

OFFICIAL STATEMENT DATED FEBRUARY 26, 2025

NEW MONEY ISSUE – Book-Entry-Only

S&P GLOBAL RATINGS: AA-
(See "Ratings" herein)

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

CITY OF TORRINGTON, CONNECTICUT

\$15,900,000 General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: Serially, March 15, as shown herein

The \$15,900,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will be general obligations of the City of Torrington, Connecticut (the "City"), and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.) Interest on the Bonds will be payable semiannually on March 15 and September 15, in each year until maturity, commencing September 15, 2025.

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

S&P GLOBAL RATINGS: SP-1+
(See "Ratings" herein)

\$22,350,000 General Obligation Bond Anticipation Notes

Dated: Date of Delivery

Due: March 12, 2026

The \$22,350,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the City, and the City will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein.) 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 optional redemption prior to maturity.

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

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

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and the Notes in book-entry form will be made to DTC in New York, New York on or about March 13, 2025.

This cover page and the inside cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

CITY OF TORRINGTON, CONNECTICUT

\$15,900,000

General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: Serially March 15, as shown below

MATURITY SCHEDULE AND AMOUNTS

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u> ¹	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u> ¹
2028	\$975,000	5.000 %	2.400 %	891415XB2	2037	\$975,000	4.000 %	2.940 % *	891415XL0
2029	975,000	5.000	2.430	891415XC0	2038	975,000	4.000	3.060 *	891415XM8
2030	975,000	5.000	2.450	891415XD8	2039	975,000	4.000	3.150 *	891415XN6
2031	975,000	5.000	2.470	891415XE6	2040	975,000	4.000	3.310 *	891415XP1
2032	975,000	5.000	2.500	891415XF3	2041	650,000	4.000	3.420 *	891415XQ9
2033	975,000	5.000	2.560	891415XG1	2042	650,000	4.000	3.540 *	891415XR7
2034	975,000	4.000	2.690 *	891415XH9	2043	650,000	4.000	3.660 *	891415XS5
2035	975,000	4.000	2.740 *	891415XJ5	2044	650,000	4.000	3.770 *	891415XT3
2036	975,000	4.000	2.870 *	891415XK2	2045	625,000	4.000	3.850 *	891415XU0

* Priced assuming redemption on March 15, 2033; however, any such redemption is at the option of the City (see "Optional Redemption" herein).

CABRERA CAPITAL MARKETS, LLC

\$22,350,000

General Obligation Bond Anticipation Notes

Dated: Date of Delivery

Due: March 12, 2026

<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u> ¹
\$22,350,000	4.000 %	2.770 %	891415XV8

JANNEY MONTGOMERY SCOTT

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which are numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds and the Notes. The City 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 City of Torrington, Connecticut (the "City"), 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 representation must not be relied upon as having been authorized by the foregoing.

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 City 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 City since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" to this Official Statement, the independent auditors for the City are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than matters expressly set forth 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.

The City 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.

The City currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board through its EMMA system. The City will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices D and E to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) certain annual financial information and operating data with respect to the Bonds; (ii) timely notice of the occurrence of certain events with respect to the Bonds and the Notes, not in excess of ten (10) business days after the occurrence of such events, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds.

References to web site 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, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

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

The Municipal Advisor to the City 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 City 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.

BOND COUNSEL
PULLMAN & COMLEY, LLC
Hartford, Connecticut
(860) 424-4300

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
(203) 421-2880

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BOND ISSUE SUMMARY

The information in this Bond Issue Summary, cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	City of Torrington, Connecticut (the "City").
Issue:	\$15,900,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	March 15 and September 15 in each year until maturity, commencing September 15, 2025.
Principal Due Date:	Annually on March 15, as shown on the inside cover page of the Official Statement.
Purpose:	Proceeds of the Bonds will be used to finance various City improvements as authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the City of Torrington, and bond resolutions approved by the City Council and passed by the voters at referendum. (See "Authorization and Use of Proceeds" herein.)
Security:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall not be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Ratings:	See "Ratings" herein.
Basis of Award:	Lowest True Interest Cost ("TIC") as of the Dated Date of the Bonds.
Optional Redemption:	The Bonds are subject to optional redemption prior to maturity as more fully described herein. (See "Optional Redemption" herein.)
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, Hartford, Connecticut, will act as Bond Counsel. (See Appendix B to this Official Statement.)
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds to be executed substantially in the form attached as Appendix D to this Official Statement.
Delivery:	It is expected that delivery of the Bonds in book-entry-only form to The Depository Trust Company will be made on or about March 13, 2025. Payment must be made in Federal Funds.
Issuer Official:	Questions regarding the City and this Official Statement should be directed to Daniel T. Farley, Treasurer, City of Torrington, 140 Main Street, Torrington, Connecticut 06790, Telephone (860) 489-2334.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William Lindsay, Managing Director, Telephone: (203) 421-2880.

NOTE ISSUE SUMMARY

The information in this Note Issue Summary, cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	City of Torrington, Connecticut (the "City").
Issue:	\$22,350,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	Date of Delivery.
Interest Due:	At maturity on March 12, 2026.
Principal Due Date:	At maturity on March 12, 2026.
Purpose:	The Notes are being issued to finance various City improvements as authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the City of Torrington, and bond resolutions approved by the City Council and passed by the voters at referendum. (See "Authorization and Use of Proceeds" herein.)
Security:	The Notes will be general obligations of the City, and the City 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.)
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Notes shall not be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Ratings:	See "Ratings" herein.
Basis of Award:	Lowest Net Interest Cost ("NIC") as of the Dated Date of the Notes.
Optional Redemption:	The Notes are not subject to optional redemption prior to maturity.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, Hartford, Connecticut, will act as Bond Counsel. (See Appendix C to this Official Statement.)
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided notice of the occurrence of certain events within ten (10) business days of the occurrence of such events as specified in the Continuing Disclosure Agreement for the Notes to be executed substantially in the form attached as Appendix E to this Official Statement.
Delivery:	It is expected that delivery of the Notes in book-entry-only form to The Depository Trust Company will be made on or about March 13, 2025. Payment must be made in Federal Funds.
Issuer Official:	Questions regarding the City and this Official Statement should be directed to Daniel T. Farley, Treasurer, City of Torrington, 140 Main Street, Torrington, Connecticut 06790, Telephone (860) 489-2334.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices has been prepared by the City of Torrington, Connecticut (the "City"), in connection with the issuance and sale by the City of \$15,900,000 General Obligation Bonds, Issue of 2025 (the "Bonds"), and \$22,350,000 General Obligation Bond Anticipation Notes (the "Notes") of the City.

The Bonds and the Notes are being offered for sale at public bidding. Notices of Sale for the Bonds and the Notes, each dated February 19, 2025, have been furnished to prospective bidders. Reference is made to the Notices of Sale, attached hereto as Appendices F and G, for the terms and conditions of the bidding on the Bonds and the Notes, respectively.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds 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 City 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 City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive 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 City.

Munistat Services, Inc. ("Munistat") is engaged as Municipal Advisor to the City 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 Bond 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 "Audited Financial Statements" hereto is a copy of the report of the independent auditors for the City with respect to the financial statements of the City 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 sufficiency, 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 it makes no representation that it has independently verified the same.

The City considers 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

Authorization: The Bonds and the Notes are being issued pursuant to Titles 7 and 10 of the Connecticut General Statutes, as amended, the Charter of the City of Torrington, and bond resolutions approved by the City Council and passed by the voters at referendum.

Use of Proceeds: The proceeds of the Bonds and the Notes will be used to finance the following projects for which bonds and notes have been authorized to be issued:

Projects	Notes				
	Total Bond Authorization	Maturing 3/13/2025	Additions/ (Reductions)	The Bonds	The Notes
Pavement Management Program.....	\$ 38,000,000	\$ -	\$ 3,900,000	\$ 3,900,000	\$ -
Torrington High/Middle School Project...	179,575,000	34,350,000	-	12,000,000	22,350,000
Total	<u>\$ 217,575,000</u>	<u>\$34,350,000</u>	<u>\$ 3,900,000</u>	<u>\$15,900,000</u>	<u>\$22,350,000</u>

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on March 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest will be payable on September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day in February and August in each year. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein.) The Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut. The legal opinion for the Bonds will be rendered by Pullman & Comley, LLC of Hartford, Connecticut, in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein.)**

OPTIONAL REDEMPTION

The Bonds maturing on or before March 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the City, on and after March 15, 2033, at any time, either in whole or in part, in such amounts and in such order of maturity, but by lot within a maturity, as the City may determine, at the redemption prices (expressed as a percentage of the par amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 15, 2033 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of DTC is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a 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 City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The City, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to the DTC, or a successor securities depository, or its DTC nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption (see "Book-Entry-Only Transfer System" herein for discussion of DTC and definitions of "Direct Participant", "Indirect Participant", and "Beneficial Owners"). Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in

accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City or be the responsibility of the City, the Registrar or Paying Agent.

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, as set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year of twelve 30-day months.

The Notes will be issued as fully registered notes in denominations of \$5,000 or any integral multiple thereof. A book-entry-only system will be employed evidencing ownership of the Notes with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See “Book-Entry-Only Transfer System” herein.)

The Certifying Agent, Registrar, Transfer Agent and Paying Agent on the Notes will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley, LLC, of Hartford, Connecticut, in substantially the form set forth in Appendix C to this Official Statement. **The Notes are not subject to redemption prior to maturity.**

RATINGS

The Bonds have been rated “AA-” by S&P Global Ratings (“S&P”). The underlying rating on certain outstanding bond issues of the City has recently been affirmed as “AA-” by S&P. The Notes have been rated “SP-1+” by S&P. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from each rating agency at the following addresses: S&P Global Ratings, 55 Water Street, New York, NY 10041. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such agencies if, in the judgment of such rating agencies, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the bonds and notes of the City, including the Bonds and the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE

The City 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 City 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 City will enter into a continuing disclosure agreement with respect to the Bonds substantially in the form attached as Appendix D to this Official Statement, and with respect to the Notes substantially in the form attached as Appendix E to this Official Statement (each a “Continuing Disclosure Agreement”, and together, the “Continuing Disclosure Agreements”), to provide or cause to be provided, in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12, (i) with respect to the Bonds, certain annual financial information and operating data, (ii) with respect to the Bonds and the Notes, 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 or the Notes, and (iii) with respect to the Bonds, timely notice of a failure by the City to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds or notes to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the City has not failed to comply in any material respect with its previous undertakings under such agreements. However, the City failed to make timely filings of audited financial statements and financial information/operating data for the fiscal years ending June 30, 2021, June 30, 2022 and June 30, 2023. For the fiscal year ending June 30, 2021 the City did file a failure to file notice on February 28, 2022 and subsequently filed audited financial statements and financial information/operating data on April 5, 2022 and April 6, 2022, respectively. For the fiscal year ending June 30, 2022 the City filed a failure to file notice on February 28, 2023 and subsequently filed audited financial statements and financial information/operating data on August 31, 2023 and September 5, 2023, respectively. For fiscal year ending June 30, 2023 the City filed a failure to file notice on February 27, 2024 and subsequently filed audited financial statements and financial information/operating data on June 26, 2024 and July 22, 2024, respectively.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and 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 the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written 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 the Bonds and the 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.

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

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

Principal 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 City or the Paying

Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the City, 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 City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The City may decide to discontinue use of the system of book-entry 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 provided by DTC. The City takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS AND NOTES

The determination of the City officials authorizing the issuance of the Bonds and the Notes provides for issuance of fully-registered Bond and 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 City fails to identify another qualified securities depository for the Bonds and the Notes to replace DTC; or (b) the City 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 City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds and the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

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

SECURITY AND REMEDIES

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

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, 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 City, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

THE CITY OF TORRINGTON, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The City received \$10 million from the Rescue Plan. The City developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the City, nor the parties involved with the issuance of the Bonds and the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the City.

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

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

CYBERSECURITY

The City like many other public and private entities, relies on technology to conduct its operations. The City and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations, impact/ and or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the City's government networks. 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 City's digital networks and systems and the costs of remedying any such damage could be substantial.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the City is vulnerable to inland wetland, small river and stream flooding. Furthermore, the City faces other threats due to climate change, including damaging wind that could become more severe and frequent. The City has a very active program of inspections and removal of public trees. The City also coordinates with its electrical service provider for trimming and removal of trees along transmission lines. The City cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. The City holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses including the increasing frequency of severe weather so that the City can quickly respond and recover from any such events that would exceed its annual operating budget.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

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

TAX MATTERS

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

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

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

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

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

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

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds and the Notes may be more than their stated principal amounts payable at maturity (the “OIP 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 excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based 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 excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based 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.

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II. THE ISSUER



DESCRIPTION OF THE CITY

First settled in 1737, Torrington was incorporated as a city in 1740 and chartered as a city in 1923. The City of Torrington (the "City" or "Torrington") covers an area of approximately 40 square miles, and the City's 2023 population as reported by the U.S. Census Bureau American Community Survey was 35,481.

Connecticut Route 8, a four-lane limited access highway, splits the City from north to south and provides convenient access to Interstate 84 in Waterbury and Interstate 95 in Bridgeport. Connecticut Route 4 links the City to Hartford which is 27 miles to the east. Route 202, a U.S. highway, links the City to communities to the southeast and northwest. Bradley International Airport, a commercial airport located in Windsor Locks, is 35 miles from the City. Torrington is centered 2 ½ hours between Boston and New York City. The area's largest hospital, Charlotte Hungerford Hospital, is located in Torrington and its oncology services on Kennedy Drive are associated with the Yale Smilow Cancer Center.

The City is the 28th largest city in the state and is the principal city of Northwest Connecticut. The City is a member of the Northwest Hills Council of Governments ("NHCOC"), which consists of twenty-one member municipalities. As the only urban center in the region, the City serves as a resource location that provides a high degree of social and economic integration for its surrounding communities. The top workforce industries include healthcare and social assistance, retail, manufacturing, government and education, accommodations, food service, and construction. The City is an employment center for the NHCOC region and attracts workers from all of the surrounding municipal areas.

In addition to providing significant economic resources, Torrington also has a strong and very active cultural and arts identity, boasting the Warner Theater, Nutmeg Conservatory and Five Points Art Center. The downtown district received notoriety in 2022 when it was designated as one of the first Cultural Districts in the State by the Connecticut Department of Economic and Community Development (the "DECD") due to its multitude of non-profit and for-profit cultural facilities, activities, and assets in its expansive downtown area.

The City is engaged in several initiatives to best support economic development and the values driving the social and cultural community. These initiatives fall into four categories: housing development, business development, arts and culture, and environmental remediation.

The City is engaged in three distinct housing projects that will introduce approximately 300 new residential units. These projects include the Riverfront Recapture Project (100 Franklin Street) which brought 67 affordable housing units online in calendar year 2022; Hotchkiss Square Project (199 Water Street) which will bring 156 units online between calendar years 2025 and 2026; the Brunswick Factory Project (535 Migeon Avenue) which has the potential for approximately 18 units; and the city is providing a tax abatement agreement for a new assisted living facility (225 Wyoming Avenue) that will bring 57 new units online in calendar year 2025. The City has partnered with developers and the DECD to bring over \$3.7 million in public funding and over \$64 million in private funding to support these housing projects.

Business development projects include the Torrington Company Project (70 North Street) which will construct a downtown industrial park with over 120,000 square feet of new build-to-suit advanced manufacturing facilities; Vinny's Restaurant Project (245 E. Elm Street) which will open a new banquet facility at the site, and the Brunswick Factory Project (535 Migeon Avenue) which has the potential for new retail, recreation, health and community wellness, and even a brewery. These projects are estimated to bring approximately 220 new high-earning, career-based jobs to Torrington between calendar years 2025 to 2030. The City has partnered with developers and the DECD to bring over \$3.7 million in public funding and over \$32 million in private investment to support these business development projects.

The City is highly engaged in the Arts and Culture initiatives within Torrington. Torrington utilized nearly \$1 million of grant funds to support the City's Community Improvement Program and the Façade Improvement Program, for which funds were used by local non-profit and for-profit businesses and organizations, programs and structural improvements. These very successful programs overwhelmingly benefited the arts and culture community within the City's Downtown Cultural District.

