilities	845,172	331,260	1,176,432	-
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable and Related Liabilities	1,825,973	770,364	2,596,337	-
Net Pension Liability	17,912	35,990	53,902	-
Total Noncurrent Liabilities	1,843,885	806,354	2,650,239	-
Total Liabilities	2,689,057	1,137,614	3,826,671	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pension	4,185	8,409	12,594	-
NET POSITION				
Net Investment in Capital Assets	15,435,564	5,051,097	20,486,661	-
Unrestricted	675,104	823,648	1,498,752	53,758
Total Net Position	\$ 16,110,668	\$ 5,874,745	\$ 21,985,413	\$ 53,758

See accompanying Notes to Financial Statements.

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

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total Enterprise Funds	Internal Service Fund
	Water	Sewer		
OPERATING REVENUES				
Charges for Services	\$ 1,270,753	\$ 527,627	\$ 1,798,380	\$ -
Other	10,869	275	11,144	-
Total Operating Revenues	1,281,622	527,902	1,809,524	-
OPERATING EXPENSES				
Personnel Services	-	337,931	337,931	-
Repairs and Maintenance	-	29,455	29,455	-
Contracted and Purchased Services	1,261,842	30,677	1,292,519	-
Materials and Supplies	-	132,805	132,805	-
Utilities	14,469	49,331	63,800	-
Depreciation Expense	312,364	165,976	478,340	-
Total Operating Expenses	1,588,675	746,175	2,334,850	-
OPERATING INCOME (LOSS)	(307,053)	(218,273)	(525,326)	-
NONOPERATING REVENUES (EXPENSES)				
Nonoperating Grant	-	1,259,321	1,259,321	-
Interest Expense	(45,159)	(29,291)	(74,450)	-
Total Nonoperating Revenues (Expenses)	(45,159)	1,230,030	1,184,871	-
INCOME (LOSS) BEFORE TRANSFERS	(352,212)	1,011,757	659,545	-
Transfers In	322,081	349,778	671,859	-
Transfers Out	(187,500)	(166,650)	(354,150)	-
CHANGE IN NET POSITION	(217,631)	1,194,885	977,254	-
Net Position - Beginning of Year	16,328,299	4,679,860	21,008,159	53,758
NET POSITION - END OF YEAR	<u>\$ 16,110,668</u>	<u>\$ 5,874,745</u>	<u>\$ 21,985,413</u>	<u>\$ 53,758</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total Enterprise Funds	Internal Service Fund
	Water	Sewer		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,444,959	\$ 502,268	\$ 1,947,227	\$ -
Payments to Suppliers	(1,322,588)	(258,547)	(1,581,135)	-
Payments to Employees	(6,689)	(310,571)	(317,260)	-
Net Cash Provided (Used) by Operating Activities	115,682	(66,850)	48,832	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Assessments	71,403	-	71,403	-
Grants	-	1,259,321	1,259,321	-
Transfers from Other Funds	322,081	349,778	671,859	-
Transfers to Other Funds	(187,500)	(166,650)	(354,150)	-
Net Cash Provided by Noncapital Financing Activities	205,984	1,442,449	1,648,433	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to Property, Plant, and Equipment	-	(1,226,668)	(1,226,668)	-
Principal Payments (Bonds and Notes)	(283,201)	(119,417)	(402,618)	-
Interest Payments	(38,465)	(29,514)	(67,979)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(321,666)	(1,375,599)	(1,697,265)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	20,799	2,682	23,481	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20,799</u>	<u>\$ 2,682</u>	<u>\$ 23,481</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (307,053)	\$ (218,273)	\$ (525,326)	\$ -
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:				
Depreciation	312,364	165,976	478,340	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	4,338	638	4,976	-
(Increase) Decrease in Due from Other Funds	158,999	1,602,521	1,761,520	-
Increase (Decrease) in Accounts Payable	(46,277)	(16,279)	(62,556)	-
Increase (Decrease) in Accrued Liabilities	-	34,095	34,095	-
Increase (Decrease) in Unearned Revenue	-	(1,628,793)	(1,628,793)	-
Increase (Decrease) in Net Pension Liability	(15,506)	(23,370)	(38,876)	-
(Increase) Decrease in Deferred Outflows	4,632	8,226	12,858	-
Increase (Decrease) in Deferred Inflows	4,185	8,409	12,594	-
Total Adjustments	422,735	151,423	574,158	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 115,682</u>	<u>\$ (66,850)</u>	<u>\$ 48,832</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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

	<u>Pension Trust Funds</u>
ASSETS	
Investments, at Fair Value:	
Mutual Funds	\$ 32,309,587
Receivables:	
Accrued Interest and Dividends	<u>33,927</u>
Total Assets	<u>32,343,514</u>
NET POSITION	
Restricted for Pension Benefits	<u><u>\$ 32,343,514</u></u>

See accompanying Notes to Financial Statements.

TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 2025

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 850,000
Plan Members	136,925
Total Contributions	<u>986,925</u>
Investment Earnings:	
Net Change in Fair Value of Investments	2,134,860
Interest and Dividends	1,098,414
Total Investment Earnings	<u>3,233,274</u>
Less: Investment Expenses:	
Investment Management Fees	58,781
Net Investment Earnings	<u>3,174,493</u>
 Total Additions	 4,161,418
DEDUCTIONS	
Benefits	2,249,697
Administration	12,123
Total Deductions	<u>2,261,820</u>
 CHANGE IN NET POSITION	 1,899,598
 Net Position - Beginning of Year	 <u>30,443,916</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 32,343,514</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1836 and covers an area of 40.5 square miles. The Town operates under the provisions of its Charter and General Statutes of the State of Connecticut (the Statutes). The Mayor, who is the chief executive officer, is directly responsible for the administration of all departments, agencies, and offices. The Town provides the following services: general government, public safety, public works, parks and recreation, library, health and welfare services, water pollution control, and education.

The legislative power of the Town is vested in the Town Council, which consists of nine members, unless otherwise provided by the Charter. The Department of Finance, under the supervision of the Director of Finance (appointed by the Mayor), is responsible for keeping accounts and financial records, the assessment and collection of taxes, the collection of special assessments and other revenues, the custody and disbursement of Town funds, the control over expenditures and such other powers and duties as may be required by ordinance or resolution of the Town Council. The Town Treasurer, appointed by the Town Council, has all power and duties conferred or imposed by law.

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

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

Fiduciary Component Units

The Town has established a single-employer Public Retirement System (PERS), Ledyard Retirement System, to provide retirement benefits to qualified employees. The Town appoints the majority of the Board and is required to make contributions to the pension plan.

The financial statements of the fiduciary component unit are reported as Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major governmental funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund accounts for the financial revenues to be used for major capital asset construction and/or purchases.

Mill Rate Stabilization Fund

The Mill Rate Stabilization Fund is used to account for bond premiums to be used to pay future debt service.

The Town reports the following major proprietary funds:

Water Fund

The Water Fund accounts for the activities of the Town's water operations.

Sewer Fund

The Sewer Fund accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

Internal Service Fund

Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis. The Town's internal service fund is its Medical Self-Insurance Fund which is no longer active.

Fiduciary Fund Types

These funds account for assets held by the government in a trustees capacity. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Fund Types (Continued)

The *Pension Trust Fund* accounts for the activities of the Ledyard Retirement System, which accumulates resources for pension benefit payments to qualified employees.

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

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

D. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, when purchased, such as certificates of deposit and investment pools.

Investments

All investments are stated at fair value.

E. Receivables and Payables

Property Taxes

Property taxes are assessed as of October 1 and are levied the following July 1. Taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1 ½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. An amount of \$104,169 has been established as an allowance for uncollectible taxes.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

Allowance for Doubtful Accounts

Accounts receivable, including property taxes receivable, are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts that are deemed uncollectible based upon past collection history and management's assessment of creditor's ability to pay.