Environmental cleanup remains an ongoing strategy that Torrington has been engaged with for the past two decades. Since 2019, the following sites have a combined \$6.9 million in state grant funding for environmental assessment and remediation work: 100 Franklin Street (\$2 million), 70 North Street (\$2 million), 245 East Elm Street (\$1 million), 535 Migeon Avenue (\$400,000), 199-235 Water Street (\$1.5 million), 93 Main Street (\$20,000). The City has also committed over \$655,000 from an EPA Revolving Loan Fund, and \$400,000 of other City grant funds toward additional cleanup of the 100 Franklin Street Project. The city remains committed to partnering with private developers and the State to cleanup contaminated sites so they can be revitalized into long-term contributors to Torrington's economy.

The city is also invested in infrastructure improvements that support a higher quality of life in Torrington. These future projects include traffic safety improvements, housing development opportunities, addressing grocery market and food resources in the downtown area, and continuing attracting housing developers to bring new residential housing solutions to Torrington's residents.

FORM OF GOVERNMENT

The City is governed under the provisions of its Charter and the Connecticut General Statutes. The Mayor is the Chief Executive Officer of the City. The Mayor presides at all meetings of the Board of Councilmen, commonly referred to as the City Council, and must see that all laws and ordinances governing the City are faithfully executed. The Mayor is directly responsible for the administration of all departments and agencies and all officers and persons appointed by the Mayor.

The City Council consists of six members in addition to the Mayor who sits as its chair person. However, the Mayor has no vote except in case of a tie. The legislative power of the City is vested exclusively in the City Council except as otherwise provided by the Charter or the General Statutes. The City Council has the power to enact, amend, and repeal ordinances consistent with the Charter and the General Statutes provided that prior to such action the City Council holds a public hearing.

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MUNICIPAL OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>	<u>Years of Service</u>
Elinor Carbone.....	Mayor.....	Elected - 4 years.....	11
Daniel T. Farley.....	Treasurer.....	Elected - 2 years.....	7
Olivia DeRosa.....	Comptroller ¹	Appointed - Indefinite.....	less than 1 year
Launa M. Goslee, CCMC.....	Tax Collector.....	Appointed through May 2027...	8
Carol Anderson.....	City Clerk.....	Elected - 4 years.....	7
Michael Magistrali, Esq.....	Corporation Counsel.....	Appointed-Indefinite.....	1
Stacie Maldonado, CCMA II.	Assessor ²	Appointed - Indefinite.....	less than 1 year
Michael Wilson.....	Superintendent of Schools.....	Appointed - Indefinite.....	2

¹ Previously served as Deputy Comptroller for less than 1 year.

² Previously served as Deputy Assessor for less than 1 year.

Source: Comptroller's Office, City of Torrington

SUMMARY OF MUNICIPAL SERVICES

Police: The Torrington Police Department is committed to protect the life and property of the citizens of Torrington. In service of that objective, the department focuses on providing the citizens and guests of the City with the highest degree of professional police service. The Torrington Police Department currently has 70 sworn full-time officers. Included with the sworn officers are 2 Detectives, 1 Evidence Officer, 1 Training Officer, 1 Traffic Officer and 2 School Resource Officers. The department operates and maintains a fleet of 21 police cruisers, 5 detective cars, 1 prisoner transport van, 1 crime van, 5 administrative vehicles, 6 extra duty vehicles and 1 special emergency response vehicle.

The Torrington Police Department has a Traffic Division that is responsible for the care and upkeep of municipal parking lots, parking meters, traffic signs, crosswalks and traffic lights. There is 1 sworn officer assigned to this department and is supported by 4 full-time civilians.

The Torrington Police department is responsible to manage the City's Animal Control Facility. The Animal Control Facility has 8 civilian employees which include 3 full-time, 3 per diem employees, 2 kennel cleaners along with 2 vehicles.

Fire: The Torrington Fire Service is committed to serving the City of Torrington with the highest level of life and property protection. Torrington's Fire Service includes paid staff of 54 uniformed personnel and 1 non-uniformed personnel, supplemented by volunteer staff protecting five districts within the City. On-duty staff consists of between 11 and 13 personnel 24 hours a day, 365 days a year. The on-duty staff is supplemented by approximately 30 volunteers working out of 2 volunteer stations, Drakeville and Torrington. The Torrington Fire Services maintain 5 front-line pumpers, 3 ladder quints, 1 mini-pumper, 1 utility pickup, 1 brush truck, 1 rescue vehicle, 1 hazmat unit, 2 fire police vehicles, and 2 inflatable boats. The City's water supply system includes approximately 900 hydrants served by the Torrington Water Company, an Aquarion Company, and 6 drafting hydrants strategically located throughout the City. The Torrington Fire Service currently maintains a 03/3Y ISO rating.

Electric: Electric power is provided to the City by Eversource Energy. Two standby gas-turbine generators of 22,000 kilowatts each are located in the City to meet high-peak loads and emergencies.

Gas: Natural gas is provided to the City by Eversource Energy.

Water: The Torrington Water Company, a private corporation, provides water to most of the City. The Torrington Water Company was acquired by the Aquarion Water Company in October 2022, but still retains the name of the Torrington Water Company. The source of supply consists of four reservoirs having a combined yield of 5.3 million gallons per day. The average daily delivery to the community is about 3 million gallons. All water is treated and filtered at the company's treatment plant which has a capacity of 5.3 million gallons per day. The distribution system consists of 135 miles of mains from 4" to 24" in sizes which also serve approximately 900 street hydrants used for fire protection. There are seven storage tanks in the system which range in size from 200 thousand to 2 million gallons and have a total storage capacity of 7.6 million gallons.

Sewer: Torrington has an activated sludge secondary treatment plant which serves approximately 13,000 residential, commercial and industrial customers within the City along with small sections of the adjoining towns of Harwinton and

Litchfield. The plant was upgraded to advanced waste treatment and has a design capacity of 7 million gallons per day. The Water Pollution Control Authority (“WPCA”) operates as a self-supporting enterprise. The Water Resource Recovery Facility underwent a 3-year comprehensive upgrade of the facility which was completed in 2022. The WPCA contracts the services of a tax collector who guarantees payment of the amount of sewer use fees billed. Sewer use fees are billed annually and are payable in semiannual installments. The sewer use fee for fiscal year 2024-25 is \$420 per year per residential dwelling unit. Commercial and Industrial rates are \$420 per 65 thousand gallons of use.

Solid Waste: Solid waste is delivered to permitted recycling and disposable facilities owned or operated by USA Hauling and Recycling. Residential wastes and recyclables are collected weekly by the City through a contract with USA Hauling and Recycling. Commercial and industrial wastes are collected by private contractors. The City-owned landfill was closed in accordance with Subtitle D of the Resource Conservation and Recovery Act in October of 1994. All waste generated within the city is delivered to permitted recycling and disposal facilities owned or operated by USA Hauling and Recycling.

The contract for residential waste and recyclables collection and disposal with USA Hauling and Recycling was executed on August 4, 2022 and expires on June 30, 2027. Properties to be collected include all residential establishments up to and including four-unit residential complexes, municipal properties and Board of Education facilities. Residential services include weekly automated solid waste collection, weekly bulky waste collection, seasonal yard waste collection and bi-weekly single-stream recycle collection from approximately 14,000 units.

The City contracts with USA Hauling and Recycling are five-year contracts with an expiration date of June 30, 2027. The contract for disposal of Municipal Solid Waste (MSW) is a fixed price for each year of the contract. The cost for disposal of MSW for fiscal year 2024-25 is \$116 per ton. The cost for disposal of recyclable materials is set at not to exceed a maximum of \$45 per ton and the cost for disposal of bulky waste is fixed for each year of the contract for FY2024-2025 at \$105 per ton.

All MSW and Recyclables from residential properties that are four units or less are collected under contract by USA Hauling and Recycling, the contract pricing is adjusted annually each July 1st of each year based on a March-to-March CPI with a maximum increase not to exceed 8%.

Public Health Department: Torrington is the most populous member of the Torrington Area Health District (“TAHD”). The 58-year-old TAHD serves 134,233 residents within 18 municipalities and 2 boroughs within Northwest Connecticut and covers 611 square miles. The TAHD has a professional staff of 24, which includes a Director of Health, Deputy Director of Health, Director of Community Health Services, a Public Health Nurse, Public Health Specialists, Registered Sanitarians, Emergency Preparedness Coordinator, a Business Manager and Clerical Staff. The TAHD provides the Public Health Ten Essential Services as required by the State for its member municipalities. Programs include mandated environmental health inspections, an emergency preparedness program, a childhood immunization program, a communicable disease program, a lead prevention program, a rabies testing and consultation program, a food protection program, three separate opioid prevention programs, a chronic disease prevention program, a Diabetes Self-Management program, a Matter of Balance program, and a suicide prevention program. The TAHD continuously monitors and assesses its member communities for emerging public health issues and modifies its programs accordingly to address the public health needs of its residents.

MUNICIPAL EMPLOYEES

Fiscal Year Ending 6/30	2025 ¹	2024	2023	2022	2021
General Government.....	250	236	240	239	240
Board of Education.....	762	763	740	718	668
Total	<u>1,012</u>	<u>999</u>	<u>980</u>	<u>957</u>	<u>908</u>

¹ As of January 10, 2025.

Source: City Treasurer’s Office

MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

<u>Employees</u>	<u>Organization</u>	<u>Employee Covered</u>	<u>Contract Expiration</u>
<u>General Government</u>			
Supervisors.....	United Public Service Employee Union Local 424, Unit 78	15	6/30/2026
City Hall.....	Local 2212 Council, AFSCME, AFL-CIO	38	6/30/2025
Public Works.....	Local 2212 Council, AFSCME, AFL-CIO	51	6/30/2025
Fire.....	Local 1567, I.A.F.F - AFL-CIO	50	6/30/2026
Police.....	FOP Lodge 52	68	6/30/2026
Non-Bargaining Employees...	Management Resolution (Non-union managers)	28	n/a
	Sub-total - General Government.....	250	
<u>Board of Education</u>			
Teachers.....	Torrington Education Association	380	6/30/2027
Paraprofessionals.....	Local 1579 Council 4, AFSCME, AFL-CIO	187	6/30/2027
Cafeteria.....	Local 1579 Council 4, AFSCME, AFL-CIO	59	6/30/2027
Secretaries.....	Local 1579 Council 4, AFSCME, AFL-CIO	26	6/30/2027
Custodians.....	Local 1579 Council 4, AFSCME, AFL-CIO	28	6/30/2027
Administrators (TPSAA).....	Torrington Public School Administrators Association, Local 94, AFSA, AFL-CIO	21	6/30/2025
Nurses.....	Local 1579 Council 4, AFSCME, AFL-CIO	11	6/30/2027
Non-Bargaining Employees....	n/a	50	n/a
	Sub-total - Board of Education.....	762	
	Total General Government and Board of Education.....	1,012	

Source: City Human Resources and Board of Education.

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

EDUCATION SYSTEM

The Torrington school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. Torrington has a ten-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the City are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

EDUCATIONAL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Date of Renovations</u>	<u>Enrollment 10/1/2024</u>	<u>Capacity</u>
Forbes Elementary.....	PreK, 4-5	1929	1986	418	640
Southwest Elementary.....	4-5	1904	1923, 1999	289	330
Torrington Elementary.....	K-3	1952	1968, 2004	583	669
Vogel-Westmore Elementary.....	K-3	1917	1995	529	630
Middle School.....	6-8	1993	--	981	1,400
Torrington High School.....	PreK, 9-12	1962	1999	1,064	1,500
Out of District placed students.....	n/a	n/a	n/a	202	n/a
Total.....				4,066	5,169

Source: Office of the Superintendent of Schools.

SCHOOL ENROLLMENT

Actual

<u>School Year</u>	<u>Pre K - 5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>Out of District</u>	<u>Total</u>
2014-15	2,154	1,012	1,016	111	4,293
2015-16	2,204	1,021	950	124	4,299
2016-17	2,097	1,029	897	189	4,212
2017-18	2,006	1,042	884	204	4,136
2018-19	2,011	987	852	228	4,078
2019-20	1,896	1,003	872	213	3,984
2020-21	1,752	988	888	152	3,780
2021-22	1,842	1,009	948	133	3,932
2022-23	1,835	975	1,010	148	3,968
2023-24	1,806	969	1,012	141	3,928
2024-25	1,819	981	1,064	202	4,066

Projected

2025-26	1,746	990	1,033	160	3,929
2026-27	1,745	952	1,004	160	3,861
2027-28	1,688	995	1,010	160	3,853
2028-29	1,671	980	1,011	160	3,822
2029-30	1,631	1,022	984	160	3,797

Source: Office of the Superintendent of Schools.

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III. ECONOMIC AND DEMOGRAPHIC DATA

POPULATION TRENDS

Year	City of Torrington	Northwest Hills Planning Region ¹	State of Connecticut
1980	30,987	156,769	3,107,576
1990	33,687	174,092	3,287,116
2000	35,002	182,193	3,405,565
2010	36,383	189,927	3,574,097
2020	34,259	181,143	3,570,549
2023	35,481	112,848	3,598,348

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Northwest Hills Planning Region. Previous to the 2022 data, Litchfield County data was used.

Source: U.S. Census Bureau.

AGE DISTRIBUTION OF THE POPULATION

Age	City of Torrington		Northwest Hills Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,478	4.2	4,786	4.2	181,240	5.0
5 - 9.....	1,625	4.6	5,321	4.7	195,390	5.4
10 - 14.....	2,027	5.7	6,088	5.4	217,297	6.0
15 - 19.....	2,203	6.2	6,749	6.0	238,145	6.6
20 - 24.....	2,013	5.7	5,456	4.8	233,423	6.5
25 - 34.....	4,904	13.8	12,781	11.3	449,771	12.5
35 - 44.....	4,135	11.7	13,061	11.6	451,461	12.5
45 - 54.....	4,882	13.8	14,612	12.9	462,543	12.9
55 - 59.....	2,809	7.9	8,844	7.8	260,758	7.2
60 - 64.....	2,800	7.9	10,049	8.9	257,548	7.2
65 - 74.....	3,881	10.9	14,780	13.1	376,023	10.4
75 - 84.....	1,753	4.9	6,996	6.2	187,378	5.2
85 and over.....	971	2.7	3,325	2.9	87,371	2.4
Total.....	<u>35,481</u>	<u>100.0</u>	<u>112,848</u>	<u>100.0</u>	<u>3,598,348</u>	<u>100.0</u>
Median Age (years)	43.4		47.1		41.2	

Source: Bureau of Census, American Community Survey, 2019-23.

SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2023)	(2000)	(2023)
City of Torrington.....	\$ 54,375	\$ 84,776	\$ 21,406	\$ 37,570
Northwest Hills Planning Region ¹	66,445	112,593	24,408	55,526
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

Source: Bureau of Census, American Community Survey, 2019-23.

INCOME DISTRIBUTION

	Northwest Hills					
	City of Torrington		Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	216	2.4	604	2.0	22,973	2.5
10,000 to 14,999.....	90	1.0	271	0.9	12,547	1.4
15,000 to 24,999.....	501	5.7	941	3.1	29,893	3.3
25,000 to 34,999.....	445	5.0	1,073	3.6	35,598	3.9
35,000 to 49,999.....	899	10.2	1,864	6.2	61,793	6.7
50,000 to 74,999.....	1,413	16.0	3,933	13.1	108,046	11.8
75,000 to 99,999.....	1,740	19.7	4,479	14.9	108,216	11.8
100,000 to 149,999.....	1,996	22.6	6,491	21.6	185,242	20.2
150,000 to 199,999.....	624	7.1	3,772	12.5	128,574	14.0
200,000 or more.....	906	10.3	6,681	22.2	224,258	24.5
	<u>8,830</u>	<u>100.0</u>	<u>30,109</u>	<u>100.0</u>	<u>917,140</u>	<u>100.0</u>

Source: Bureau of Census, American Community Survey, 2019-23.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Over

Educational Attainment Group	Northwest Hills					
	City of Torrington		Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	1,311	5.0	2,114	2.5	101,530	4.0
9th to 12th grade.....	1,538	5.9	2,902	3.4	118,019	4.7
High School graduate.....	9,748	37.3	23,710	28.1	647,094	25.5
Some college - no degree.....	4,674	17.9	14,601	17.3	410,591	16.2
Associates degree.....	2,451	9.4	7,857	9.3	193,216	7.6
Bachelor's degree.....	3,963	15.2	19,137	22.7	581,935	23.0
Graduate or professional degree.....	2,450	9.4	14,127	16.7	480,468	19.0
Total.....	<u>26,135</u>	<u>100.0</u>	<u>84,448</u>	<u>100.0</u>	<u>2,532,853</u>	<u>100.0</u>
Percent of High School Graduates		89.1%		94.1%		91.3%
Percent of College Graduates		24.5%		39.4%		41.9%

Source: Bureau of Census, American Community Survey, 2019-23.

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EMPLOYMENT BY INDUSTRY

Employment Sector	City of Torrington		Northwest Hills Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries, hunting, mining..	80	0.4	877	1.5	7,261	0.4
Construction.....	1,613	8.8	5,268	9.0	112,821	6.1
Manufacturing.....	2,390	13.0	6,397	10.9	195,355	10.6
Wholesale trade.....	389	2.1	1,037	1.8	37,294	2.0
Retail trade.....	2,499	13.6	5,749	9.8	192,535	10.5
Transportation, warehousing, utilities.....	839	4.6	2,166	3.7	84,571	4.6
Communications.....	242	1.3	1,219	2.1	36,631	2.0
Finance, insurance, real estate and rental.....	824	4.5	4,582	7.8	162,724	8.9
Professional, scientific, management.....	1,773	9.6	6,898	11.8	223,982	12.2
Educational, health, social services.....	4,733	25.7	15,875	27.1	490,839	26.7
Arts, entertainment, recreation, food.....	1,646	8.9	4,122	7.0	145,445	7.9
Other professional and related.....	830	4.5	2,357	4.0	78,662	4.3
Public Administration.....	539	2.9	1,955	3.3	67,335	3.7
Total.....	<u>18,397</u>	<u>100.0</u>	<u>58,502</u>	<u>100.0</u>	<u>1,835,455</u>	<u>100.0</u>

Source: Bureau of Census, American Community Survey, 2019-23.

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employees
Charlotte Hungerford Hospital.....	Hospital.....	1,236
City of Torrington.....	Municipality.....	1,012
O & G Industries.....	Construction.....	928
Dymax Corporation.....	Manufacturer light cure solutions & adhesives.....	263
Litchfield Woods.....	Rehabilitation Center.....	236
Valerie Manor.....	Rehabilitation Center.....	220
RBC-Torrington.....	Aerospace Bearing Products.....	200
Altek.....	Manufacturer of Circuit Boards.....	199
Seitz, LLC.....	Plastic Injection Molding Service.....	198
Community Systems, Inc.....	Social Service Organization.....	191

Source: City Officials.

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UNEMPLOYMENT RATE STATISTICS

Period	City of Torrington		Percentage Unemployed		
	Employed ¹	Unemployed ¹	City of Torrington (%) ¹	Torrington Labor Market (%) ¹	State of Connecticut (%) ¹
Jan-Nov 2024.....	18,125	723	3.8	3.2	3.6
Annual Average					
2023.....	17,976	758	4.0	3.7	4.0
2022.....	18,272	861	4.5	3.9	4.1
2021.....	17,236	1,315	7.1	5.8	6.4
2020.....	17,328	1,589	8.4	7.0	8.0
2019.....	18,509	785	4.1	3.4	3.6
2018.....	18,387	857	4.5	3.7	3.9
2017.....	18,322	987	5.1	4.3	4.4
2016.....	18,259	1,073	5.6	4.6	4.8
2015.....	18,561	1,226	6.2	5.2	5.6
2014.....	18,365	1,451	7.3	6.1	6.6

¹ Not seasonally adjusted.

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

OWNER OCCUPIED HOUSING VALUES

Value of Owner Occupied Units	(Owner Occupied)					
	City of Torrington		Northwest Hills Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	222	2.2	736	2.1	22,174	2.4
\$ 50,000 to \$ 99,999	345	3.4	578	1.6	15,116	1.6
\$ 100,000 to \$149,999	1,937	19.2	2,807	7.9	38,832	4.1
\$ 150,000 to \$199,999	2,782	27.6	4,612	12.9	77,152	8.2
\$ 200,000 to \$299,999	3,118	30.9	8,294	23.2	233,824	24.9
\$ 300,000 to \$499,999	1,379	13.7	10,569	29.6	319,703	34.0
\$ 500,000 to \$999,999	192	1.9	5,845	16.4	173,643	18.5
\$1,000,000 and over	100	1.0	2,242	6.3	59,468	6.3
Total	10,075	100.0	35,683	100.0	939,912	100.0
Median Value	\$195,800		\$311,700		\$343,200	

Source: Bureau of Census, American Community Survey, 2019-23.

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AGE DISTRIBUTION OF HOUSING

Year Structure Built	City of Torrington		Northwest Hills Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	0	0.0	358	0.6	6,350	0.4
Built 2010 to 2019.....	212	1.2	1,382	2.5	66,546	4.3
Built 2000 to 2009.....	965	5.7	4,662	8.4	108,430	7.1
Built 1990 to 1999.....	901	5.3	4,250	7.6	116,617	7.6
Built 1980 to 1989.....	2,236	13.1	7,867	14.1	197,533	12.9
Built 1970 to 1979.....	2,883	16.9	7,458	13.4	210,611	13.7
Built 1960 to 1969.....	1,537	9.0	4,884	8.8	198,807	12.9
Built 1950 to 1959.....	2,425	14.2	6,161	11.1	221,879	14.4
Built 1940 to 1949.....	1,284	7.5	3,181	5.7	95,842	6.2
Built 1939 or earlier....	4,604	27.0	15,462	27.8	313,434	20.4
Total housing units.....	17,047	100.0	55,665	100.0	1,536,049	100.0

Source: Bureau of Census, American Community Survey, 2019-23.

HOUSING INVENTORY

Type	City of Torrington		Northwest Hills Planning Region		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1-unit detached.....	9,588	56.2	41,759	75.0	901,187	58.7
1-unit attached.....	685	4.0	2,127	3.8	95,202	6.2
2 to 4 units.....	4,285	25.1	7,054	12.7	245,050	16.0
5 to 9 units	770	4.5	1,763	3.2	76,750	5.0
10 or more units	1,655	9.7	2,773	5.0	206,276	13.4
Mobile home, trailer, other....	64	0.4	189	0.3	11,584	0.8
Total Inventory.....	17,047	100.0	55,665	100.0	1,536,049	100.0

Source: Bureau of Census, American Community Survey, 2019-23.

BUILDING PERMITS

Fiscal Year Ending 6/30	Total	
	Number of Permits	Value
2025 ¹	1,212	\$ 25,330,310
2024 ²	2,310	75,622,259
2023 ³	2,506	185,753,461
2022	2,270	53,318,760
2021	2,014	33,417,983
2020	2,146	25,199,301
2019	1,886	26,476,783
2018	1,733	18,358,373
2017	1,649	43,392,574
2016	1,717	23,263,984

¹ As of December 31, 2024.

² Includes major public and private development projects including a regional education center; multi-family housing renovations and addition; renovations at Charlotte Hungerford Hospital; healthcare facility center renovations; and addition and the construction of a large ground solar array.

³ Includes major public and private development projects including a new High School/Middle School and multi-family housing renovations.

Source: City Officials; Building Inspector's Office.

IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Assessor's Office is responsible for the preparation of the City's annual Grand List. The Grand List is a complete listing of all taxable real and personal property and motor vehicles in the City, their ownership, and their assessed value as of October 1st in each year. Under Section 12-62 of the Connecticut General Statutes, the City 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. Grand List information is used by the Board of Finance to set the mill rate which in turn becomes the basis for the City's annual tax levy. Any property owner who wishes to appeal their assessment may do so before the Board of Assessment Appeals. Assessments for real property are computed at seventy (70%) percent of market value at the time of last revaluation (Grand List of 10/1/19). As the Grand List is prepared, tax maps are also updated. Building changes are updated through extensive field work. The Assessor's Office also administers the State of Connecticut's elderly tax relief programs and the veterans and blind exemption programs.

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

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

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

Public Act 06-176 permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

PROPERTY TAX COLLECTION PROCEDURES

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, July 1 and January 1. Motor vehicles taxes are payable in July and motor vehicle supplemental bills are payable in January. Personal property taxes of \$100.00 or less are payable in full in July.

The City contracts the services of a private Tax Collector who remits payment of the total tax levy in accordance with Title XIV of the Charter of the City of Torrington. In June 2015, the City originally entered into the first four-year agreement with a private entity to serve as Tax Collector for the City. The Tax Collector is currently operating under the fourth amendment to the original agreement which runs through May 2027. Under the terms of the agreement, a commission of .35% of the net taxes levied will be paid by the City over the term of the agreement.

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. The City's mill rate for motor

vehicles for the assessment year commencing October 1, 2023 (the fiscal year ending June 30, 2025) is 32.46 mills. Section 4-66I 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.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Residential Real Property (%)	Commercial and Industrial Real Property (%)	Other Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List \$(000's)	Less Exemptions \$(000's)	Net Taxable Grand List \$(000's)	% Change
2023	55.7	18.4	1.4	10.6	13.8	\$2,268,893	\$75,687	\$2,193,206	0.09%
2022	55.7	18.5	1.4	10.0	14.4	2,261,555	70,403	2,191,152	1.74%
2021	56.3	18.5	1.5	9.9	13.8	2,228,797	75,028	2,153,769	3.32%
2020	58.0	19.3	1.5	9.9	11.3	2,167,882	83,251	2,084,631	2.22%
2019 ¹	59.0	18.8	1.5	9.8	10.9	2,125,778	86,425	2,039,353	2.42%
2018	60.7	16.8	2.2	9.4	10.9	2,074,973	83,897	1,991,076	0.80%
2017	61.0	16.7	2.2	9.2	11.0	2,053,748	78,422	1,975,326	0.95%
2016	61.4	16.6	2.2	8.8	10.9	2,022,333	65,540	1,956,793	0.39%
2015	62.0	16.7	2.3	8.2	10.8	2,007,747	58,523	1,949,224	1.04%
2014 ¹	60.6	16.6	2.2	9.9	10.7	1,996,670	67,492	1,929,178	-18.83%

¹ Revaluation

Source: City Officials.

TAX LEVIES AND COLLECTIONS

Grand List of 1-Oct	FY Ending 30-Jun	Net Taxable Grand List \$(000's)	Total Tax Rate (In Mills)	Adjusted Tax Levy	Percent of Annual Levy		
					Collected End of each Fiscal Year	Uncollected at end of Fiscal Year	Uncollected as of 6/30/2024
2023 ¹	2025	\$2,193,206	47.97	\$101,603,622	TBD	TBD	TBD
2022	2024	2,191,152	47.96	100,748,060	100.0	0.0	0.0
2021	2023	2,153,769	47.14	98,552,138	100.0	0.0	0.0
2020	2022	2,084,631	46.17	96,760,414	100.0	0.0	0.0
2019 ²	2021	2,039,353	46.17	94,857,620	100.0	0.0	0.0
2018	2020	1,991,076	46.17	93,355,002	100.0	0.0	0.0
2017	2019	1,975,326	46.17	91,925,308	100.0	0.0	0.0
2016	2018	1,956,793	45.75	88,862,864	100.0	0.0	0.0
2015	2017	1,949,224	45.75	87,745,345	100.0	0.0	0.0
2014 ²	2016	1,929,178	45.75	89,292,132	100.0	0.0	0.0

¹ Adopted budget

² Revaluation

Source: City Officials.

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TEN LARGEST TAXPAYERS

Business-Name	Nature Of Business	Total Estimated Assessment	Rank	Percent of Total ¹
Connecticut Light & Power Co.....	Utility.....	\$ 58,227,320	1	2.65%
Yankee Gas.....	Utility.....	50,374,050	2	2.30%
Torrington Water Co.....	Utility.....	27,983,540	3	1.28%
Dudrow Torrington LLC.....	Supermarket, Commercial Realty..	17,499,200	4	0.80%
Keystone Place at Newbury Brook LLC.....	Assisted Living Facility.....	17,919,870	5	0.82%
GG Torrington LLC	Shopping Center.....	15,016,420	6	0.68%
O&G Industries.....	Construction.....	15,160,590	7	0.69%
Target Corporation.....	Retail.....	10,252,960	8	0.47%
Torrington Commons Improvements LLC...	Shopping Center.....	8,750,000	9	0.40%
MBI Inc.....	Collectibles Manufacturing.....	7,803,780	10	0.36%
Total		<u>\$228,987,730</u>		<u>10.45%</u>

¹ Based on a 10/1/23 Net Taxable Grand List of \$2,193,206,487.

Source: City Officials.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2022	\$4,686,850,923	12.51%
2021	4,165,812,950	14.68%
2020	3,632,588,236	24.50%
2019	2,917,726,089	-0.32%
2018	2,927,200,014	3.29%
2017	2,834,037,934	2.89%
2016	2,754,467,636	-1.59%
2015	2,798,903,684	1.39%
2014	2,760,539,379	-4.04%
2013	2,876,842,027	-4.08%

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

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

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

ANNUAL AUDIT

Pursuant to local ordinance and provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), the City is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ending June 30, 2024, the financial statements of the various funds of the City were audited by Clifton Larson Allen LLP, formerly Blum Shapiro and Company, P.C., independent certified public accountants, of West Hartford, Connecticut.

BUDGETARY PROCEDURES

A budget for the General Fund is authorized annually by the Board of Finance and the City Council. The City adheres to the following procedures in establishing the budgetary. On or before February 15 each year, every department, board or commission of the City shall furnish to the City Council an estimate of the money required for its business for the ensuing year. On or before March 20 of each year, the Board of Finance reviews the budgets submitted by the City Council. The Board of Education shall submit its proposed budget to the Board of Finance on or before the 15th day of April.

The Board of Finance/City Council hold public hearings on the budget in May to obtain taxpayer comments. In mid-May, a joint meeting of the City Council and Board of Finance is held to make final recommendations on the budget. Prior to June 1, the Board of Finance votes final approval of the proposed budget and adopts the budget ordinance.

Voters can petition for two referendums on budgets proposed by the Board of Finance. If both are rejected the City Council shall adopt a third budget. This budget shall not be subject to a referendum.

Upon request by the City Council, the Board of Finance may authorize the transfer of any unencumbered appropriation, from one department to another during the fiscal year.

EMPLOYEE PENSION SYSTEMS

The City is the administrator of two single employer contributory, defined benefit pension plans. Plan provisions are established and amended by the plan's Board of Trustees. The plans cover eligible full-time employees except professional personnel at the Board of Education. The pension plans are part of the City's financial reporting entity and are accounted for in the pension trust funds as the Police and Firemen's Retirement, and the Municipal Employees' Retirement. Separate financial statements are not issued.

Management of the plans rests with the Board of Trustees. The Police and Firemen's Retirement Plan Board of Trustees consists of the Mayor, City Treasurer, the six members of the Board of Public Safety and two members of the regular Fire Department or two members of the Police Department to be chosen respectively by the members of the regular Fire or Police Departments biennially.

The Municipal Employees' Retirement Plan Board of Trustees is made up of ten members consisting of the Mayor, City Treasurer, the six members of the City Council and two union representatives from the bargaining unit that has an issue before the Trustees.

Police and Firemen's Retirement - The City is the administrator of a single employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the financial reporting entity and is included in the City's financial reports as a pension trust fund. The Plan provides normal retirement, death, and disability benefits through a single-employer contributory Defined Benefit plan. All regular employees of the Fire Department of the City hired prior to May 1, 2009 shall become members of the Plan. Effective July 1, 2020, fire participants were required to contribute 8% of their pay, provided that the contribution shall be 4% for the twenty-sixth and twenty-seventh year of service and 0% thereafter. All regular employees of the Police Department hired prior to September 4, 2015 shall become members of the Plan. Effective September 4, 2015 police participants are required to contribute 4% of pay after attaining twenty-five and before twenty-seven years of service. The retirement benefit is calculated at 2.5% of the member's average annual compensation received during the last three years of service prior to retirement, multiplied by their total years of service. All members shall have years of service (including any buyback service) maximized at 27 years of credited service. Normal Retirement Age is age 55 with 10 years of continuous service or following the completion of 25 years of continuous service regardless of age. Participants are 100 percent vested in their accrued benefit after 10 years of continuous service as long as their employee contributions remain in the fund upon termination. Members' contributions are returnable on termination or death while active or retired (less any benefits paid) provided, in each case, that no death benefits are otherwise payable. Benefits and contributions are established by the City and may be amended by the City through labor negotiations.