Interfunds

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" or "advances to/from other funds."

Loan Receivables

Loan receivable in the Housing Rehab Program are related to Community Development Block Grant funds that are available to income eligible residential property owners for housing rehabilitation. Loan receivables are recorded and revenues are recognized upon sale of the property.

F. Prepaid Items

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activity column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, work of art, and similar items are recorded at acquisition value at the date of donation.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

Building	50 Years
Building Improvements	20 to 50 Years
Distribution and Collection Systems	75 Years
Public Domain Infrastructure	75 Years
Machinery and Equipment	5 to 20 Years

Capital outlay is reported as expenditures and no depreciation/amortization expense is reported in the governmental fund financial statements.

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

H. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund 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.

I. Net Pension Liability

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Total Other Postemployment Benefits Other Than Pension (OPEB) Liability

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

K. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner. 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 property taxes, interest on property taxes, long-term loans, and intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

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

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

M. Fund Balance

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets net of unexpended proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted Net Position – This category represents the net position of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

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

Nonspendable Fund Balance – These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance (Continued)

Restricted Fund Balance – These amounts are restricted to specific purposes when constraints placed on the use of resources by external parties, such as debt covenants, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Ledyard Board of Finance is the highest level of decision-making authority for the Town and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned Fund Balance – For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance, who has been delegated to assign amounts by the Town Charter.

Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

N. Use of Estimates

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

O. Adoption of New Accounting Standards

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

- The Mayor compiles the budget requests from the Town departments and agencies, with the exception of the Board of Education, and presents the budget to the Town Council. The Board of Education files a detailed estimate of expenditures with the Mayor for transmittal to the Town Council. The Town Council, after its review process, prepares and presents a recommended budget for Town Meeting approval.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Town Council, and, if necessary, Town Meeting approval.
- 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 exceed appropriations, is at the department level.
- Individual additional appropriations of less than 1% of the current tax levy can be made by the Town Council, the accumulative total of which cannot exceed 2% of the current tax levy. There were no additional appropriations in excess of 1% during the year.
- Additional appropriations of more than 1%, and any resolution authorizing the issuance of bonds or notes or other borrowings, require Town Meeting approval. Upon request by the Mayor, during the last three months of the fiscal year, the Town Council may transfer any unencumbered appropriation, or portion thereof, from one department, commission, board, or office to another. No transfer may be made from any appropriation for debt service and other statutory charges.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- Generally, all unencumbered appropriations lapse at year-end except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year.
- The Town has adopted a fund balance reserve policy and has set the minimum undesignated/unreserved balance for the general fund at an amount equal to 7% of current year General Fund expenditures. The Town will avoid the appropriation of fund balance for recurring operating expenditures.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations for the following functions:

	<u>Function</u>	<u>Expenditures in Excess of Appropriations</u>
Department of Finance		\$ 105,412
Public Safety		141,483
Transfers Out		36,518

Department of Finance overages were due to unbudgeted tax refunds. Public Safety overages related to overtime wages in excess of budget.

C. Deficit Fund Balance

Certain individual funds had fund balance deficits at June 30, 2025, as follows:

Major Fund:	
Capital Projects Funds	<u>\$ 3,154,272</u>

The fund deficit will be eliminated by grant funding and future bonding.

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations.

Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$13,782,393 of the Town’s bank balance of \$14,555,874 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 12,329,153
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>1,453,240</u>
Total Amount Subject to Custodial Risk	<u><u>\$ 13,782,393</u></u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town’s cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

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

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

A. Deposits (Continued)

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2025, the Town's cash equivalents amounted to \$10,420,228. The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

B. Investments

At June 30, 2025, the Town's investments (all pension trust fund investments) of \$32,309,587 consisted entirely of mutual funds.

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town policy is to pre-qualify all financial institutions that it will do business with. The Town has no amounts subject to custodial credit risk.

Interest Rate Risk

The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

Connecticut state statutes limit the investment options of cities and towns. The Town has adopted an investment policy that allows the same type of investments as state statutes.

Concentration of Credit Risk

The Town's investment policy requires diversification by limiting investments to avoid overconcentration in securities from a specific issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

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

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

B. Investments (Continued)

Fair Value

The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3 – Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

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

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

B. Investments (Continued)

Fair Value (Continued)

The Town has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 32,309,587	\$ 32,309,587	\$ -	\$ -

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 4 RECEIVABLES

Receivable balances have been disaggregated by type and presented separately in the fund financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2025, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Accounts Receivable	\$ 763,172	\$ 251,486	\$ 1,014,658
Less: Allowance for Uncollectible Accounts	(104,169)	-	(104,169)
Net Accounts Receivable	<u>\$ 659,003</u>	<u>\$ 251,486</u>	<u>\$ 910,489</u>

	Use Charge Receivable		
	Water Department	Sewer Department	Total
Accounts Receivable	\$ 104,066	\$ 49,903	\$ 153,969
Less: Allowance for Uncollectible Accounts	-	-	-
Net Accounts Receivable	<u>\$ 104,066</u>	<u>\$ 49,903</u>	<u>\$ 153,969</u>

There is no allowance applied to water and sewer assessments receivable and the loan rehab program receivable since the amounts due are liened and the lien remains with the property.

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

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated and Amortized:					
Land	\$ 6,310,688	\$ -	\$ -	\$ -	\$ 6,310,688
Construction in Progress	3,355,707	6,425,183	-	(696,672)	9,084,218
Total Capital Assets Not Being Depreciated and Amortized	9,666,395	6,425,183	-	(696,672)	15,394,906
Capital Assets Being Depreciated and Amortized:					
Land Improvements	4,637,334	-	-	56,260	4,693,594
Buildings and Improvements	119,066,229	135,500	292,346	-	118,909,383
Machinery and Equipment	3,854,834	679,038	34,863	-	4,499,009
Right to Use Equipment	204,284	182,129	131,237	-	255,176
Vehicles	8,088,719	406,938	-	640,412	9,136,069
Infrastructure	8,868,614	-	-	-	8,868,614
Total Capital Assets Being Depreciated and Amortized	144,720,014	1,403,605	458,446	696,672	146,361,845
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	1,096,954	129,199	-	-	1,226,153
Buildings and Improvements	30,562,105	2,214,951	-	-	32,777,056
Machinery and Equipment	2,352,565	213,631	-	-	2,566,196
Right of Use Equipment	152,812	55,228	131,236	-	76,804
Vehicles	4,632,503	523,828	-	-	5,156,331
Infrastructure	3,410,579	196,352	-	-	3,606,931
Total Accumulated Depreciation and Amortization	42,207,518	3,333,189	131,236	-	45,409,471
Total Capital Assets Being Depreciated and Amortized, Net	102,512,496	(1,929,584)	327,210	696,672	100,952,374
Governmental Activities Capital Assets, Net	<u>\$ 112,178,891</u>	<u>\$ 4,495,599</u>	<u>\$ 327,210</u>	<u>\$ -</u>	<u>\$ 116,347,280</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 984,285	\$ -	\$ -	\$ -	\$ 984,285
Construction in Progress	419,525	1,226,668	-	-	1,646,193
Total Capital Assets Not Being Depreciated	1,403,810	-	-	-	2,630,478
Capital Assets Being Depreciated:					
Buildings and Improvements	66,164	-	-	-	66,164
Distribution and Collection System	30,719,002	-	-	-	30,719,002
Machinery and Equipment	773,034	-	-	-	773,034
Vehicles	76,529	-	-	-	76,529
Total Capital Assets Being Depreciated	31,634,729	-	-	-	31,634,729
Less: Accumulated Depreciation for:					
Buildings and Improvements	48,794	1,654	-	-	50,449
Distribution and Collection System	9,605,726	460,769	-	-	10,066,495
Machinery and Equipment	650,970	15,406	-	-	666,376
Vehicles	68,196	511	-	-	68,707
Total Accumulated Depreciation	10,373,686	478,340	-	-	10,852,027
Total Capital Assets Being Depreciated, Net	21,261,043	(478,340)	-	-	20,782,702
Business-Type Activities Capital Assets, Net	<u>\$ 22,664,853</u>	<u>\$ (478,340)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,413,180</u>