Police and Fire Defined Contribution Plan – Participation in a defined contribution plan is required for all regular members of the Fire Department of the City hired after May 1, 2009 and members of the Police Department hired on or after September 4, 2015 (“Police and Fire Defined Contribution Plan”).

Municipal Employees' Retirement - The City is the administrator of a single employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the financial reporting entity and is included in the City's financial reports as a pension trust fund. The Plan provides normal retirement, early retirement, termination, and death benefits through a single employer contributory defined benefit plan. All eligible members of AFSCME Council 4, Local #2212, Public Works employees and all eligible members of AFSCME Council 4, Local 1579, City Hall employees, School Maintenance and Custodial employees, Union Supervisory employees and non-Union Management employees shall become members of the Plan. The retirement benefit for all aforementioned employees other than supervisory employees is calculated at 2 percent of the participant's average monthly earnings during the final 3 years of employment multiplied by years of service. There is a minimum annual benefit of \$240 per year of service limited to a maximum of 35 years. Benefits for supervisory employees are based on the highest of the last 3 years of annual gross earnings. Normal Retirement Age is age 65 or following age 60 with 25 years of service. Participants are 100 percent vested in their accrued benefit after 5 years of continuous service as long as their employee contributions remain in the fund upon termination. Members' contributions are returnable on termination or death while active or retired (less any benefits paid) provided in each case that no death benefits are otherwise payable. Benefits and contributions are established by the City and may be amended by the City.

City Defined Contribution Plan - Participation in a defined contribution plan (“City Defined Contribution Plan”) is required for all new hires into the employee groups of the Municipal Employees' Retirement Plan with varying start dates as follows: All members of AFSCME, Local #2212 Public Works employees, City Hall employees and all members of AFSCME Local #1579, School Maintenance and Custodial employees, hired after May 2, 2011 became members of the City Defined Contribution Plan. All members of UPSEU, Local #424 Supervisory employees hired after September 30, 2009 became members of the City Defined Contribution Plan. All non-Union employees of the Management Resolution hired after September 2, 2008 became members of the City Defined Contribution Plan.

Contributions

Police and Fire Retirement - Member contributions of 8% of gross weekly earnings are required. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined through biennial valuations.

Municipal Employees' Retirement - Member contributions of 5% of gross weekly earnings are required. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined through biennial actuarial valuations.

Defined Contribution Plans – Employees contribute 6% of gross weekly earnings into the accounts and the City contributes 8% to all employees in the City Defined Contribution Plan and the Police and Fire Defined Contribution Plan.

The City has implemented Government Accounting Standards Board's (GASB) Statement No. 67. Net position is based on fair market value as of June 30, 2024 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation of July 1, 2023 updated to June 30, 2024.

In accordance with GASB Statement No. 67, the components of the net pension liability of the City as of June 30, 2024 were as follows.

	Police and Fireman Plan				
	2024	2023	2022	2021	2020
Total pension liability.....	\$116,507,099	\$114,684,910	\$111,550,462	\$108,775,754	\$103,133,386
Plan fiduciary net postion.....	78,086,901	71,837,252	66,521,160	78,000,513	63,832,734
Net pension liability.....	<u>\$38,420,198</u>	<u>\$42,847,658</u>	<u>\$45,029,302</u>	<u>\$30,775,241</u>	<u>\$39,300,652</u>
Plan fiduciary net position as a % of total pension liability...	67.0%	62.6%	59.6%	71.7%	61.9%

	Municipal Employees' Plan				
	2024	2023	2022	2021	2020
Total pension liability.....	\$55,687,309	\$55,349,164	\$54,345,759	\$53,621,535	\$51,492,456
Plan fiduciary net postion.....	45,188,808	42,959,986	40,828,824	48,991,606	41,199,058
Net pension liability.....	<u>\$10,498,501</u>	<u>\$12,389,178</u>	<u>\$13,516,935</u>	<u>\$4,629,929</u>	<u>\$10,293,398</u>
Plan fiduciary net position as a % of total pension liability...	81.1%	77.6%	75.1%	91.4%	80.0%

The following represents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Fiscal year ending June 30, 2024		
	1% Decrease	Current	1% Increase
	5.75%	Discount Rate	7.75%
		6.75%	
Police and Firemen Plan:			
City Net Pension Liability.....	\$51,446,621	\$38,420,198	\$27,506,013

	Fiscal year ending June 30, 2024		
	1% Decrease	Current	1% Increase
	5.75%	Discount Rate	7.75%
		6.75%	
Municipal Employees' Plan:			
City Net Pension Liability.....	\$15,960,308	\$10,498,501	\$5,810,558

An actuarial valuation is prepared biennially; the most recent actuarial valuation was performed as of July 1, 2022. The following represents trend information of the City's Plans:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Police and Firemen Plan</i>						
7/1/2022	\$73,210,724	\$111,942,422	\$38,731,698	65.4%	\$8,090,549	478.7%
7/1/2020	65,854,907	105,984,390	40,129,483	62.1%	8,304,057	483.3%
7/1/2018	59,795,115	97,587,252	37,792,137	61.3%	8,407,304	449.5%
7/1/2016	55,548,596	92,490,899	36,942,303	60.1%	9,031,565	409.0%
7/1/2014	49,894,765	82,831,200	32,936,435	60.2%	8,185,613	402.4%

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Municipal Employees' Plan</i>						
7/1/2022	\$44,789,301	\$54,943,516	\$10,154,215	81.5%	\$4,070,560	249.5%
7/1/2020	42,408,468	52,761,560	10,353,092	80.4%	4,846,634	213.6%
7/1/2018	40,022,859	49,234,070	9,211,211	81.3%	5,743,293	160.4%
7/1/2016	37,696,638	46,009,746	8,313,108	81.9%	6,941,007	119.8%
7/1/2014	33,096,071	43,029,574	9,933,503	76.9%	7,360,787	135.0%

Source: Audited financial statements and actuarial valuations.

Schedule of Employer Contributions

Fiscal Year Ended	<i>Police and Firemen Plan</i>			<i>Municipal Employees' Plan</i>		
	Actuarially Determined Contribution	Contribution	Percentage Contributed	Actuarially Determined Contribution	Annual Required Contribution	Percentage Contributed
2025 ¹	\$ 4,515,684	\$ 4,582,042	101.5%	\$ 1,261,262	\$ 1,240,596	98.4%
2024	4,515,684	4,594,642	101.7%	1,261,262	1,314,080	104.2%
2023	4,534,125	4,610,323	101.7%	1,318,830	1,318,278	100.0%
2022	4,534,125	4,292,329	94.7%	1,318,830	1,227,984	93.1%
2021	4,279,729	4,291,829	100.3%	1,241,462	1,253,562	101.0%

¹ Adopted budget.

Source: Audited financial statements and actuarial valuations.

Connecticut State Teachers' Retirement System - Teachers participate in a contributory defined benefit plan established under Chapter 167a of Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. Neither the Board of Education nor the City contributes to the plan. The State of Connecticut is legally responsible for making contributions to the plan. Contributions are based on recommendations of the State Teachers' Retirement Board and include an amortization of the actuarially computed unfunded liability.

Teachers are eligible to receive a normal retirement benefit if he or she has: (1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated 35 years of credited service, at least 25 years of which were service in the public schools of Connecticut.

For further information on the City’s Pension Plans, see “Appendix A” hereto.

OTHER POST-EMPLOYEMENT BENEFITS

The City, in accordance with various collective bargaining agreement, is committed to providing health and other benefits to certain eligible retirees and their spouses. The City’s Post-Retirement Medical Program (“RMP”) covers City, Board of Education, Police and Fire employees. Retired program members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits under the City’s self-insured medical benefits program. The percentage contribution of the employees and retirees for these benefits vary and are detailed with the City’s various bargaining agreements. The City does not issue a stand-alone financial statement for this program.

The City implemented the Governmental Accounting Standards Board’s (“GASB”) Statement 74 effective the fiscal year ending June 30, 2017. In accordance with GASB Statement 74, the net position is based on fair market value as of the end of the fiscal year and the total OEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The City’s post-employment benefits area accounted for as a pay-as-you-go basis. The City has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. For the June 30, 2024 measurement, the discount rate used was 3.93% which was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Under GASB Statement 74, the components of the City’s net OPEB liability as of June 30, 2024 were as follows:

	OPEB				
	2024	2023	2022	2021	2020
Total OPEB liability.....	\$110,483,233	\$110,837,345	\$122,274,325	\$143,160,023	\$141,311,364
Plan fiduciary net postion.....	1,886,357	1,630,480	967,717	1,130,217	657,687
Net OPEB liability.....	<u>\$108,596,876</u>	<u>\$109,206,865</u>	<u>\$121,306,608</u>	<u>\$142,029,806</u>	<u>\$140,653,677</u>
Plan fiduciary net position as a % of total OPEB liability....	1.71%	1.47%	0.79%	0.79%	0.47%

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

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
City's Net OPEB Liability.....	\$ 124,314,783	\$ 108,596,876	\$ 95,840,421

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

	Health Care Cost Trend Rate		
	5.50% Decreasing to 3.40%	6.50% Decreasing to 4.40%	7.50% Decreasing to 5.40%
City's Net OPEB Liability.....	\$ 93,196,416	\$ 108,596,877	\$ 127,979,032

Source: Audited financial statements and OPEB valuations.

The City's most recent actuarial valuation was effective July 1, 2022. Per the July 1, 2022 valuation, the \$8,108,550. The following represents historical information regarding the other post-employment benefit funding progress of the City.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2022	\$ 1,200,717	\$ 74,411,025	\$ 73,210,308	1.6%	\$57,601,462	127.1%
7/1/2020	657,687	77,553,696	76,896,009	0.8%	55,173,814	139.4%
7/1/2018 ¹	105,970	69,238,925	69,132,955	0.2%	52,383,441	132.0%
7/1/2016	-	116,826,800	116,826,800	0.0%	53,620,900	217.9%
7/1/2014	-	102,954,000	102,954,000	0.0%	50,846,100	202.5%

¹ Per the July 2018 OPEB valuation, the City's accrued liability was reduced by approximately 11% due to mitigation of the majority of active employees to a High Deductible Health Plan with Health Savings Accounts. Additionally, in recognition of the establishment of the OPEB Trust, the discount rate was increased from 3.5% to 7.00%, resulting in a 37% reduction in the liability.

Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	City Contribution	Percentage Contributed
2024	\$8,013,539	\$6,090,270	76.00%
2023	8,474,895	5,316,081	62.73%
2022	8,370,081	4,254,811	50.83%
2021	8,011,648	5,191,595	64.80%
2020	7,896,308	5,434,152	68.82%

Source: Audited financial statements and OPEB valuations.

INVESTMENT POLICIES AND PROCEDURES

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

The City's operating and working capital funds are invested at the direction of the City Treasurer primarily in a bank sponsored pooled cash account which invests in U.S. government and agency securities and repurchase agreements. The City's investment policies and investments related to the City's retirement and deferred compensation funds are available upon request from the City Treasurer. Also see Note 3, "Deposits and Investments" of "Notes to Financial Statements" in Appendix A hereto.

PROPERTY TAX REVENUES

Fiscal Year	Total Revenues	Property Tax Revenues	Tax Revenues as % Total Revenues
2025 ¹	\$149,019,309	\$101,633,093	68.2%
2024	157,836,610	100,746,931	63.8%
2023	151,893,890	97,987,443	64.5%
2022	142,693,891	97,221,928	68.1%
2021	141,362,285	94,827,795	67.1%
2020	139,735,300	93,355,002	66.8%
2019	132,186,576	91,925,308	69.5%
2018	138,482,421	88,862,864	64.2%
2017	138,523,889	87,997,590	63.5%
2016	132,658,361	89,078,644	67.1%

¹ Adopted Budget, excludes on-behalf payments made by the State of Connecticut to the Teachers' Retirement Fund.

Source: City annual audited financial statements; fiscal year 2024-25 adopted budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Federal and State Aid	Aid as a Percentage Of General Fund Revenue
2025 ¹	\$ 149,019,309	\$ 32,807,756	22.0%
2024	157,836,610	45,546,571	28.9%
2023	151,893,890	42,020,473	27.7%
2022	142,693,891	36,737,356	25.7%
2021	141,362,285	36,279,807	25.7%
2020	139,735,300	37,691,824	27.0%
2019	132,186,576	32,445,576	24.5%
2018	138,482,421	42,061,088	30.4%
2017	138,523,889	43,002,447	31.0%
2016	132,658,361	36,409,678	27.4%

¹ Adopted Budget, excludes on-behalf payments made by the State of Connecticut to the Teachers' Retirement Fund.

Source: City annual audited financial statements; fiscal year 2024-25 adopted budget.

MUNICIPAL BUDGET EXPENDITURE 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.

EXPENDITURES

Fiscal Year	Education	General Government	Public Safety	Public Works	Debt Service
2025 ¹	52.8%	5.2%	13.7%	7.4%	6.1%
2024	57.8%	5.7%	19.0%	7.2%	4.4%
2023	59.5%	5.9%	18.8%	6.6%	3.4%
2022 ²	59.4%	5.8%	20.0%	7.3%	3.2%
2021	59.6%	4.4%	12.7%	5.1%	2.5%
2020	60.7%	3.8%	12.8%	5.1%	2.7%
2019	60.1%	4.0%	13.2%	5.4%	2.4%
2018	63.3%	3.3%	12.3%	4.9%	2.5%
2017	60.4%	3.4%	12.5%	5.3%	2.8%
2016	60.2%	3.8%	12.7%	5.6%	2.8%

¹ Adopted Budget, excludes on-behalf payments made by the State of Connecticut to the Teachers' Retirement Fund.

² Beginning in fiscal year 2022, the City's auditor changed the presentation of GAAP expenditure and reclassified pension and benefits at the department level.

Source: City annual audited financial statements; fiscal year 2024-25 adopted budget.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT

Budget and Actual
(Budgetary Basis)

	Fiscal Year 2023-24			Fiscal Year 2024-25 Adopted Budget
	Revised Budget	Actual Operations	Variance Favorable (Unfavorable)	
REVENUES				
Property taxes, interest and liens.....	\$100,925,371	\$100,746,931	\$ (178,440)	\$101,633,093
Intergovernmental revenue.....	32,452,712	33,754,325	1,301,613	32,807,756
General government.....	2,849,986	2,979,360	129,374	2,673,886
Public safety.....	732,500	735,161	2,661	858,360
Public works.....	150,234	174,959	24,725	153,804
Investment Income.....	1,750,000	2,250,896	500,896	3,300,000
Recreation.....	12,000	9,385	(2,615)	12,000
Education.....	2,100,000	1,722,320	(377,680)	2,100,000
TOTAL REVENUES	140,972,803	142,373,337	1,400,534	143,538,899
EXPENDITURES				
Current:				
General government.....	5,814,527	5,609,539	204,988	7,737,645
Public safety.....	19,206,702	18,283,681	923,021	20,397,545
Public works.....	9,688,539	9,362,512	326,027	11,052,306
Public health and social services.....	3,682,238	3,490,493	191,745	3,674,127
Pension and miscellaneous.....	11,163,678	11,214,798	(51,120)	16,784,322
Recreation.....	652,025	501,725	150,300	617,403
Tax collector contract.....	645,600	818,576	(172,976)	645,600
Board of education.....	79,472,698	78,726,444	746,254	78,722,698
Contingency.....	315,503	147,744	167,759	245,000
Debt Service.....	6,878,392	6,876,588	1,804	9,142,663
TOTAL EXPENDITURES	137,519,902	135,032,100	2,487,802	149,019,309
Excess (deficiency) of revenues over expenditures.....	<u>3,452,901</u>	<u>7,341,237</u>	<u>3,888,336</u>	<u>(5,480,410)</u>
Other financing sources (uses):				
Appropriation of Fund Balance.....	1,900,000	-	(1,900,000)	3,900,000
Operating transfers in.....	3,618,000	3,491,000	(127,000)	1,580,410
Operating transfers out.....	<u>(8,970,901)</u>	<u>(8,970,901)</u>	<u>-</u>	<u>-</u>
Total Other financing sources (uses)...	<u>(3,452,901)</u>	<u>(5,479,901)</u>	<u>(2,027,000)</u>	<u>5,480,410</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ 1,861,336</u>	<u>\$ 1,861,336</u>	<u>\$ -</u>

Source: Fiscal year 2023-24 financial statements and 2024-25 adopted budget.

COMPARATIVE BALANCE SHEETS – GENERAL FUND

Fiscal Year Ended:	2020	2021	2022	2023	2024
Assets					
Cash and cash equivalents.....	\$12,976,335	\$15,408,670	\$16,512,402	\$17,319,941	\$28,774,911
Investments.....	9,151,045	7,020,105	9,265,161	-	-
Receivables, net.....	761,881	3,791,926	392,338	536,228	599,029
Due from other funds.....	2,262,303	-	558,854	11,762,055	1,591,846
Prepaid expenses.....	-	-	74,134	-	-
Total Assets.....	\$25,151,564	\$26,220,701	\$26,802,889	\$29,618,224	\$30,965,786
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts and claims payable.....	\$ 5,661,231	\$ 7,738,355	\$ 7,398,904	\$10,614,644	\$ 8,690,250
Performance bonds.....	177,073	191,202	195,503	285,665	385,767
Unearned revenue.....	-	-	-	-	15,913
Bond Anticipation Notes.....	-	-	77,850	70,019	-
Due to other funds.....	335,000	812,000	33,000	-	-
Advances to other funds.....	-	-	655,763	588,763	588,763
Total Liabilities.....	6,173,304	8,741,557	8,361,020	11,559,091	9,680,693
Deferred Inflows of Resources:					
Unavailable revenue - Grants.....	-	-	-	35,838	55,284
Total Deferred Inflows of Resources.....	-	-	-	35,838	55,284
Fund Balances:					
Nonspendable.....	-	-	74,134	-	-
Committed.....	87,598	-	44,178	85,378	154,125
Assigned.....	905,932	3,441,256	3,553,830	2,367,013	4,793,683
Unassigned.....	17,984,730	14,037,888	14,769,727	15,570,904	16,282,001
Total Fund Balances.....	18,978,260	17,479,144	18,441,869	18,023,295	21,229,809
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$25,151,564	\$26,220,701	\$26,802,889	\$29,618,224	\$30,965,786

Source: City annual audited financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND

Fiscal Year Ended:	2020	2021	2022	2023	2024
Revenues					
Property taxes.....	\$ 93,355,002	\$ 94,827,795	\$97,221,928	\$97,987,443	\$100,746,931
Intergovernmental.....	37,691,824	36,279,807	36,737,356	42,020,473	45,546,571
Charges for services.....	6,744,455	7,443,256	6,193,083	6,792,441	5,698,335
Investment income.....	415,659	95,369	99,849	1,857,458	2,259,721
Other revenues.....	-	50,572	6,959	500,776	57,205
Total Revenues.....	138,206,940	138,696,799	140,259,175	149,158,591	154,308,763
Expenditures					
Current:					
General government.....	5,171,597	6,283,074	8,192,079	8,975,196	8,773,484
Public safety.....	17,561,666	18,092,642	28,399,499	28,592,082	29,344,408
Public works.....	6,997,874	7,338,348	10,318,885	10,063,381	11,196,587
Public health and social services.....	2,917,138	2,948,686	3,024,257	3,167,739	3,492,646
Pension and miscellaneous.....	15,716,575	16,761,656	-	-	-
Recreation.....	354,947	329,444	551,530	612,621	631,679
Education.....	83,244,824	85,208,339	84,138,162	90,558,666	89,421,628
Other.....	2,240	-	-	20,894	80,744
Capital outlay.....	-	-	-	-	-
Debt service.....	3,643,421	3,609,186	4,498,633	5,168,549	6,876,589
Total Expenditures.....	135,610,282	140,571,375	139,123,045	147,159,128	149,817,765
Excess (deficiency) of revenues over expenditures.....	2,596,658	(1,874,576)	1,136,130	1,999,463	4,490,998
Other financing sources (uses):					
Operating transfers in.....	1,528,360	2,665,486	2,434,716	2,735,299	3,527,847
Operating transfers (out).....	(1,558,043)	(2,290,026)	(2,608,121)	(5,153,336)	(4,812,331)
Total other financing sources (uses)..	(29,683)	375,460	(173,405)	(2,418,037)	(1,284,484)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	2,566,975	(1,499,116)	962,725	(418,574)	3,206,514
Fund Balance - July 1.....	16,411,285	18,978,260	17,479,144	18,441,869	18,023,295
Fund Balance - June 30.....	\$ 18,978,260	\$ 17,479,144	\$18,441,869	\$18,023,295	\$ 21,229,809

¹ Beginning in fiscal year 2022, the City's auditor changed the presentation of GAAP expenditures and reclassified pension and benefits at the department level.

Source: City annual audited financial statements.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of March 13, 2025
(Pro Forma)

Long-Term Debt

Date of Issue	Issue	Coupon Rate %	Original Issue Amount	Debt Outstanding	Final Maturity
09/01/11	Clean Water Fund Loan #611-C ¹	2.000	\$ 1,123,491	\$ 351,638	09/01/30
09/17/15	School Refunding Bonds.....	3.000 - 4.000	4,760,000	1,080,000	09/15/26
07/07/16	General Purpose Refunding Bonds.....	2.000 - 5.000	8,100,000	3,913,000	12/01/30
07/07/16	School Refunding Bonds.....	2.000 - 5.000	4,740,000	357,000	12/01/30
12/31/18	Clean Water Fund Loan #695-DC ¹	2.000	2,076,689	1,412,616	12/31/37
05/14/19	General Purpose Bonds.....	2.125 - 5.000	7,850,000	5,660,000	05/01/39
01/31/20	Clean Water Fund Loan #546-DC ¹	2.000	20,471,880	16,016,876	01/31/40
05/14/20	General Purpose Bonds.....	2.000 - 5.000	9,700,000	7,795,000	05/01/40
01/29/21	Clean Water Fund Loan #546-DC ¹	2.000	9,578,204	7,920,775	01/31/41
01/29/21	Clean Water Fund Loan #546-DC ²	2.000	6,688,774	5,531,336	01/31/41
05/11/22	General Purpose Bonds.....	3.500 - 5.000	7,000,000	6,500,000	05/01/37
06/30/22	Clean Water Fund Loan #546-DC ³	2.000	11,905,382	10,530,758	11/30/41
03/15/23	General Purpose Bonds.....	4.000 - 5.000	7,250,000	7,250,000	03/15/38
03/15/23	School Bonds.....	4.000 - 5.000	10,000,000	10,000,000	03/15/43
03/14/24	General Purpose Bonds.....	4.000 - 5.000	4,000,000	4,000,000	03/15/39
03/14/24	School Bonds	4.000 - 5.000	10,000,000	10,000,000	03/15/44
03/13/25	General Purpose Bonds (This Issue)	4.000 - 5.000	3,900,000	3,900,000	03/15/40
03/13/25	School Bonds (This Issue).....	4.000 - 5.000	12,000,000	12,000,000	03/15/45
Total			<u>\$141,144,420</u>	<u>\$114,218,999</u>	

¹ See "Clean Water Fund Program" herein.

Short-Term Debt

Purpose	Amount Authorized	Prior Bonds Issued	Grants Received	The Notes (This Issue)
Torrington High/Middle School Project.....	\$ 179,575,000	\$20,000,000	\$103,938,086	\$22,350,000
Total.....	<u>\$ 179,575,000</u>	<u>\$20,000,000</u>	<u>\$103,938,086</u>	<u>\$22,350,000</u>

CAPITAL LEASES

The City currently has no outstanding capital lease agreements.

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COMBINED SCHEDULE OF LONG-TERM DEBT

As of March 13, 2025

(Pro Forma)

Fiscal Year	General Obligation Bonds			Clean Water Fund Loans			The Bonds This Issue	ALL ISSUES Total Principal
	Principal Payments	Interest Payments ¹	Total Debt Service	Principal Payments	Interest Payments ¹	Total Debt Service		
2024-25 ²	\$ 2,730,000	\$ 1,138,823	\$ 3,868,823	\$ 772,822	\$ 275,924	\$ 1,048,746	\$ -	\$ 3,502,822
2025-26	4,000,000	2,124,746	6,124,746	2,364,906	798,223	3,163,129	-	6,364,906
2026-27	4,875,000	1,948,996	6,823,996	2,412,640	750,489	3,163,129	-	7,287,640
2027-28	4,315,000	1,745,043	6,060,043	2,461,338	701,792	3,163,129	975,000	7,751,338
2028-29	4,300,000	1,556,153	5,856,153	2,511,018	652,111	3,163,129	975,000	7,786,018
2029-30	4,280,000	1,395,040	5,675,040	2,561,702	601,428	3,163,129	975,000	7,816,702
2030-31	4,270,000	1,232,115	5,502,115	2,562,392	550,061	3,112,453	975,000	7,807,392
2031-32	3,595,000	1,073,828	4,668,828	2,596,937	498,624	3,095,561	975,000	7,166,937
2032-33	3,595,000	939,478	4,534,478	2,649,354	446,207	3,095,561	975,000	7,219,354
2033-34	3,595,000	813,778	4,408,778	2,702,830	392,731	3,095,561	975,000	7,272,830
2034-35	3,085,000	687,448	3,772,448	2,757,385	338,176	3,095,561	975,000	6,817,385
2035-36	2,620,000	567,788	3,187,788	2,813,041	282,520	3,095,561	975,000	6,408,041
2036-37	2,620,000	458,363	3,078,363	2,869,820	225,741	3,095,561	975,000	6,464,820
2037-38	2,115,000	348,725	2,463,725	2,865,037	168,076	3,033,114	975,000	5,955,037
2038-39	1,575,000	256,738	1,831,738	2,859,528	111,138	2,970,666	975,000	5,409,528
2039-40	1,235,000	196,850	1,431,850	2,397,698	55,149	2,452,847	975,000	4,607,698
2040-41	1,065,000	150,000	1,215,000	1,298,587	17,853	1,316,441	650,000	3,013,587
2041-42	1,065,000	107,400	1,172,400	306,962	1,537	308,499	650,000	2,021,962
2042-43	1,065,000	64,800	1,129,800	-	-	-	650,000	1,715,000
2043-44	555,000	22,200	577,200	-	-	-	650,000	1,205,000
2044-45	-	-	-	-	-	-	625,000	625,000
Total	<u>\$ 56,555,000</u>	<u>\$ 16,828,309</u>	<u>\$ 73,383,309</u>	<u>\$ 41,763,999</u>	<u>\$ 6,867,781</u>	<u>\$ 48,631,780</u>	<u>\$ 15,900,000</u>	<u>\$ 114,218,999</u>

¹ Numbers may vary due to rounding.

² Excludes principal payments of \$2,795,294 and interest payments of \$1,735,662 made by the City as of March 13, 2025.

Source: City Officials.

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SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
(GENERAL FUND)
As of March 13, 2025
(Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds This Issue	ALL ISSUES Total Principal
	Principal Payments	Interest Payments ¹	Total Debt Service		
2024-25 ²	\$ 2,954,806	\$ 1,218,054	\$ 4,172,860	\$ -	\$ 2,954,806
2025-26	4,683,472	2,353,384	7,036,856	-	4,683,472
2026-27	5,572,268	2,163,839	7,736,107	-	5,572,268
2027-28	5,026,342	1,945,812	6,972,153	975,000	6,001,342
2028-29	5,025,700	1,742,563	6,768,263	975,000	6,000,700
2029-30	5,020,348	1,566,803	6,587,150	975,000	5,995,348
2030-31	5,025,291	1,388,934	6,414,225	975,000	6,000,291
2031-32	4,365,536	1,215,402	5,580,938	975,000	5,340,536
2032-33	4,381,089	1,065,499	5,446,588	975,000	5,356,089
2033-34	4,396,956	923,932	5,320,888	975,000	5,371,956
2034-35	3,903,142	781,415	4,684,558	975,000	4,878,142
2035-36	3,454,656	645,242	4,099,898	975,000	4,429,656
2036-37	3,471,503	518,970	3,990,473	975,000	4,446,503
2037-38	2,983,690	392,145	3,375,835	975,000	3,958,690
2038-39	2,461,224	282,624	2,743,848	975,000	3,436,224
2039-40	1,879,338	205,713	2,085,051	975,000	2,854,338
2040-41	1,233,466	151,125	1,384,591	650,000	1,883,466
2041-42	1,065,000	107,400	1,172,400	650,000	1,715,000
2042-43	1,065,000	64,800	1,129,800	650,000	1,715,000
2043-44	555,000	22,200	577,200	650,000	1,205,000
2044-45	-	-	-	625,000	625,000
Total	<u>\$ 68,523,826</u>	<u>\$ 18,755,855</u>	<u>\$ 87,279,681</u>	<u>\$ 15,900,000</u>	<u>\$ 84,423,826</u>

¹ Numbers may vary due to rounding.

² Excludes principal payments of \$1,695,144 and interest payments of \$1,329,502 made by the City as of March 13, 2025.

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**SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
(SEWER DEBT)**
As of March 13, 2025
(Pro Forma)

Fiscal Year	Existing Debt		Total Debt Service
	Principal Payments	Interest Payments ¹	
2024-25 ²	\$ 548,016	\$ 196,693	\$ 744,709
2025-26	1,681,434	569,586	2,251,019
2026-27	1,715,372	535,647	2,251,019
2027-28	1,749,996	501,023	2,251,019
2028-29	1,785,319	465,701	2,251,019
2029-30	1,821,354	429,665	2,251,019
2030-31	1,807,102	393,242	2,200,343
2031-32	1,826,401	357,050	2,183,451
2032-33	1,863,266	320,185	2,183,451
2033-34	1,900,874	282,576	2,183,451
2034-35	1,939,242	244,209	2,183,451
2035-36	1,978,385	205,066	2,183,451
2036-37	2,018,317	165,134	2,183,451
2037-38	1,996,347	124,656	2,121,003
2038-39	1,973,304	85,252	2,058,556
2039-40	1,753,360	46,286	1,799,646
2040-41	1,130,121	16,728	1,146,850
2041-42	306,962	1,537	308,499
Total	<u>\$ 29,795,173</u>	<u>\$ 4,940,235</u>	<u>\$ 34,735,409</u>

¹ Numbers may vary due to rounding.

² Excludes principal payments of \$1,100.150 and interest payments of \$406.159 made by the City as of March 13, 2025.

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.

Project	Total Authorization	Eligible Costs	Reimbursement Rate	Estimated Grant ¹
Torrington High/Middle School Project....	\$179,575,000	\$174,575,000	85.0%	\$148,388,750

¹ Estimated grant is based upon eligibility of reimbursable project costs. Final eligible costs to be determined at completion of post project audit. To date, the City has received \$103,938,086 in grants for this project.

CLEAN WATER FUND PROGRAM

The City is a participant in the State of Connecticut 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 a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan, and denitrification projects which are funded by a 30% grant and a 70% loan.)

Loans to the City are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreements"). The City is obligated to repay only that amount which it draws down for the payment of project costs, pursuant to an Interim Funding Obligation

("IFO"). At the conclusion of the project, the City must permanently finance its draws under the IFO through the issuance of a Project Loan Obligation ("PLO") secured by the full faith and credit of the City, and/or a dedicated source of revenue of such municipality. The City currently has five PLOs outstanding which 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 equal 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. The City may elect to make level debt service payments or level principal payments. The City may prepay their loans at any time prior to maturity without penalty.

The City has the following Clean Water Fund loan outstanding:

<u>Loan ID</u>	<u>Date of Issue</u>	<u>Original 2% Loan Amount</u>	<u>Amount Outstanding as of March 13, 2025</u>
CWF PLO 611-C ¹	9/1/2011	\$ 1,123,491	\$ 351,638
CWF PLO 695-DC ²	12/13/2018	2,076,689	1,412,616
CWF PLO 546-DC ³	1/31/2020	20,471,880	16,016,876
CWF PLO 546-DC1 ³	1/29/2021	9,578,204	7,920,775
CWF PLO 546-DC2 ²	1/29/2021	6,688,774	5,531,336
CWF PLO 546-DC3 ²	6/30/2022	11,905,382	10,530,758
			<u>\$ 41,763,999</u>

¹ Secured by a General Obligation pledge; however, it is expected to be repaid 100% from sewer user fees.

² Secured by a revenue pledge and will be repaid 100% from user fees.

³ Secured by a General Obligation pledge; however, it is expected to be repaid 50% from general taxation and 50% from user fees.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

There is one taxing district located within the City of Torrington – Lakeridge Tax District. The District has no outstanding indebtedness as of March 13, 2025.