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

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 96,043
Public Safety	679,213
Public Works	456,092
Health and Welfare	20,903
Library	30,344
Parks and Recreation	79,536
Education	<u>1,971,058</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 3,333,189</u></u>
Business-Type Activities:	
Water Fund	\$ 312,364
Sewer Fund	<u>165,976</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 478,340</u></u>

NOTE 6 INTERFUND BALANCES AND TRANSFERS

Interfund payables and receivables: A summary of interfund balances as of June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 785,312
Capital Projects	General Fund	5,965,049
Mill Rate Stabilization Fund	General Fund	3,489,099
Nonmajor Governmental Funds	General Fund	824,249
Water Fund	General Fund	328,418
Sewer Fund	General Fund	1,074,040
Internal Service Fund	General Fund	<u>53,758</u>
	Total	<u><u>\$ 12,519,925</u></u>

The General Fund holds primarily all the cash for the Town and the resulting due to/from other results from these cash allocations.

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

NOTE 6 INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers: A summary of interfund transfers as of June 30, 2025 is as follows:

	Transfer In					Total Transfer Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water Fund	Sewer Fund	
Transfers Out:						
General Fund	\$ -	\$ 2,203,490	\$ -	\$ 322,081	\$ 104,278	\$ 2,629,849
Capital Projects Fund	-	-	2,390	-	245,500	247,890
Water Fund	187,500	-	-	-	-	187,500
Sewer Fund	62,500	104,150	-	-	-	166,650
Transfers In	<u>\$ 250,000</u>	<u>\$ 2,307,640</u>	<u>\$ 2,390</u>	<u>\$ 322,081</u>	<u>\$ 349,778</u>	<u>\$ 3,231,889</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. Transfers out from the General Fund are various capital improvements for capital nonrecurring items and board of education capital items. The General Fund also transfers amounts to the Water and Sewer Fund for operating cost. Capital projects fund transferred bond premiums to mill rate stabilization fund, a nonmajor governmental fund, to be used to pay future debt service.

Short-Term Obligations

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2025 was as follows:

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025
05/01/2024	8/13/24	4.50%	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
08/13/2024	8/12/25	4.00%	-	5,500,000	-	5,500,000
			<u>\$ 10,000,000</u>	<u>\$ 5,500,000</u>	<u>\$ 10,000,000</u>	<u>\$ 5,500,000</u>

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 28,974,673	\$ -	\$ 2,361,519	\$ 26,613,154	\$ 2,361,519
Premium on Bonds	2,430,080	39,820	349,498	2,120,402	-
Total Bonds and Premiums	31,404,753	39,820	2,711,017	28,733,556	2,361,519
Notes Payable from Direct					
Borrowing	553,490	-	87,702	465,788	89,472
Lease Liability	57,745	182,129	55,704	184,170	43,520
Financed purchases	-	289,990	63,155	226,835	51,368
Landfill Post-Closure Costs	52,000	-	13,000	39,000	13,000
Compensated Absences	1,765,051	494,435	-	2,259,486	452,000
Total OPEB Liability	13,455,062	-	3,231,105	10,223,957	331,526
Net Pension Liability	4,066,703	-	1,761,306	2,305,397	-
Total Governmental Activities Long- Term Liabilities	<u>\$ 51,354,804</u>	<u>\$ 1,006,374</u>	<u>\$ 7,922,989</u>	<u>\$ 44,438,189</u>	<u>\$ 3,342,405</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business Type Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 995,325	\$ -	\$ 93,479	\$ 901,846	\$ 93,481
Premium	104,412	-	8,700	95,712	-
Total Bonds and Premiums	1,099,737	-	102,179	997,558	93,481
Notes Payable from Direct					
Borrowing	2,208,911	-	255,731	1,953,180	260,919
Net Pension Liability	92,768	-	38,866	53,902	-
Total Business-Type Activities Long- Term Liabilities	<u>\$ 3,401,416</u>	<u>\$ -</u>	<u>\$ 396,776</u>	<u>\$ 3,004,640</u>	<u>\$ 354,400</u>

All long-term liabilities for the governmental activities are generally liquidated by the General Fund.

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

General obligation bonds as of June 30, 2025 consisted of the following:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance Outstanding June 30, 2025
Governmental Activities:					
General Purpose:					
Refunding Improvement Bonds	\$ 1,755,000	05/25/16	07/01/28	1.00-4.00%	\$ 113,887
Improvement Bonds	6,561,000	05/25/16	05/15/36	2.75-5.00%	3,805,000
Refunding Improvement Bonds	2,136,000	07/06/21	10/01/33	0.40-4.00%	1,595,000
Improvement Bonds	295,000	05/10/22	05/01/42	3.125-5.00%	250,000
Total General Purpose	10,747,000				5,763,887
School:					
Refunding Improvement Bonds	2,975,000	05/25/16	07/01/28	1.00-4.00%	268,000
Improvement Bonds	15,000,000	05/17/17	07/15/36	3.00-5.00%	9,470,000
Improvement Bonds	6,000,000	06/12/19	06/01/39	3.00-5.00%	4,410,000
Improvement Bonds	4,000,000	05/11/21	09/01/40	3.00-4.00%	3,200,000
Refunding Improvement Bonds	469,000	07/06/21	10/01/33	0.40-4.00%	345,000
Improvement Bonds	2,705,000	05/10/22	05/01/42	3.125-5.00%	2,300,000
Total School	31,149,000				19,993,000
Sewer:					
Refunding Improvement Bonds	45,000	05/25/16	07/01/28	1.00-4.00%	1,267
Water:					
Refunding Improvement Bonds	2,910,000	05/25/16	07/01/28	1.00-4.00%	855,000
Total Governmental Activities					<u>\$ 26,613,154</u>
Business-Type Activities:					
Water Fund:					
Refunding Bonds	\$ 1,250,000	05/25/16	07/01/28	1.00-4.00%	<u>\$ 81,115</u>
Sewer Fund:					
Improvement Bonds	1,300,000	05/17/17	07/15/36	3.00-5.00%	810,000
Refunding Bonds	380,000	05/25/16	07/01/28	1.00-4.00%	10,731
Total Sewer Fund	1,680,000				820,731
Total Business-Type Activities					<u>\$ 901,846</u>

The sewer improvement bonds are supported by means of an assessment program. All obligations are backed by the full faith and credit of the Town.