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DEBT STATEMENT

As of March 13, 2025

(Pro Forma)

Bonded Indebtedness ¹

<i>The Bonds (This Issue)</i>	\$ 15,900,000
General Purpose.....	35,118,000
Schools.....	21,437,000
Sewers.....	-
State of Connecticut CWF PLO ²	41,763,999
Total Long-Term Indebtedness	<u>114,218,999</u>

Short-Term Indebtedness

<i>The Notes (This Issue)</i>	22,350,000
Total Direct Indebtedness	<u>136,568,999</u>

Exclusions:

(Self supporting sewer debt) ³	(29,795,174)
Total Net Direct Indebtedness	<u><u>\$106,773,825</u></u>

¹ Does not include authorized but unissued debt of \$88,256,737. (See "Authorized but Unissued Debt" herein.)

² Includes \$17,474,710 from Clean Water Fund PLOs secured by revenue pledges supported by user fees and \$24,289,289 of Clean Water Fund PLOs secured by General Obligation pledges of which \$12,230,464 will be paid from user fees.

³ Includes \$17,474,710 from Clean Water Fund PLOs secured by revenue pledges supported by user fees and \$12,320,464 of Clean Water Fund PLOs secured by General Obligation pledges which will be paid from user fees.

Source: City Officials.

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CURRENT DEBT RATIOS

As of March 13, 2025
(Pro Forma)

Total Direct Debt.....	\$136,568,999
Net Direct Debt.....	\$106,773,825
Population ¹	35,481
Net Taxable Grand List (10/1/23).....	\$2,193,206,000
Estimated Full Value.....	\$3,133,151,429
Equalized Net Taxable Grand List (2022) ²	\$4,686,850,923
Per Capita Income ¹	\$37,570
Total Direct Debt:	
Per Capita.....	\$3,849.07
To Net Taxable Grand List.....	6.23%
To Estimated Full Value.....	4.36%
To Equalized Net Taxable Grand List.....	2.91%
Per Capita to Per Capita Income.....	10.25%
Net Direct Debt:	
Per Capita.....	\$3,009.32
To Net Taxable Grand List	4.87%
To Estimated Full Value	3.41%
To Equalized Net Taxable Grand List.....	2.28%
Per Capita to Per Capita Income.....	8.01%

¹ U.S. Census Bureau, American community Survey, 2019-2023.

² Office of Policy and Management, State of Connecticut.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The City 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 requirements of the City Charter for the authorization of indebtedness.

MATURITIES

General obligation bonds, with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years except in the case of school and sewer bonds and bonds issued prior to July 1, 2022 which may mature up to thirty years (CGS Sec. 7-371).

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

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

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

Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

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

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

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under 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) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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STATEMENT OF STATUTORY DEBT LIMITATION

As of March 13, 2025

(Pro Forma)

Total Fiscal Year 2024 tax collections	
State Reimbursement for Revenue Loss on:	\$ 100,746,931
Tax Relief for the Elderly	<u>-</u>
Base for Establishing Debt Limit	<u>\$ 100,746,931</u>

Debt Limit	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total Debt
(2.25 times base).....	\$226,680,595					
(4.50 times base).....		\$453,361,190				
(3.75 times base).....			\$377,800,991			
(3.25 times base).....				\$327,427,526		
(3.00 times base).....					\$302,240,793	
(7.00 times base).....						\$705,228,517
Indebtedness						
Bonds Payable.....	\$ 35,118,000	\$ 21,437,000	\$ -	\$ -	\$ -	\$ 56,555,000
<i>The Bonds (This Issue)...</i>	3,900,000	12,000,000				15,900,000
<i>The Notes (This Issue)...</i>	-	22,350,000	-	-	-	22,350,000
State of Connecticut						
Clean Water Fund						
Permanent Loan.....						
Obligation ("PLO") ¹ ...	-	-	41,763,999	-	-	41,763,999
Authorized but						
Unissued Debt.....	-	27,986,914	7,992,708	-	-	35,979,622
Total Bonded						
Indebtedness.....	39,018,000	83,773,914	49,756,707	-	-	172,548,621
Less:						
Self-Supporting debt ² ..			(29,795,174)			(29,795,174)
School Grants						
Receivable ³	-	(49,550,664)	-	-	-	(49,550,664)
Net Indebtedness.....	39,018,000	34,223,250	19,961,533	-	-	93,202,783
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$187,662,595</u>	<u>\$419,137,940</u>	<u>\$357,839,458</u>	<u>\$327,427,526</u>	<u>\$302,240,793</u>	<u>\$612,025,734</u>

Note: Figures may not add due to rounding.

¹ Includes \$17,474,710 from Clean Water Fund PLOs secured by revenue pledges supported by user fees and \$24,289,289 of Clean Water Fund PLOs secured by General Obligation pledges of which \$12,320,464 will be paid from user fees.

² Includes \$17,474,710 from Clean Water Fund PLOs secured by revenue pledges supported by user fees and \$12,320,464 of Clean Water Fund PLOs secured by General Obligation pledges which will be paid from user fees.

³ Estimated grant is based upon eligibility of reimbursable project costs. Final eligible costs to be determined at completion of post project audit. To date, the City has received \$103,938,086 in grants for this project.

AUTHORIZED BUT UNISSUED DEBT

Project	Amount of Total Authorization	Prior Bonds Issued	Paydowns / Grants	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued Debt
Sewer Improvements.....	\$ 72,260,000	\$ 50,310,084	\$ 15,486,358	\$ -	\$ -	\$ 6,463,558
East River Basin Sewers.....	4,100,000	2,038,245	532,605	-	-	1,529,150
Pavement Management Program.....	38,000,000	34,100,000		3,900,000	-	-
Torrington Public Schools Roof Replacements....	1,400,000	700,000	-	-	-	700,000
Torrington High/Middle School Project.....	179,575,000	20,000,000	103,938,086	12,000,000	22,350,000	21,286,914
Total All Projects.....	\$ 295,335,000	\$ 107,148,329	\$ 119,957,049	\$ 15,900,000	\$ 22,350,000	\$ 29,979,622

HISTORICAL DEBT STATEMENT

	2023-24	2022-23	2021-22	2020-21	2019-20
Population ¹	35,481	35,481	35,510	35,447	34,259
Net taxable grand list.....	\$2,191,152,000	\$2,153,769,000	\$2,084,631,000	\$2,039,353,000	\$1,991,076,000
Estimated full value.....	\$3,130,217,143	\$3,076,812,857	\$2,978,044,286	\$2,913,361,429	\$2,844,394,286
Equalized net taxable grand list ²	\$4,686,850,923	\$4,165,812,950	\$3,632,588,236	\$2,917,726,089	\$2,927,200,014
Per capita income ¹	\$37,570	\$37,570	\$34,516	\$33,803	\$33,025
Short-term debt.....	\$34,350,000	\$18,450,000	\$4,500,000	\$13,571,226	\$29,838,204
Long-term debt.....	\$101,114,293	\$92,296,545	\$79,663,841	\$64,824,798	\$51,552,095
Total Direct debt.....	\$135,464,293	\$110,746,545	\$84,163,841	\$78,396,024	\$81,390,299
Net Direct debt.....	\$102,953,412	\$78,235,664	\$50,069,366	\$55,151,559	\$68,859,954

¹ U. S. Census Bureau.

² Office of Policy and Management, State of Connecticut

HISTORICAL DEBT RATIOS

	2023-24	2022-23	2021-22	2020-21	2019-20
Total Direct debt:					
Per capita.....	\$3,817.94	\$3,121.29	\$2,370.14	\$2,211.64	\$2,375.73
To net taxable grand list.....	6.18%	5.14%	4.04%	3.84%	4.09%
To estimated full value.....	4.33%	3.60%	2.83%	2.69%	2.86%
To equalized net taxable grand list.....	2.89%	2.66%	2.32%	2.69%	2.78%
Debt per capita to per capita income.....	10.16%	8.31%	6.87%	6.54%	7.19%
Net direct debt:					
Per capita.....	\$2,901.65	\$2,205.00	\$1,410.01	\$1,555.89	\$2,009.98
To net taxable grand list.....	4.70%	3.63%	2.40%	2.70%	3.46%
To estimated full value.....	3.29%	2.54%	1.68%	1.89%	2.42%
To equalized net taxable grand list.....	2.20%	1.88%	1.38%	1.89%	2.35%
Debt per capita to per capita income.....	7.72%	5.87%	4.09%	4.60%	6.09%

CAPITAL IMPROVEMENT PROGRAM

Project	2024-25	2025-26	2026-27	2027-28	2028-29	Total
<u>Parks and Recreation</u>						
Park Maintenance and Repairs.....	\$ 1,103,200	\$ 1,619,500	\$ 1,135,000	\$ 665,000	\$ 660,000	\$ 5,182,700
Sub-Total.....	\$ 1,103,200	\$ 1,619,500	\$ 1,135,000	\$ 665,000	\$ 660,000	\$ 5,182,700
<u>Public Works</u>						
Water Pollution Control Authority..	4,890,000	17,500,000	2,040,000	1,470,000	6,670,000	32,570,000
Street and Bridges.....	9,443,600	7,717,000	8,460,000	8,050,000	5,300,000	38,970,600
Miscellaneous DPW Projects.....	2,347,000	1,897,000	1,302,000	657,000	657,000	6,860,000
Facilities Projects.....	3,764,000	3,656,000	16,618,000	16,383,000	520,000	40,941,000
Downtown Redevelopment.....	3,154,000	1,650,000	35,000	-	1,000,000	5,839,000
Bond Authorization Projects.....	5,632,000	3,070,000	545,000	50,000	-	9,297,000
Vehicle Replacement.....	1,137,000	1,460,000	1,928,000	1,008,000	1,343,000	6,876,000
Sub-Total.....	30,367,600	36,950,000	30,928,000	27,618,000	15,490,000	141,353,600
Total	\$ 31,470,800	\$ 38,569,500	\$ 32,063,000	\$ 28,283,000	\$ 16,150,000	\$146,536,300
<u>Funding Sources</u>						
General Fund.....	\$ 7,844,200	\$ 8,742,500	\$ 6,670,000	\$ 6,345,000	\$ 5,477,000	\$ 35,078,700
Federal Grants (Transportation).....	2,640,100	360,000	-	-	-	3,000,100
Town Aid Roads.....	650,000	775,000	550,000	550,000	500,000	3,025,000
LOCIP.....	250,000	725,000	425,000	500,000	-	1,900,000
LOTIP.....	2,900,000	1,230,000	2,275,000	1,200,000	100,000	7,705,000
Capital Reserves.....	477,000	1,400,000	1,193,000	238,000	573,000	3,881,000
Local Bridge Program Grant.....	-	1,100,000	750,000	750,000	1,270,000	3,870,000
Local Bridge Fund.....	1,803,000	820,000	930,000	1,690,000	70,000	5,313,000
ARPA.....	795,000	-	-	-	-	795,000
Proposed grants/fund raising/other..	2,470,000	2,925,000	1,390,000	365,000	1,365,000	8,515,000
Coe Memorial Trust.....	125,000	125,000	125,000	125,000	125,000	625,000
WPCA O&M Budget.....	100,000	100,000	100,000	100,000	100,000	500,000
WPCA Capital Budget.....	2,100,000	5,140,000	890,000	440,000	-	8,570,000
SSCF Funded.....	2,370,000	3,660,000	1,050,000	580,000	420,000	8,080,000
CWF Loan (80% of project).....	-	7,000,000	-	-	4,100,000	11,100,000
CWF Grant (20% of project).....	320,000	-	-	350,000	420,000	1,090,000
Bonds.....	6,626,500	2,867,000	15,715,000	15,050,000	1,630,000	41,888,500
HGMP Grant.....	-	1,600,000	-	-	-	1,600,000
Total	\$ 31,470,800	\$ 38,569,500	\$ 32,063,000	\$ 28,283,000	\$ 16,150,000	\$146,536,300

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

In the opinion of the Corporation Counsel, after consulting with outside counsel handling several personal injury matters, there are no claims or litigation pending or to their knowledge threatened, which would individually or in the aggregate result in final judgments against the City which would have a material adverse effect on the finances of the City or which would impact the validity of the Bonds and the Notes or the power of the City to levy and collect taxes to pay the principal of and interest on the Bonds and the Notes.

LEGAL MATTERS

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and the Notes and will render its opinions in substantially the forms attached to this Official Statement as Appendices B and C.

MUNICIPAL ADVISOR

The City has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds and the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The City may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond and Note proceeds.

TRANSCRIPT AND CLOSING DOCUMENTS

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the City, signed by the Mayor and the Treasurer which will be dated the date of delivery and which will certify, to the best of said officials' knowledge and belief that at the time bids were accepted on the Bonds and the Notes, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement;
3. Receipts for the purchase price of the Bonds or the Notes, as applicable;
4. The approving opinions of Pullman & Comley, LLC, Bond Counsel, substantially in 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; and
6. Within seven business days of the bid opening, the City will furnish the purchaser of the Bonds and each purchaser of the Notes with a reasonable number of copies of the Official Statement, as prepared by the City.

The City has prepared this Official Statement for the Bonds and the Notes which is dated February 26, 2025. The City deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment.

A transcript of the proceedings taken by the City in authorizing the Bonds will be kept on file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 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 City and the purchaser or holders of any of the Bonds or 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 City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

Additional information may be obtained upon request from the Office of the Treasurer, Attention: Daniel T. Farley, at (860) 489-2334 or from Munistat at (203) 421-2880.

CITY OF TORRINGTON, CONNECTICUT

By: /s/ Elinor Carbone
ELINOR CARBONE, MAYOR

By: /s/ Daniel T. Farley
DANIEL T. FARLEY, TREASURER

Dated as of February 26, 2025

APPENDIX A – AUDITED FINANCIAL STATEMENTS

CITY OF TORRINGTON, CONNECTICUT

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June 30, 2024

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Appendix A – Basic Financial Statements - is taken from the Annual Financial Report of the City of Torrington for the Fiscal Year ended June 30, 2024, and does not include all the schedules or management letter in such report. A copy of the complete report is available upon request to the City's Treasurer, City of Torrington, Connecticut.



INDEPENDENT AUDITORS' REPORT

Members of the City Council
City of Torrington, Connecticut
Torrington, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Torrington, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Torrington, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Torrington, Connecticut, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of the City of Torrington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Torrington, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Torrington, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 23, 2024

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

This discussion and analysis of the City of Torrington, Connecticut's (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX. All amounts are expressed in thousands unless otherwise noted.

Financial Highlights

- On a government-wide basis, the City's total net position increased by \$74,557 during fiscal year 2023/2024.
 - The net position of governmental activities increased by \$73,675 and the net position of business type activities (WPCA) increased by \$882.
- Capital assets (net of depreciation) increased \$71,024 for governmental activities and decreased \$2,027 for business type activities.
 - Increases are primarily due to various infrastructure projects.
- The City's combined net position totaled \$73,633.
 - Governmental activities unrestricted net position of (\$120,411) resulted primarily from a \$131,372 net investment in capital assets along with \$305,297 long term liabilities and debt outstanding (including OPEB and Pension obligations).
 - Business type activities had unrestricted net position of \$6,174 and net capital asset investments of \$47,672.
- The City's governmental funds had a combined fund balance of \$38,013 at year-end, an increase of \$12,074. The increase was primarily due to the increase in assets in both the general fund and nonmajor governmental funds.
- The unassigned balance of the General Fund for fiscal year-end increased \$711 to \$16,282 or 10.9% of general fund expenditures.
- The City of Torrington's total bonded debt increased by \$11,090 to \$57,805.
 - New bonds issued in 2024: \$10,000 for Torrington High School and \$4,000 for pavement and infrastructure improvements.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

- *Governmental funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.

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

- *Proprietary funds (Exhibits V, VI and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self-Insurance Internal Service Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 28 of this report.

Supplementary Information - The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found starting on page 90 of this report.

Government-Wide Financial Analysis - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$73,633 at the close of the most recent fiscal year. Of this, the largest portion of the City's net position reflects its investment in capital assets \$179,044 (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 City's net position represents resources that are restricted. The remaining unrestricted balance is (\$114,237).

City's Net Position - The City's combined net position increased by \$74,557 in fiscal year 2023/2024 to \$73,633 (See Table 1). Tables 1 and 2 focus on the net position of both the City's governmental and business-type activities.