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

The annual debt service requirements of general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,361,519	\$ 914,872	\$ 93,481	\$ 28,742
2027	2,331,519	808,461	93,481	24,303
2028	2,326,519	711,268	93,481	20,535
2029	2,288,599	617,766	91,401	16,879
2030	2,015,000	534,506	70,000	14,079
2031-2035	9,855,000	1,640,225	330,000	41,117
2036-2040	4,935,000	374,225	130,002	2,200
2041-2043	499,998	20,000	-	-
Total	<u>\$ 26,613,154</u>	<u>\$ 5,621,323</u>	<u>\$ 901,846</u>	<u>\$ 147,855</u>

Notes Payable from Direct Borrowing

The Town has three State of Connecticut Drinking Water Fund serial notes outstanding. These loans were issued to finance improvements to the water distribution infrastructure. A schedule of notes payable at June 30, 2025 is presented below:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Outstanding June 30, 2025</u>
Governmental Activities:					
Water:					
Drinking Water	\$ 1,629,000	12/27/10	06/01/30	2.00%	\$ 465,788
Business-Type Activities:					
Water Fund:					
Drinking Water	926,007	09/30/06	09/30/26	2.05%	69,656
Drinking Water	3,781,622	02/27/15	03/31/35	2.00%	1,883,524
Total Drinking Water Notes	<u>\$ 4,707,629</u>				<u>1,953,180</u>
Total Notes					<u>\$ 2,418,968</u>

The annual debt service requirements of notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 89,472	\$ 8,499	\$ 260,919	\$ 36,702
2027	91,278	6,693	226,565	30,698
2028	93,120	4,850	213,722	27,422
2029	95,000	2,971	218,038	23,108
2030	96,918	1,053	222,437	18,728
2031-2035	-	-	811,499	29,618
Total	<u>\$ 465,788</u>	<u>\$ 24,065</u>	<u>\$ 1,953,180</u>	<u>\$ 166,276</u>

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Statutory Debt Limitations

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 97,515,502	\$ 11,263,887	\$ 86,251,615
Schools	195,031,004	24,604,637	170,426,367
Sewers	162,525,836	821,998	161,703,838
Urban Renewal	140,855,725	-	140,855,725
Pension Deficit	130,020,669	-	130,020,669

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$303,381,561.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

Authorized/unissued bonds: On June 30, 2025, the Town had authorized unissued bonds as follows:

School	<u>\$ 4,611,637</u>
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The authorized/unissued debt for schools has been reduced by anticipated grant proceeds from the State of Connecticut of \$34,818,363 relative to the school construction project.

Water system related debt of \$936,115 has been excluded from the calculation.

Lease Payable

The Town leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2030.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 43,520	\$ 8,074	\$ 51,594
2027	42,772	5,855	48,627
2028	31,009	4,043	35,052
2029	32,595	2,457	35,052
2030	34,274	789	35,063
Total Minimum Lease Payments	<u>\$ 184,170</u>	<u>\$ 21,218</u>	<u>\$ 205,388</u>

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Financed Purchases

The Town has entered into a financed purchase agreement for financing the acquisition of machinery and equipment. This agreement qualifies as a financed purchase for accounting purposes and therefore has been recorded at the present value of future minimum payments as of the inception date. The asset acquired through financed purchases is as follows:

	Governmental Activities
Machinery and Equipment	\$ 289,990
Less: Accumulated Depreciation	(14,500)
Total	<u>\$ 275,490</u>

The future minimum payments and net present value of the minimum payments as of June 30, 2025, were as follows:

<u>Year Ending June 30,</u>	Governmental Activities
2026	66,415
2027	66,415
2028	66,415
2029	66,415
Total	265,659
Less: Amount for Interest	(38,824)
Present Value of Minimum Payments	<u>\$ 226,835</u>

Landfill Closure and Post-Closure Care Costs

The Town closed its landfill in 1999. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 3 years are \$13,000 per year. These amounts are based on estimates which are subject to change due to inflation, technology, or applicable laws and regulations.

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

NOTE 8 FUND BALANCE

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Capital Projects	Mill Rate Stabilization Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ 41,914	\$ 41,914
Total Nonspendable	-	-	-	41,914	41,914
Restricted for:					
Housing Rehab	-	-	-	104,356	104,356
Endowments	-	-	-	20,985	20,985
Miscellaneous Grants	-	-	-	290,711	290,711
Education Grants	-	-	-	394,199	394,199
Student Activities	-	-	-	441,135	441,135
Student Scholarships	-	-	-	204,482	204,482
Total Restricted	-	-	-	1,455,868	1,455,868
Committed for:					
Education	212,301	783,738	-	15,572	1,011,611
Senior Center	-	-	-	29,580	29,580
Library Management	-	-	-	4,570	4,570
Mill Rate Stabilization	-	-	3,489,099	-	3,489,099
Parks and Recreation Center	-	432,414	-	296,891	729,305
Capital and Nonrecurring Projects	-	-	-	-	-
Total Committed	212,301	1,216,152	3,489,099	346,613	5,264,165
Unassigned	5,488,507	(4,370,424)	-	-	1,118,083
Total Fund Balances	\$ 5,700,808	\$ (3,154,272)	\$ 3,489,099	\$ 1,844,395	\$ 7,880,030

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Generally, the Town obtains commercial insurance for these risks.

Due to the Town and Board of Education experiencing significant increases in claims payments over prior fiscal years, the Town converted to a fully insured plan for health insurance in July 2018.

The Town has been utilizing residual net position to offset current increases in health care costs. As of June 30, 2025 the remaining balance in the fund is \$53,758.

Commitments and Litigation

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS

Pension Plans

A. Plan Description

Summary

The Town is the administrator of a single employer defined benefit Public Employee Retirement System (PERS) established by Town Ordinance and administered by the Town to provide pension benefits for its employees. Plan provisions are determined by the various union contracts. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The PERS does not issue a stand-alone report.

Valuation of Investments

Investments are valued at fair value. There are no investments of 5.0% or greater in any one organization.

Classes of Employees Covered

As of July 1, 2025, the plan's membership consists of:

Retired Members or Beneficiaries Currently Receiving Benefits	124
Vested Terminated Members Entitled to But Not Yet Receiving Benefits	34
Non-Vested Terminated Employees Due a Refund	3
Active Members	36
Total Participants	<u>197</u>

B. Benefit Provisions

Town and Public Works employees are eligible for a normal pension after attaining age 65 and shall be entitled to a retirement benefit equal to 1.5% of final average earnings multiplied by years of credited service. The maximum normal retirement benefits a member may receive is 50% of final average earnings. Noncertified Board of Education employees are eligible for a normal pension after attaining age 65 and shall be entitled to a retirement benefit equal to 1% of final average earnings multiplied by years of credited service, not exceeding 30 years. Police employees are eligible for a normal pension after attaining age 55 and 10 years of credited service or any age with 25 years of credited service, but not later than age 65. Fire employees are eligible for a normal pension after attaining age 55 and 10 years of credited service, but not later than age 65. Police and Fire employees shall be entitled to a retirement benefit equal to 2% of final average earnings multiplied by years of credited service. The maximum benefit to be received annually is 75% of final average earnings. Vesting of benefits occurs on or after 5 years of credited service for Town, Public Works, Police and Fire employees and on or after 10 years of credited service for noncertified Board of Education employees.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

C. Contributions

The Town's contributions are actuarially determined on an annual basis using the entry age normal cost method. The Town's contributions were 29.86% of covered payroll. Administration costs are financed from investment earnings. Employees are required to contribute 5% of earnings to the plan.

D. Assumed Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity - Large Cap	21.00%	3.20%
US Equity - Small/Mid Cap	11.00	3.00
Non-US Equity - Developed	15.00	5.00
Non-US Equity - Emerging	6.50	6.10
US Corporate Bonds - Core	37.00	2.40
US Corporate Bonds - Dynamic	4.00	2.60
US Treasuries (Cash)	3.00	0.50
Real Estate	2.50	4.30
Total	<u>100.00%</u>	

E. Net Pension Liability

For the year ended June 30, 2025, the Town recognized a net pension liability of \$2,359,299. The components of the net pension liability of the Town at June 30, 2025 were as follows:

Total Pension Liability	\$ 34,702,813
Plan Fiduciary Net Position	<u>32,343,514</u>
Net Pension Liability	<u>\$ 2,359,299</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.20%
Covered Payroll	\$ 2,846,518
Net Pension Liability as a Percentage of the Covered Payroll	82.88%

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

E. Net Pension Liability (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2024	\$ 34,603,397	\$ 30,443,916	\$ 4,159,481
Changes for the Year:			
Service Cost	335,813	-	335,813
Interest on Total Pension Liability	2,114,463	-	2,114,463
Differences Between Expected and Actual Experience	(101,163)	-	(101,163)
Employer Contributions	-	850,000	(850,000)
Member Contributions	-	136,925	(136,925)
Net Investment Income	-	3,174,493	(3,174,493)
Benefit Payments, Including Refund of Employee Contributions	(2,249,697)	(2,249,697)	-
Administrative Expenses	-	(12,123)	12,123
Net Changes	99,416	1,899,598	(1,800,182)
Balances as of June 30, 2025	<u>\$ 34,702,813</u>	<u>\$ 32,343,514</u>	<u>\$ 2,359,299</u>

F. Rate of Return

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

G. Actuarial Assumptions

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

Actuarial Method Used	Entry Age Actuarial Cost Method
Mortality Basis	PubG-2010 Public Plan Mortality for General Employees, Scale MP-2021
Inflation	2.30%
Salary Increases Including Inflation	4.00%
Investment Rate of Return	6.25%

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

H. Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2025 was 6.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the pension liability.