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

**TABLE 1
NET POSITION
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 110,503	\$ 89,585	\$ 9,580	\$ 8,067	\$ 120,083	\$ 97,652
Capital Assets, Net of Accumulated Depreciation	233,775	162,751	70,263	72,290	304,038	235,041
Total Assets	344,278	252,336	79,843	80,357	424,121	332,693
Deferred Outflows of Resources	4,236	14,838	34	421	4,270	15,259
Liabilities:						
Long-Term Debt Outstanding	243,683	239,734	25,330	27,143	269,013	266,877
Other Liabilities	61,614	50,023	497	373	62,111	50,396
Total Liabilities	305,297	289,757	25,827	27,516	331,124	317,273
Deferred Inflows of Resources	23,430	31,304	204	299	23,634	31,603
Net Position:						
Net Investment in Capital Assets	131,372	70,109	47,672	48,486	179,044	118,595
Restricted	8,827	7,776	-	-	8,827	7,776
Unrestricted	(120,412)	(131,772)	6,174	4,477	(114,238)	(127,295)
Total Net Position	\$ 19,787	\$ (53,887)	\$ 53,846	\$ 52,963	\$ 73,633	\$ (924)

Total net position of the City's governmental activities increased \$74,557 to \$73,633. There was an increase of \$22,431 in current assets and an increase of \$68,997 in capital assets in 2023/2024. There was an increase of \$2,136 in long term debt and other liabilities. There was a decrease in deferred outflow of resources of \$10,989 and a decrease in deferred inflow of resources of \$7,969. All of this resulted in a \$74,557 net increase in total net position.

An decrease in assets of \$514, a decrease in liabilities \$1,689, a decrease in deferred outflow of resources of \$387, and a decrease in deferred inflow of resources of \$95 resulted in a \$883 increase to the net position of the Water Pollution Control Authority.

Unrestricted Net Position - the portion of net position that can be used to finance day to day operations for government activities is (\$120,412). This amount is a deficit because certain long-term liabilities are funded when they come due rather than when they are incurred (sick, vacation, OPEB). The unrestricted portion of net position for business type activities is \$6,174.

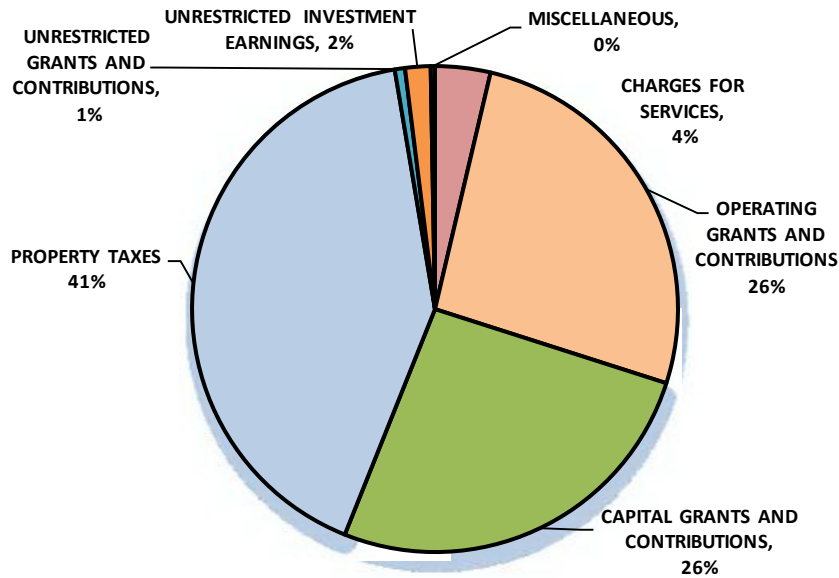
CITY OF TORRINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024

TABLE 2
CHANGE IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services:						
General Government	\$ 3,447	\$ 4,293	\$ -	\$ -	\$ 3,447	\$ 4,293
Public Safety	2,541	2,443	-	-	2,541	2,443
Public Works	138	170	-	-	138	170
Public Health and Social Services	471	502	-	-	471	502
Recreation	137	161	-	-	137	161
Education	2,252	2,408	-	-	2,252	2,408
Sewer	-	-	8,098	6,954	8,098	6,954
Operating Grants and Contributions	64,079	66,297	-	-	64,079	66,297
Capital Grants and Contributions	63,752	9,766	-	-	63,752	9,766
General Revenues:						
Property Taxes	100,747	97,987	-	-	100,747	97,987
Grants and Contributions Not						
Restricted to Specific Purposes	1,651	1,626	-	-	1,651	1,626
Unrestricted Investment Earnings	4,134	2,086	419	34	4,553	2,120
Miscellaneous	695	1,159	-	-	695	1,159
Transfers	(338)	-	-	40,796	(338)	40,796
Total Revenues	243,706	188,898	8,517	47,784	252,223	236,682
Program Expenses:						
General Government	12,719	12,557	-	-	12,719	12,557
Public Safety	31,520	31,455	-	-	31,520	31,455
Public Works	11,726	13,375	-	-	11,726	13,375
Public Health and Social Services	5,872	4,947	-	-	5,872	4,947
Recreation	728	795	-	-	728	795
Education	105,362	107,489	-	-	105,362	107,489
Debt Interest and Costs	2,104	1,434	-	-	2,104	1,434
Sewer	-	-	7,973	6,559	7,973	6,559
Total Program Expenses	170,031	172,052	7,973	6,559	178,004	178,611
Transfers	-	40,796	(338)	-	(338)	40,796
Total Program Expenses and Transfers	170,031	212,848	7,635	6,559	177,666	219,407
Increase (Decrease) in Net Position	<u>\$ 73,675</u>	<u>\$ (23,950)</u>	<u>\$ 882</u>	<u>\$ 41,225</u>	<u>\$ 74,557</u>	<u>\$ 17,275</u>

The City's total revenue increased \$15,541 (including transfers) to \$252,223. (See Table 2) Approximately 40% (excluding transfers) of the City's revenues came from property taxes totaling \$100,747. Additionally, \$17,084 (6.8% excluding transfers) of the revenue was generated by other fees charged for services. The balance is the result of State and Federal grants and other miscellaneous revenue sources. The cost of all services decreased \$607 (0.3%) from fiscal year 2023 to fiscal year 2024.

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



Governmental Activities:

The City of Torrington's governmental activities net position increased \$73,675 in fiscal year 2023/2024. The increase was the net result of the following items:

- There was an increase in capital grants and contributions of \$53,986 to \$63,752 relating primarily to public work projects.
- Total program expenses decreased \$2,021.

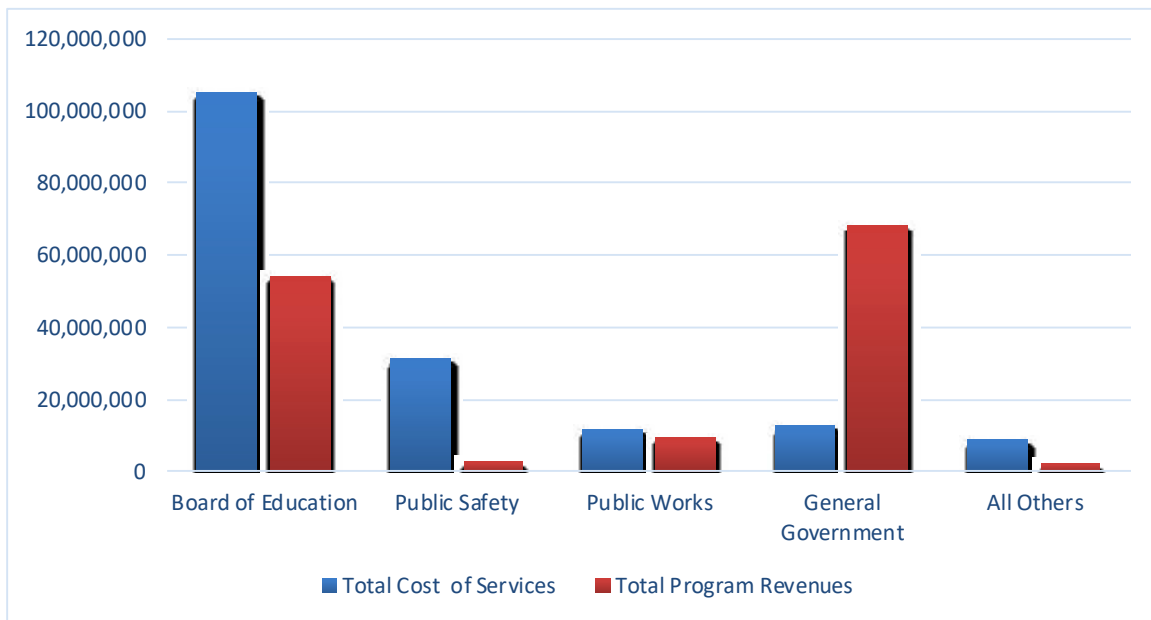
**CITY OF TORRINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

**TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Government	\$ 12,719	\$ 12,557	\$ (55,243)	\$ (4,117)
Public Safety	31,520	31,455	\$ 28,641	28,896
Public Works	11,726	13,375	\$ 2,436	4,556
Education	105,362	107,489	\$ 50,928	51,539
All others	8,705	7,177	\$ 6,450	5,138
Totals	<u>\$ 170,032</u>	<u>\$ 172,053</u>	<u>\$ 33,212</u>	<u>\$ 86,012</u>

The total cost of governmental services decreased \$2,021 to \$170,032 in 2023/2024. The cost of services net of \$127,831 in grants and contributions and \$8,986 in charges for services resulted in a decrease of \$52,800 in net cost of services to \$33,212.

Expenses and Program Revenues - Governmental Activities



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

Business-Type Activities: WPCA business-type activities revenue increased \$1,529 to \$8,517 (excluding transfers). The increase was the result of a \$1,144 increase in sewer user fees and an increase in investment earnings of \$385. Expenses increased by \$1,414 to \$7,973. There was a decrease in transfers of \$40,796 from which primarily consisted of construction in progress expenses that were transferred from the governmental activities to WPCA proprietary fund for the completion of the plant upgrade in FY23.

Sewer user fees were increased for fiscal year 2023/2024. The residential rate was \$392.00/unit and the rate for all other users was \$392.00 per 65,000 gallons of volume of flow.

Financial Analysis of the Government's Funds

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

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, uncommitted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Fiscal year 2024 ended with the City's governmental funds reporting a combined ending fund balance of \$38,013. The unassigned portion of the combined ending fund balance was \$(25,989). The unassigned balance is available for spending at the government's discretion. The remaining \$64,002 fund balance is classified as either non-spendable, restricted, committed or assigned (see pages 35-36 of financial statements for clarification) to indicate that it is not available for new spending because it has already been committed to liquidate contracts, purchase orders or other obligations.

The General Fund is the chief operating fund of the City of Torrington. At the end of fiscal year 2024, the General Fund total fund balance increased by \$3,207 to \$21,230. The unassigned portion increased by \$711 from \$15,571 to \$16,282. The unassigned fund balance represents 10.9% (prior year 10.6%) of total General Fund expenditures and total fund balance represents 14.2% (prior year 12.2%) of that same amount.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. WPCA activity which is recorded in the proprietary fund portion of the financial statements has already been addressed in the business-type activities.

The activity of the Internal Service Funds (self-insured health insurance and equipment maintenance chargeback fund) is also contained in the proprietary fund financial statements. The net position of the internal service funds decreased in the amount \$2,167 to \$9,131.

General Fund Budgetary Highlights

On a budgetary basis, revenues and other financing sources exceeded expenditures and other financing uses by \$1,861. Revenues and transfers were \$626 less than budgetary estimates and total expenditures and other financing exceeded budgetary estimates by \$2,488.

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

Revenues:

Property tax collections (excluding MVS) were \$282 less than budgeted due to assessor adjustments.

Total federal and state grants were \$917 more than budgeted primarily due to an increase of \$979 in MSRA Motor Vehicle funding which was offset by a decrease of \$65 in Enterprise Zones.

Public Safety revenue exceeded budgeted amount by \$3, primarily due to \$38 in Parking authority, \$60 in police workers compensation and insurance, \$15 in police tickets and permits, and \$33 in fire workers compensation and insurance which was offset by a decrease in \$165 of police outside duty.

Education grant revenues were \$384 more than budgeted and Education Workers Comp Insurance was less than budgeted by \$378.

Investment income of \$2,251 was \$501 more than estimated. This is primarily due to an increase in interest rates throughout the fiscal year.

Although budgeted, there was no use of fund balance.

Expenditures:

Police department wages had a residual balance of \$923 of which \$640 was primarily due to vacancies and \$228 of miscellaneous public safety expenditures not being spent.

Education surplus of \$746 – surplus because the Board of Education did not pay the final installment of their health insurance contribution to the City.

The tax collector contract exceeded budgeted amount by \$173 which is primarily due to remaining assessment appeals that took place during the fiscal year thus there were additional additions/deletions which changed the tax revenue at year end. This was offset by contingency which had a residual balance of \$168, and recreation which also had a residual balance of \$150.

Capital Assets and Debt Administration

Capital Assets - The City's capital assets for its governmental and business type-activities as of June 30, 2024, total \$304,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase of \$68,997 in the City's capital assets includes asset depreciation, asset acquisition and asset disposal activity for the current year. (See Table 4)

The most significant capital asset activity included:

- Depreciation
- General Government
 - Various IT / Software upgrades / on-line permitting
 - Skatepark
 - Pickleball Courts

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

- Public Safety Additions:
FD Vehicle replacement / PPE
- Public Health Additions:
Meals on Wheels vehicles
- Public Works Additions:
Paving of various Roads
Vehicle Replacements – Street Dept. – Plows / Pickups
Vehicle Refurbishment – dump trucks & plows
- Education Additions:
Technology Upgrades
Building Improvements
- Construction in Progress:
Park improvements
Road & Sidewalk Reconstruction
Sewer extension projects
THS/TMS Construction

**TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 4,095	\$ 4,095	\$ -	\$ -	\$ 4,095	\$ 4,095
Land Improvements	6,198	6,651	11	12	6,209	6,663
Buildings	56,717	55,982	63,685	65,887	120,401	121,869
Furniture and Equipment	4,599	4,924	641	519	5,239	5,443
Infrastructure	33,709	20,186	5,927	5,872	39,635	26,058
Construction In Progress	128,458	70,913	-	-	128,458	70,913
Total	<u>\$ 233,775</u>	<u>\$ 162,751</u>	<u>\$ 70,263</u>	<u>\$ 72,290</u>	<u>\$ 304,038</u>	<u>\$ 235,041</u>

Debt - At the end of the current fiscal year, the City had bonded debt outstanding of \$57,805 and Clean Water Notes outstanding of \$43,309. (See Table 5) This amount reflects an increase of \$8,817 over fiscal year 2023. The increase included new debt of \$14,000 offset by current year bond payments of \$2,910. These liabilities are backed by the full faith and credit of the City.

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

City's Outstanding Bond and Clean Water Fund Debt

Long-Term Debt

**TABLE 5
OUTSTANDING DEBT AT YEAR-END
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 57,805	\$ 46,715	\$ -	\$ -	\$ 57,805	\$ 46,715
Clean Water Fund Loans	20,718	21,777	22,591	23,804	43,309	45,582
Total	<u>\$ 78,523</u>	<u>\$ 68,492</u>	<u>\$ 22,591</u>	<u>\$ 23,804</u>	<u>\$ 101,114</u>	<u>\$ 92,297</u>

On November 6, 2018, voters approved a referendum authorizing \$39,000 of bonded debt.

The City was assigned a "AA-" stable outlook rating from S&P Global Ratings in February 2024.

The City's overall statutory debt limit of \$725,008 which is equal to seven times the prior year annual receipts from taxation is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate (not seasonally adjusted) for the City of Torrington in June of 2024 was 2.4% which was lower than the state rate of 2.5% and national rate of 3.9%. (Source: CT DOL 2024)
- Population growth: Torrington .2%, state of CT .3%. (Source: US Census Quick Facts)

These factors were considered in preparing the City's budget for the 2024/2025 fiscal year.

The total budget for fiscal year 2024/2025 is \$149,019, an increase of \$2,529 or 1.7% over the prior year.

Mill rate excluding motor vehicles was increased to 47.97. Motor vehicle mill rate was capped by the State of Connecticut at 32.46.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Comptroller, 140 Main Street, Torrington, CT 06790.