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

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

	1% Decrease 5.25%	Rate 6.25%	1% Increase 7.25%
Net Pension Liability	<u>\$ 5,860,980</u>	<u>\$ 2,359,299</u>	<u>\$ (631,726)</u>

For the fiscal year ended June 30, 2025, the Town recognized pension expense of \$177,620. As of June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ (23,939)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	(527,338)
Total	<u>\$ (551,277)</u>

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

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

**I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate
(Continued)**

<u>Year Ending June 30</u>	<u>Amount</u>
2026	\$ 696,710
2027	(552,626)
2028	(433,164)
2029	(262,197)
Total	<u>\$ (551,277)</u>

Connecticut State Teachers' Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$6,993,134 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

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

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate share of the Net Pension Liability Associated with the Town	70,947,117
Total	<u>\$ 70,947,117</u>

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

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

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

For the year ended June 30, 2025 the Town recognized pension expense and revenue of \$8,137,787 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost of Living Allowance

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

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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

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

Long-Term Rate of Return

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

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

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

F. Discount Rate

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

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

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

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

Employees Defined Contribution Plan

A. Plan Description

The Town has established a defined contribution plan for Non-Union Professionals hired after July 1, 2009; Town Hall Union employees hired after 7/1/2012; Supervisors Union employees hired after 7/1/2012; Nurses Union employees hired after 7/1/2013; Teamsters Union employees hired after 7/1/2012; Police Union employees hired after 7/1/2012; and Firefighters Union employees hired after 7/1/2013. It is a mandatory plan with no opt out. As of June 30, 2025, the plan was administered by Voya. The authority for establishing and amending plan provisions rests with the Town Council.

The Town matches up 5% of employee contributions for Nurses Union, Emergency Communication Services Union, and Town Hall Union, up to 6% for Supervisors Union, Teamsters Union, and Firefighters Union, and matches up to 10% for Police Union and department heads. Actual contributions to the plan for the year ended June 30, 2025 totaled \$1,298,817, which consisted of \$908,255 contributed by employees and \$390,562 contributed by the Town.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees Defined Contribution Plan (Continued)

A. Plan Description (Continued)

The participants' employer contributions to their account are vested as follows:

Year 1	20 %
Year 2	40
Year 3	60
Year 4	80
Year 5	100

The Town's matching contributions for Non-Union Professionals are determined by a "Resolution Establishing Administrator/Department Head Benefits," as adopted by Town Council. The Town's matching contributions for union employees are determined by collective bargaining agreements.

The Board of Education has established a 403(b) plan, a defined contribution plan administered by OMNI. The plan is offered to employees of Ledyard Public Schools who are expected or scheduled to work 20 hours or more per week. Both pre and post tax options are available. Contributions are made through payroll deductions and participation is voluntary. Actual contributions to the plan for the year ended June 30, 2025 totaled \$879,919, which consisted of \$817,382 contributed by employees and \$62,536 contributed by the Board of Education.

In addition, the eligible employees can voluntarily contribute to the State of Connecticut 457 Plan, a defined contribution plan. Both pre and post tax options are available. Contributions are made through payroll deductions and participation is voluntary. For eligible Ledyard employees not covered by a defined benefit plan, the 457 participants are eligible for matching contributions to the Town's 401(a). The Town of Ledyard 401(a) Plan holds Town matching funds for employees who use the 457 Plan as their Town retirement plan. The 401(a) Plan currently is with Voya because the state plan will not accept the Town match due to the small size. Actual contributions to the plan for the year ended June 30, 2025 totaled \$174,909, which consisted of \$117,371 contributed by employees and \$57,538 contributed by the Town.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS

Town OPEB Plan

A. Plan Description

The Town administers one single-employer, postretirement healthcare plan for the Board of Education, the Town OPEB plan. The plan provides medical benefits to eligible retirees and their spouses. The Town OPEB plan is administered by the Town. Plan provisions are determined by union contract and may be amended by union negotiations.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2025, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

B. Benefit Provided

The Town plan provides for medical benefits for all eligible Board of Education retirees.

Eligibility

BOE Certified & Secretaries: An employee retiring shall be eligible to receive health benefits for self and spouse.

Normal Retirement

BOE Certified: Earlier of age 60 with 20 years of service or 35 years of service with no age requirement.

Secretaries: Age 65 with no service requirement.

Early Retirement

BOE Certified: Earliest of age 60 with 10 years of service, 25 years of service with no age requirement, or age 55 with 20 years of service.

Secretaries: Age 55 with 10 years of service.

Cost Sharing: Retirees must pay 100% of the blended pre-65 medical premium rate for self and spouse, less the \$2,640 annual.

CT Teachers' Retirement Board subsidy for BOE Certified.

Non-Medicare Retiree Plans: Board of Education Non-Medicare retirees receive Century Preferred or Lumenos HSA plans through Anthem.

These plans have both medical and prescription drug components.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

B. Benefit Provided (Continued)

Early Retirement

Medicare Retiree Plans: Board of Education Medicare retirees receive fully insured Anthem Group Medicare plans. The medical component is covered by a Medicare Supplemental Plan F and the prescription drug component is covered by a BlueScript plan. The employer liability for these Medicare retirees is \$-0-. The retiree pays the full premium. Employees Covered by Benefit Terms.

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

Retired Members or Beneficiaries Currently Receiving Benefits	35
Active Members	235
Total	<u>270</u>

C. Total OPEB Liability

The Town's total OPEB liability of \$10,223,957 reported at June 30, 2025 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

D. Actuarial Assumptions and Other Inputs

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

Salary Increases	3.50%
Discount Rate	5.20%
Health Care Cost Trend Rates	7.0% initially, grading down to 5.0% in 2028
Inflation Rate	2.00%
Mortality Rates	Varies by Group

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

Mortality Rates for Teachers and Administrators are the RP-2014 White Collar tables projected generationally using scale MP-2021.

Mortality Rates for Secretaries are the RP-2014 total dataset tables adjusted to 2006 and projected generationally using scale MP-2021.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

These tables reasonably reflect the projected mortality experience of the Plan as of the measurement date. Explicit mortality improvement projection was made to reasonably reflect future mortality improvement.

E. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances as of July 1, 2024	\$ 13,455,062
Changes for the Year:	
Change in Accounting Principle*	483,881
Service Cost	434,170
Interest on Total OPEB Liability	460,647
Difference Between Expected and Actual Experience	(1,561,064)
Changes in Assumptions or Other Inputs	(2,662,080)
Benefit Payments	(386,659)
Net Changes	(3,231,105)
Balances as of June 30, 2025	<u>\$ 10,223,957</u>

**Adjustment is the result of an accounting principle change to align the measurement date to the fiscal year.*

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% as of June 30, 2024 measurement date to 5.20% as of June 30, 2025 measurement date.

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

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

	1% Decrease in Discount Rate 4.20%	Current Discount Rate 5.20%	1% Increase in Discount Rate 6.20%
Total OPEB Liability	<u>\$ 11,832,437</u>	<u>\$ 10,223,957</u>	<u>\$ 8,930,887</u>

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

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

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

	1% Decrease in Healthcare Cost Trend Rates (5.00% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.50% decreasing to 5.00%)	1% Increase in Healthcare Cost Trend Rates (7.50% decreasing to 6.00%)
Total OPEB Liability	<u>\$ 8,733,637</u>	<u>\$ 10,223,957</u>	<u>\$ 12,140,768</u>

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

For the year ended June 30, 2025, the Town recognized OPEB expense (revenue) of \$(74,295). At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,038,874	\$ 3,444,434
Changes of Assumptions or Other Inputs	1,962,458	5,222,617
Total	<u>\$ 3,001,332</u>	<u>\$ 8,667,051</u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2026	\$ (969,112)
2027	(619,282)
2028	(596,946)
2029	(553,103)
2030	(525,230)
Thereafter	(2,402,046)
Total	<u>\$ (5,665,719)</u>

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB

A. Plan Description

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

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

B. Benefit Provisions (Continued)

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the state was \$97,910 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

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

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate share of the Net OPEB Liability Associated With the Town		14,553,693
Total	\$	<u>14,553,693</u>

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

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

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

For the year ended June 30, 2025, the Town recognized OPEB expense and revenue of \$201,651 in Exhibit II.

F. Actuarial Assumptions

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

Inflation	2.50%
Health care costs trend rate	Local Coverage – 6.25% for 2024, decreasing to an ultimate rate of 4.50% by 2031. Retiree Healthcare – Medicare rates known for 2025, 4.50% increase for all subsequent years.
Salary increases	3.00-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2027

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

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

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

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

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

F. Actuarial Assumptions (Continued)

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

- There were no changes in the benefit terms since the prior year

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

G. Discount Rate

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

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

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

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

I. OPEB Plan Fiduciary Net Position

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

J. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

NOTE 12 SUBSEQUENT EVENTS

In August 2025, the Town issued \$8,500,000 in general obligation bond anticipation notes. The proceeds to be used for various school projects. The bond anticipation notes will be payable in August 2026 at an interest rate of 3.75%.

NOTE 13 ACCOUNTING CHANGES

A. Changes to or Within Financial Reporting Entity

Change in Fund Presentation from Nonmajor to Major

The Mill Rate Stabilization Fund previously met the criteria to be reported as a nonmajor governmental fund. However, effective July 1, 2024, the fund no longer met the criteria to be reported as a nonmajor governmental fund and is reported as a major governmental fund for the fiscal year ended June 30, 2025. The effect of that change to or within the financial reporting entity is shown in the table below:

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

NOTE 13 ACCOUNTING CHANGES (CONTINUED)

A. Changes to or Within Financial Reporting Entity (Continued)

Change in Fund Presentation from Nonmajor to Major (Continued)

	Balances as Previously Reported <u>June 30, 2024</u>	Change to or Within the Financial <u>Reporting Entity</u>	Balance as Adjusted <u>July 1, 2024</u>
Governmental Funds:			
Mill Rate Stabilization Fund	\$ -	\$ 3,449,279	\$ 3,449,279
Nonmajor Governmental Funds	<u>3,449,279</u>	<u>(3,449,279)</u>	<u>-</u>
Total Governmental Funds	<u><u>\$ 3,449,279</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,449,279</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2025
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property Taxes	\$ 46,778,010	\$ 46,778,010	\$ 46,435,916	\$ (342,094)
Intergovernmental Revenues	16,611,389	16,611,389	17,611,570	1,000,181
Charges for Services	2,241,174	2,241,174	2,367,093	125,919
Investment Income	550,000	550,000	1,031,324	481,324
Total Revenues	66,180,573	66,180,573	67,445,903	1,265,330
EXPENDITURES				
Current:				
General Government	1,683,280	1,781,280	1,715,198	66,082
Department of Finance	840,886	840,886	946,298	(105,412)
Commissions	49,486	49,486	28,773	20,713
Boards and Committees	2,500	2,500	2,348	152
Fixed Charges	10,967,525	10,996,760	10,783,513	213,247
Public Safety	4,733,022	4,733,022	4,874,505	(141,483)
Health and Welfare	598,892	598,892	570,251	28,641
Public Works	3,193,638	3,251,458	3,148,282	103,176
Library	627,909	627,909	581,263	46,646
Parks and Recreation	617,484	617,484	582,533	34,951
Education	38,369,823	38,369,823	38,157,522	212,301
Debt Service	3,528,671	3,528,671	3,480,295	48,376
Total Expenditures	65,213,116	65,398,171	64,870,781	527,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	967,457	782,402	2,575,122	1,792,720
OTHER FINANCING SOURCES (USES)				
Appropriation of Fund Balance	-	560,929	-	(560,929)
Transfers In	1,250,000	1,250,000	250,000	(1,000,000)
Transfers Out	(2,217,457)	(2,593,331)	(2,629,849)	(36,518)
Total Other Financing Sources (Uses)	(967,457)	(782,402)	(2,379,849)	(1,597,447)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,273</u>	<u>\$ 195,273</u>
Budget to GAAP Reconciliation:				
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses		
Balance, Budgetary Basis	\$ 67,695,903	\$ 67,500,630		
GASB 87 implementation:				
Lease Proceeds	182,129	-		
Capital Outlay	-	182,129		
State Teachers' Retirement On-Behalf Contributions:				
OPEB Plan	97,910	97,910		
Pension Plan	6,993,134	6,993,134		
Balance, GAAP Basis	<u>\$ 74,969,076</u>	<u>\$ 74,773,803</u>		

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS – PENSION PLAN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service Cost	\$ 335,813	\$ 322,897	\$ 506,565	\$ 473,992	\$ 539,906	\$ 519,140	\$ 736,078	\$ 714,639	\$ 741,107	\$ 741,107
Interest on Total Pension Liability	2,114,463	2,096,715	2,073,323	1,967,983	1,937,222	1,881,133	1,875,480	1,790,419	1,656,779	1,532,686
Changes of Benefit Terms										
Differences Between Expected and Actual Experience	(101,163)	-	(35,422)	1,018,759	(295,985)	-	(699,447)	-	296,538	(458,860)
Changes of Assumptions	-	-	-	57,714	81,306	-	(249,585)	-	543,177	452,665
Benefit Payments, Including Refunds of Member Contributions	(2,249,697)	(2,050,443)	(1,924,510)	(1,808,430)	(1,603,369)	(1,468,176)	(1,242,451)	(1,088,259)	(1,057,539)	(986,331)
Net Change in Total Pension Liability	99,416	369,169	619,956	1,710,018	659,080	932,097	420,085	1,416,799	2,180,062	1,281,267
Total Pension Liability - Beginning	34,603,397	34,234,228	33,614,272	31,904,254	31,245,174	30,313,077	29,892,992	28,476,193	26,296,131	25,014,864
Total Pension Liability - Ending	34,702,813	34,603,397	34,234,228	33,614,272	31,904,254	31,245,174	30,313,077	29,892,992	28,476,193	26,296,131
Plan Fiduciary Net Position:										
Contributions - Employer	850,000	950,000	1,163,197	1,131,235	1,098,284	1,066,295	1,278,376	1,278,376	1,057,393	1,109,374
Contributions - Members	136,925	153,241	176,215	195,857	209,846	219,562	239,257	256,415	275,250	273,142
Net Investment Income	3,174,493	2,624,359	2,273,767	(4,381,254)	6,258,426	1,113,027	1,076,186	1,588,925	1,798,778	116,850
Benefit Payments, Including Refunds of Member Contributions	(2,249,697)	(2,050,443)	(1,924,510)	(1,808,430)	(1,603,369)	(1,468,176)	(1,242,451)	(1,088,259)	(1,057,539)	(986,331)
Administrative Expense	(12,123)	(23,992)	(18,352)	(30,812)	(15,687)	(32,004)	(14,910)	(30,473)	(19,389)	(49,939)
Net Change in Plan Fiduciary Net Position	1,899,598	1,653,165	1,670,317	(4,893,404)	5,947,500	898,704	1,336,458	2,004,984	2,054,493	463,096
Plan Fiduciary Net Position - Beginning	30,443,916	28,790,751	27,120,434	32,013,838	26,066,338	25,167,634	23,831,176	21,826,192	19,771,699	19,308,603
Plan Fiduciary Net Position - Ending	32,343,514	30,443,916	28,790,751	27,120,434	32,013,838	26,066,338	25,167,634	23,831,176	21,826,192	19,771,699
Net Pension (Asset) Liability - Ending	\$ 2,359,299	\$ 4,159,481	\$ 5,443,477	\$ 6,493,838	\$ (109,584)	\$ 5,178,836	\$ 5,145,443	\$ 6,061,816	\$ 6,650,001	\$ 6,524,432
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability										
Covered Payroll	93.20%	87.98%	80.68%	100.34%	100.34%	83.43%	83.03%	79.72%	76.65%	75.19%
Net Pension Liability as a Percentage of Covered Payroll										
Discount Rate at End of Year	82.88%	129.87%	145.98%	152.62%	-2.63%	109.45%	104.94%	106.69%	114.47%	110.87%
	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTION – PENSION PLAN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution*	\$ 689,218	\$ 669,144	\$ 1,129,512	\$ 1,096,614	\$ 1,098,284	\$ 1,066,295	\$ 1,278,376	\$ 1,241,142	\$ 1,057,393	\$ 1,026,595
Contributions in Relation to the Actuarially Determined Contribution	850,000	950,000	1,163,197	1,131,235	1,098,284	1,066,295	1,278,376	1,278,376	1,057,393	1,109,374
Contribution Deficiency (Excess)	<u>\$ (160,782)</u>	<u>\$ (280,856)</u>	<u>\$ (33,685)</u>	<u>\$ (34,621)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,234)</u>	<u>\$ -</u>	<u>\$ (82,779)</u>
Covered Payroll	2,846,518	3,202,829	3,728,801	4,254,773	4,173,503	4,731,754	4,903,307	5,681,648	5,809,341	5,884,824
Contributions as a Percentage of Covered Payroll	29.86%	29.66%	31.19%	26.59%	26.32%	22.53%	26.07%	22.50%	18.20%	18.85%

Notes to Schedule:

Valuation date: July 1, 2024

Measurement date: June 30, 2025

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
Amortization method Amortization of unfunded liability with 3.00% per year increase, closed
Remaining amortization period 9 years remaining as of July 1, 2024
Asset valuation method Market value
Projected pay increases 4.00%
Investment rate of return 6.25%, net of pension plan investment expense

Mortality (healthy participants) PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021

Mortality (disabled participants) PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS – PENSION PLAN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.76%	9.39%	8.55%	-14.01%	24.50%	4.34%	4.39%	6.96%	9.50%	0.81%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	70,947,117	76,200,675	83,101,923	63,656,332	80,373,297	74,508,198	57,450,149	61,786,364	65,185,087	48,803,952
Total	<u>\$ 70,947,117</u>	<u>\$ 76,200,675</u>	<u>\$ 83,101,923</u>	<u>\$ 63,656,332</u>	<u>\$ 80,373,297</u>	<u>\$ 74,508,198</u>	<u>\$ 57,450,149</u>	<u>\$ 61,786,364</u>	<u>\$ 65,185,087</u>	<u>\$ 48,803,952</u>
Town's Covered Payroll	\$ 28,210,979	\$ 26,261,096	\$ 25,629,849	\$ 26,167,713	\$ 18,099,414	\$ 18,277,172	\$ 17,831,387	\$ 17,831,387	\$ 18,876,225	\$ 18,141,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

Notes to Schedule:

Changes in Benefit Terms
 Changes of Assumptions
 Actuarial Cost Method
 Amortization Method
 Single Equivalent Amortization Period
 Asset Valuation Method
 Inflation
 Salary Increase
 Investment Rate of Return

None
 None
 Entry age
 Level percent of pay closed, grading to a level dollar amortization for 6/30/2024 valuation
 25.9 years
 4-year smoothed market
 2.50%
 3.00%-6.50%, including inflation
 6.90%, net of investment-related expense

Notes:

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

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – OPEB PLAN
LAST EIGHT FISCAL YEARS*

	2025***	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 434,170	\$ 397,026	\$ 607,674	\$ 583,260	\$ 499,814	\$ 435,660	\$ 354,403	\$ 448,146
Interest	460,647	474,646	321,762	312,335	457,552	456,546	422,328	421,537
Changes of Benefit Terms	-	-	-	-	-	-	563,857	-
Differences Between Expected and Actual Experience	(1,561,064)	1,290,418	-	(2,671,164)	-	-	(474,392)	(1,828,205)
Changes of Assumptions and Other Inputs	(2,662,080)	(233,008)	(3,161,459)	215,562	2,923,053	670,446	(577,934)	(1,543,592)
Benefit Payments	(386,659)	(379,265)	(301,286)	(269,389)	(367,991)	(337,051)	(401,634)	(394,415)
Net Change in Total OPEB Liability	(3,714,986)	1,549,817	(2,533,309)	(1,829,396)	3,512,428	1,225,601	(113,372)	(2,896,529)
Total OPEB Liability - Beginning	13,938,943	11,905,245	14,438,554	16,267,950	12,755,522	11,529,921	11,643,293	14,539,822
Total OPEB Liability - Ending **	<u>\$ 10,223,957</u>	<u>\$ 13,455,062</u>	<u>\$ 11,905,245</u>	<u>\$ 14,438,554</u>	<u>\$ 16,267,950</u>	<u>\$ 12,755,522</u>	<u>\$ 11,529,921</u>	<u>\$ 11,643,293</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

** There are no assets accumulated in a trust fund for the payment of OPEB liabilities

***Note: Beginning Net Position does not roll from the prior year as a result of an accounting principle change to align the measurement date to the fiscal year

Notes to Schedule:

Changes of Assumptions The Discount rate changed from 3.54% to 3.65% at the end of the year
Medical trend and mortality rates were updated

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

	2025	2024	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability								
Town's Proportionate Share of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated With the Town	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>14,553,693</u>	<u>7,138,957</u>	<u>7,277,822</u>	<u>6,935,241</u>	<u>11,987,680</u>	<u>11,619,974</u>	<u>11,484,671</u>	<u>15,903,105</u>
Town's Covered Payroll	<u>\$ 14,553,693</u>	<u>\$ 7,277,822</u>	<u>\$ 6,935,241</u>	<u>\$ 11,987,680</u>	<u>\$ 11,619,974</u>	<u>\$ 11,484,671</u>	<u>\$ 11,484,671</u>	<u>\$ 15,903,105</u>
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	\$ 28,210,979	\$ 25,629,849	\$ 18,099,414	\$ 18,099,414	\$ 18,277,172	\$ 17,831,387	\$ 18,876,225	\$ 18,876,225
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of its Covered Payroll	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms

There were no changes to benefit

Changes of assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2024 was updated to equal the SEIR of 3.93% as of June 30, 2024;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

Assumed election rates for post-65 retirees between the Local School District Coverage Subsidy and CTRB Sponsored Medical Plans were updated to reflect the recent plan expense. Spouse coverage election assumptions were also updated with this change; and

Long-term health care cost trend rates were updated to reflect expected future trend for participants in the health plans.

Actuarial cost method

Entry age

Amortization method

Level percent of payroll over an open period

Remaining amortization period

30 years

Asset valuation method

Market value of assets

Investment rate of return

3.00%, net of investment related expense including price inflation

Price inflation

2.50%

Notes:

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

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

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

August __, 2026

Town of Ledyard
741 Colonel Ledyard Highway
Ledyard, CT 06339

We have acted as Bond Counsel to the Town of Ledyard, 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 OPINION OF BOND COUNSEL – THE NOTES

August __, 2026

Town of Ledyard
741 Colonel Ledyard Highway
Ledyard, CT 06339

We have acted as Bond Counsel to the Town of Ledyard, Connecticut (the “Town”) in connection with the issuance by the Town of its \$_____ General Obligation Bond Anticipation Notes (the “Notes”) 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 Notes are duly certified by U.S. Bank Trust Company, National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

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

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

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

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

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

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT - THE BONDS

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 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.

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (“Agreement”) is made as of August __, 2026 by the Town of Ledyard, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ General Obligation Bonds, Issue of 2026, dated as of 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 July __, 2026 prepared in connection with the Bonds.

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

“Repository” means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

“Rule” means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

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

Section 2. Annual Financial Information.

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

(i) Financial statements of the Issuer’s general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

(A) amounts of the gross and the net taxable grand list applicable to the fiscal year,

- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

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

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;

- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer’s Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is Town Hall, 741 Colonel Ledyard Highway, Ledyard, Connecticut 06339.

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

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer’s undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

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

information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF LEDYARD

By _____
FRED B. ALLYN, III
Mayor

By _____
MATTHEW E. BONIN
Director of Finance

By _____
IAN STAMMEL
Treasurer

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

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 to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of August __, 2026 by the Town of Ledyard, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$ _____ Bond Anticipation Notes, dated as of August __, 2026 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

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

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement. "SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the notes, or other material events affecting the tax status of the Notes;

- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Notes is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Note purchases.

Events (o) and (p). The term "financial obligation" is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 4. Termination.

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

Section 5. Enforcement.

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Director of Finance is Town Hall, 741 Colonel Ledyard Highway, Ledyard, Connecticut 06339.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

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

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

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF LEDYARD, CONNECTICUT

By _____
FRED B. ALLYN, III
Mayor

By _____
MATTHEW E. BONIN
Director of Finance

By _____
IAN STAMMEL
Treasurer

APPENDIX F – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

**TOWN OF LEDYARD, CONNECTICUT
\$4,900,000 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 LEDYARD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on TUESDAY,

JULY 28, 2026

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$4,900,000 General Obligation Bonds, Issue of 2026, dated August 11, 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:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2027	245,000	2037	245,000
2028	245,000	2038	245,000
2029	245,000	2039	245,000
2030	245,000	2040	245,000
2031	245,000	2041	245,000
2032	245,000	2042	245,000
2033	245,000	2043	245,000
2034	245,000	2044	245,000
2035	245,000	2045	245,000
2036	245,000	2046	245,000

The Bonds will bear interest commencing August 1, 2027 and semiannually thereafter on February 1 and August 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.

Optional Redemption

The Bonds maturing on or before August 1, 2034 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after August 1, 2034, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the 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:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 2034 and thereafter	100.0%

Nature of Obligation

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

Bank Qualification

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

Registration

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

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or

(b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

Record Date

The record dates for the Bonds will be the 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 \$4,900,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent ($1/20$ of 1%) or one-eighth of one percent ($1/8$ of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than three (3) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms" below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

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

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

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

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

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of 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.

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 11, 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 Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: gyrbacki@pullcom.com and (2) the Municipal Advisor at Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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).

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

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

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

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost ("TIC"), as set forth in this Notice of Sale.

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

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

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (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 July 20, 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 Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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 D. 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 LEDYARD, CONNECTICUT

FRED B. ALLYN, III
Mayor

MATTHEW E. BONIN
Director of Finance

IAN STAMMEL
Treasurer

July 20, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF LEDYARD, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2026
DATED AUGUST 11, 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 LEDYARD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about August 11, 2026, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

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

(a) As of July 28, 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

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

Schedule B to Issue Price Certificate

APPENDIX G – NOTICE OF SALE – THE NOTES

NOTICE OF SALE

TOWN OF LEDYARD, CONNECTICUT \$1,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (BANK QUALIFIED) OPTION FOR NO BOOK-ENTRY

NOTICE IS GIVEN that TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY®** (as described herein) will be received by the TOWN OF LEDYARD, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

JULY 28, 2026

(the “Sale Date”) for the purchase of the Issuer’s \$1,500,000 General Obligation Bond Anticipation Notes (the “Notes”). Telephone bids will be received by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY®** (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated August 11, 2026 and will mature and be payable to the registered owner on August 10, 2027 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

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

Registration

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

Option For No Book-Entry.

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Issuer as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Issuer at the time of the submission of the bid. The Issuer reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Issuer any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

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

Each bid for the purchase of the Notes must be, (i) if submitted by telephone, provide the information in the form of the Proposal for Notes attached hereto, or (ii) if submitted electronically, in accordance with the requirements prescribed herein. Except as required under “Option For No Book-Entry” above, a proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

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

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

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to the BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable

contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*[®], or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*[®], the use of *PARITY*[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*[®], including any fee charged, may be obtained from *PARITY*[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021; - email notice: munis@spglobal.com or parity@i-deal.com.

For purposes of the telephone bidding process and the electronic bidding process, the time as maintained by *PARITY*[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under “Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms” above, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

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

Telephone Bidding Procedures

Telephone bids will be received until **10:55 A.M. (E.T.)** on the Sale Date by an authorized agent of Munistat Services, Inc., the Issuer’s municipal advisor. All telephone bids must be made to (860) 372-1887 and be completed by 10:55 A.M. (E.T.) on the Sale Date. Bidders should be prepared to provide the information set forth in the “Proposal for Notes” attached hereto.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

CUSIP Numbers

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

Certifying Agent, Registrar, Paying Agent and Transfer Agent

Unless otherwise provided for herein, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

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

Unless otherwise provided for herein, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC or its agent via Fast Automated Securities Transfer ("FAST") on or about August 11, 2026 (the "Closing Date").

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

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

Bond Counsel Opinion

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix C to the Official Statement. The opinion will state that the Notes are valid and binding obligations of the Issuer. Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”) relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Glenn G. Rybacki, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4391, E-mail: grybacki@pullcom.com and (2) the Municipal Advisor at Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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 Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or

agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

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

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

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

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price. If the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale of such Maturity to the Public, then the winning bidder shall provide Bond Counsel and the Municipal Advisor a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award

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

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

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

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

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

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

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

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated July 20, 2026 (the “Official Statement”) describing the Notes 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 Susan Caron, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (860) 372-1887, E-mail: Susan.Caron@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 Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix E. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF LEDYARD, CONNECTICUT

FRED B. ALLYN, III
Mayor

MATTHEW E. BONIN
Director of Finance

IAN STAMMEL
Treasurer

July 20, 2026

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

Fred B. Allyn, III, Mayor
Matthew E. Bonin, Director of Finance
Ian Stammel, Treasurer
Town of Ledyard
c/o Munistat Services, Inc.
Telephone Number (860) 372-1887

Ledyard Town Officials:

Subject to the provisions of the Notice of Sale dated July 20, 2065, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$1,500,000 General Obligation Bond Anticipation Notes of the Town of Ledyard, Connecticut (the "Issuer"), dated August 11, 2026 and maturing on August 10, 2027 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$1,500,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

For \$_____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$_____. The net interest cost to the Issuer is _____% (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: July 28, 2026

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)

☐ We request that the Notes not be issued in book-entry form, but be registered in the name of the bidder, as provided in the Notice of Sale.

☐ **Only if submitting request that Notes not be issued in book-entry form:** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.

Municipal Advisory Services

Provided by