BASIC FINANCIAL STATEMENTS

CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 101,488,720	\$ 9,448,302	\$ 110,937,022
Receivables, Net	7,736,842	131,570	7,868,412
Inventory	13,992	-	13,992
Due from Fiduciary	786,755	-	786,755
Prepaid Expenses	477,000	-	477,000
Capital Assets Not Being Depreciated	132,552,621	-	132,552,621
Capital Assets Being Depreciated, Net	101,222,211	70,262,817	171,485,028
Total Assets	<u>344,278,141</u>	<u>79,842,689</u>	<u>424,120,830</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	136,935	-	136,935
Deferred Outflows Related to Pensions	18,311	-	18,311
Deferred Outflows Related to OPEB	4,080,575	34,045	4,114,620
Total Deferred Outflows of Resources	<u>4,235,821</u>	<u>34,045</u>	<u>4,269,866</u>
LIABILITIES			
Accounts and Other Payables	19,979,930	497,151	20,477,081
Bond Anticipation Notes Payable	34,350,000	-	34,350,000
Unearned Revenue	7,284,598	-	7,284,598
Noncurrent Liabilities:			
Due Within One Year	6,332,575	1,260,761	7,593,336
Due in More Than One Year	237,349,950	24,069,545	261,419,495
Total Liabilities	<u>305,297,053</u>	<u>25,827,457</u>	<u>331,124,510</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow of Resources Related to Pension	1,081,845	17,140	1,098,985
Deferred Inflow of Resources Related to OPEB	22,347,606	186,453	22,534,059
Total Deferred Inflows of Resources	<u>23,429,451</u>	<u>203,593</u>	<u>23,633,044</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	131,372,033	47,671,557	179,043,590
Restricted for:			
Grants	8,821,963	-	8,821,963
Trust Purposes:			
Nonexpendable	3,500	-	3,500
Expendable	1,408	-	1,408
Unrestricted	(120,411,446)	6,174,127	(114,237,319)
Total Net Position (Deficit)	<u>\$ 19,787,458</u>	<u>\$ 53,845,684</u>	<u>\$ 73,633,142</u>

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 12,718,960	\$ 3,447,064	\$ 2,719,958	\$ 61,794,784	\$ 55,242,846	\$ -	\$ 55,242,846
Public Safety	31,520,181	2,541,408	243,989	93,882	(28,640,902)	-	(28,640,902)
Public Works	11,725,506	138,112	7,287,547	1,863,419	(2,436,428)	-	(2,436,428)
Public Health and Social Services	5,872,395	472,242	1,617,814	-	(3,782,339)	-	(3,782,339)
Recreation	728,098	136,612	27,990	-	(563,496)	-	(563,496)
Board of Education	105,362,010	2,251,943	52,181,930	-	(50,928,137)	-	(50,928,137)
Debt Interest and Costs	2,104,067	-	-	-	(2,104,067)	-	(2,104,067)
Total Governmental Activities	170,031,217	8,987,381	64,079,228	63,752,085	(33,212,523)	-	(33,212,523)
Business-Type Activities:							
Water Pollution Control Authority	7,971,839	8,097,557	-	-	-	125,718	125,718
Total	<u>\$ 178,003,056</u>	<u>\$ 17,084,938</u>	<u>\$ 64,079,228</u>	<u>\$ 63,752,085</u>	(33,212,523)	125,718	(33,086,805)
GENERAL REVENUES							
Property Taxes					100,746,931	-	100,746,931
Grants and Contributions Not Restricted to Specific Programs					1,650,787	-	1,650,787
Unrestricted Investment Earnings					4,133,562	418,711	4,552,273
Miscellaneous					693,639	-	693,639
Transfers					(337,798)	337,798	-
Total General Revenues and Transfers					<u>106,887,121</u>	<u>756,509</u>	<u>107,643,630</u>
CHANGE IN NET POSITION					73,674,598	882,227	74,556,825
Net Position (Deficit) - Beginning of Year					<u>(53,887,140)</u>	<u>52,963,457</u>	<u>(923,683)</u>
NET POSITION - END OF YEAR					<u>\$ 19,787,458</u>	<u>\$ 53,845,684</u>	<u>\$ 73,633,142</u>

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Bonded Projects	WPCA Infrastructure Projects	American Rescue Plan Act	Torrington High School Renovation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 28,774,911	\$ 12,779,584	\$ -	\$ 5,816,880	\$ 10,816,023	\$ 31,824,026	\$ 90,011,424
Receivables, Net	599,029	3,123	-	-	2,818	7,093,246	7,698,216
Due from Other Funds	1,591,846	-	-	-	-	-	1,591,846
Advance From Other Funds	-	-	-	-	-	588,763	588,763
Inventory	-	-	-	-	-	13,992	13,992
Total Assets	<u>\$ 30,965,786</u>	<u>\$ 12,782,707</u>	<u>\$ -</u>	<u>\$ 5,816,880</u>	<u>\$ 10,818,841</u>	<u>\$ 39,520,027</u>	<u>\$ 99,904,241</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Claims Payable	\$ 8,690,250	\$ 894,528	\$ -	\$ 401,438	\$ 4,889,052	\$ 2,480,153	\$ 17,355,421
Performance Bonds	385,767	-	-	-	-	-	385,767
Unearned Revenue	15,913	-	-	5,415,442	-	1,853,243	7,284,598
Bond Anticipation Notes	-	-	-	-	34,350,000	-	34,350,000
Due to Other Funds	-	-	-	-	-	36,748	36,748
Advance To Other Funds	588,763	-	-	-	-	-	588,763
Total Liabilities	<u>9,680,693</u>	<u>894,528</u>	<u>-</u>	<u>5,816,880</u>	<u>39,239,052</u>	<u>4,370,144</u>	<u>60,001,297</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Grants	<u>55,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,834,306</u>	<u>1,889,590</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	13,992	13,992
Restricted	-	7,859,144	-	-	12,788,457	8,826,871	29,474,472
Committed	154,125	4,029,035	-	-	-	25,536,882	29,720,042
Assigned	4,793,683	-	-	-	-	-	4,793,683
Unassigned	16,282,001	-	-	-	(41,208,668)	(1,062,168)	(25,988,835)
Total Fund Balances	<u>21,229,809</u>	<u>11,888,179</u>	<u>-</u>	<u>-</u>	<u>(28,420,211)</u>	<u>33,315,577</u>	<u>38,013,354</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,965,786</u>	<u>\$ 12,782,707</u>	<u>\$ -</u>	<u>\$ 5,816,880</u>	<u>\$ 10,818,841</u>	<u>\$ 39,520,027</u>	<u>\$ 99,904,241</u>

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$ 38,013,354
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets	391,441,717
Less: Accumulated Depreciation	(157,666,885)
Net Capital Assets	233,774,832

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

Grant Receivables - Accrual Basis Change	1,889,590
Deferred Outflows Related to Pensions	18,311
Deferred Outflows Related to OPEB	4,080,575

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.

9,130,565

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

Bonds Payable	(57,805,000)
Clean Water Fund Loans Payable	(20,718,032)
Interest Payable on Bonds	(144,728)
Bond Premiums	(3,960,181)
Deferred Inflows Related to Pensions	(1,081,845)
Deferred Inflows Related to OPEB	(22,347,606)
Deferred Charge on Refunding	136,935
Early Retirement Settlements	(1,846,475)
Net Pension Liability	(47,343,720)
Net OPEB Obligation	(107,698,321)
Heart and Hypertension	(646,531)
Compensated Absences	(3,664,265)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$ 19,787,458
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CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Bonded Projects	WPCA Infrastructure Projects	American Rescue Plan Act	Torrington High School Renovation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 100,746,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,746,931
Intergovernmental	45,546,571	-	-	1,477,646	61,775,157	22,452,630	131,252,004
Charges for Services	5,698,335	-	-	-	-	3,289,046	8,987,381
Investment Income	2,259,721	491,851	-	-	218,082	895,379	3,865,033
Other Revenues	57,205	-	-	-	-	636,435	693,640
Total Revenues	154,308,763	491,851	-	1,477,646	61,993,239	27,273,490	245,544,989
EXPENDITURES							
Current:							
General Government	8,773,484	-	-	1,477,646	-	958,821	11,209,951
Public Safety	29,344,408	-	-	-	-	1,466,171	30,810,579
Public Works	11,196,587	-	-	-	-	179,429	11,376,016
Public Health and Social Services	3,492,646	-	-	-	-	1,736,497	5,229,143
Recreation	631,679	-	-	-	-	192,476	824,155
Education	89,421,628	-	-	-	-	16,334,422	105,756,050
Other	80,744	-	-	-	-	-	80,744
Capital Outlay	-	2,982,372	-	-	70,945,189	4,331,225	78,258,786
Debt Service	6,876,589	-	-	-	-	-	6,876,589
Total Expenditures	149,817,765	2,982,372	-	1,477,646	70,945,189	25,199,041	250,422,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,490,998	(2,490,521)	-	-	(8,951,950)	2,074,449	(4,877,024)
OTHER FINANCING SOURCES (USES)							
Issuance of Bonds	-	14,000,000	-	-	-	-	14,000,000
Issuance of Premiums	-	-	-	-	-	1,376,794	1,376,794
Transfers In	3,527,847	-	-	-	10,000,000	4,649,997	18,177,844
Transfers Out	(4,812,331)	(10,000,000)	(288,870)	-	-	(1,502,847)	(16,604,048)
Total Other Financing Sources (Uses)	(1,284,484)	4,000,000	(288,870)	-	10,000,000	4,523,944	16,950,590
NET CHANGE IN FUND BALANCES	3,206,514	1,509,479	(288,870)	-	1,048,050	6,598,393	12,073,566
Fund Balances - Beginning of Year	18,023,295	10,378,700	288,870	-	(29,468,261)	26,717,184	25,939,788
FUND BALANCES - END OF YEAR	<u>\$ 21,229,809</u>	<u>\$ 11,888,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,420,211)</u>	<u>\$ 33,315,577</u>	<u>\$ 38,013,354</u>

See accompanying Notes to Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 12,073,566

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

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

Capital Outlay	76,570,173
Depreciation Expense	(5,546,070)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Grants Receivable - Accrual Basis Change	(600,776)
Change in Deferred Outflows Related to OPEB	(5,711,529)
Change in Deferred Outflows Related to Pensions	(4,858,075)

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

Proceeds from Bonds	(14,000,000)
Proceeds from Premiums	(1,376,794)
Bond Principal Payments	2,910,000
Notes Payments	1,059,461

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

Deferred Amounts in Refunding	(32,111)
Compensated Absences	(24,374)
Bond Premium Amortizations	813,965
Net OPEB Obligation	475,855
Net Pension Liability	5,843,222
Deferred Inflows Related to Pensions	(1,081,845)
Deferred Inflows Related to OPEB	8,956,297
Landfill Closure and Postclosure	36,000
Early Retirement Settlements	151,630
Heart and Hypertension	162,242
Accrued Interest	21,207

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

(2,167,446)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)

\$ 73,674,598

CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities WPCA Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS		
Cash and Cash Equivalents	\$ 9,448,302	\$ 11,477,296
Receivables, Net	131,570	38,626
Prepaid Expenses	-	477,000
Capital Assets, Net of Accumulated Depreciation	70,262,817	-
Total Assets	<u>79,842,689</u>	<u>11,992,922</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Pensions	-	-
Deferred Outflows of Resources Related to OPEB	34,045	-
Total Deferred Outflows of Resources	<u>34,045</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts and Other Payables	497,151	2,094,014
Due to Other Funds	-	768,343
Notes Payable	1,237,271	-
Compensated Absences	23,490	-
Total Current Liabilities	<u>1,757,912</u>	<u>2,862,357</u>
Noncurrent Liabilities:		
Bonds and Notes Payable	21,353,989	-
Compensated Absences	242,021	-
Net Pension Liability	1,574,979	-
Net OPEB Liability	898,556	-
Total Noncurrent Liabilities	<u>24,069,545</u>	<u>-</u>
Total Liabilities	25,827,457	2,862,357
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Related to Pensions	17,140	-
Deferred Inflows of Resources Related to OPEB	186,453	-
Total Deferred Inflows of Resources	<u>203,593</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	47,671,557	-
Unrestricted	6,174,127	9,130,565
Total Net Position	<u>\$ 53,845,684</u>	<u>\$ 9,130,565</u>

See accompanying Notes to Financial Statements.

CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities WPCA Enterprise Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 6,889,119	\$ 21,944,441
Other	1,208,438	1,297,363
Total Operating Revenues	<u>8,097,557</u>	<u>23,241,804</u>
OPERATING EXPENSES		
Payroll and Employee Benefits	1,795,163	865,394
Repairs and Maintenance	144,660	231,211
Materials and Supplies	775,541	44,779
Utilities	762,026	489,626
Other Operating Expense	1,273,504	156,472
Insurance and Program Services	1,049	22,359,130
Depreciation	2,754,892	-
Total Operating Expenses	<u>7,506,835</u>	<u>24,146,612</u>
OPERATING INCOME	590,722	(904,808)
NONOPERATING REVENUE (EXPENSE)		
Income on Investments	418,711	268,529
Interest Expense	(465,004)	-
Total Nonoperating Revenue (Expense)	<u>(46,293)</u>	<u>268,529</u>
INCOME BEFORE TRANSFERS	544,429	(636,279)
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Capital Contributions	380,427	-
Transfers In	288,870	468,833
Transfers Out	(331,499)	(2,000,000)
Total Transfers and Capital Contributions	<u>337,798</u>	<u>(1,531,167)</u>
CHANGE IN NET POSITION	882,227	(2,167,446)
Net Position - Beginning of Year	<u>52,963,457</u>	<u>11,298,011</u>
NET POSITION - END OF YEAR	<u><u>\$ 53,845,684</u></u>	<u><u>\$ 9,130,565</u></u>

See accompanying Notes to Financial Statements.

CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities WPCA Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 6,788,192	\$ 23,296,286
Cash Payments to Employees for Services	(2,105,090)	-
Cash Payments to Supplies for Goods and Services	(2,830,287)	-
Cash Received from Other Sources	1,208,438	-
Cash Payments for Insurance Claims and Premiums	-	(22,981,708)
Net Cash Provided by Operating Activities	<u>3,061,253</u>	<u>314,578</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In	288,870	468,833
Transfers Out	(331,499)	(2,000,000)
Net Cash Used by Noncapital Financing Activities	<u>(42,629)</u>	<u>(1,531,167)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisitions of Capital Assets	(347,038)	-
Principal Payments	(1,212,794)	-
Interest Paid	(465,004)	-
Net Cash Used by Capital Financing Activities	<u>(2,024,836)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	<u>418,711</u>	<u>268,529</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,412,499	(948,060)
Cash and Cash Equivalents - Beginning of Year	<u>8,035,803</u>	<u>12,425,356</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 9,448,302</u></u>	<u><u>\$ 11,477,296</u></u>

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities <u>WPCA</u> <u>Enterprise Fund</u>	Governmental Activities <u>Internal</u> <u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 590,722	\$ (904,808)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,754,892	-
(Increase) Decrease in Accounts Receivable	(100,927)	75,441
(Increase) Decrease in Prepaid Expenses	-	(5,000)
(Increase) Decrease in Deferred Outflows Related to Pensions	327,138	-
(Increase) Decrease in Deferred Outflows Related to OPEB	59,436	-
Increase (Decrease) in Accounts Payable	125,444	477,167
Increase (Decrease) in from Other Funds	-	-
Increase (Decrease) in Due to Other Funds	-	671,778
Increase (Decrease) in Compensated Absences	8,847	-
Increase (Decrease) in Net Pension Liabilities	(474,915)	-
Increase (Decrease) in Net OPEB Liabilities	(134,133)	-
Increase (Decrease) in Deferred Inflows Related to Pensions	17,140	-
Increase (Decrease) in Deferred Inflows Related to OPEB	(112,391)	-
Net Cash Provided by Operating Activities	<u>\$ 3,061,253</u>	<u>\$ 314,578</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Asset Transfer from Government Activities	<u>\$ 380,427</u>	

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	Pension and OPEB Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 236,243
Investments:	
U.S. Government Agencies	67
Mutual Funds	125,714,779
Receivables:	
Other	4
Total Assets	<u>125,951,093</u>
LIABILITIES	
Accounts and Other Payables	2,272
Due to Other Funds	786,755
Total Liabilities	<u>789,027</u>
NET POSITION	
Held in Trust for Pension Benefits	123,275,710
Held in Trust for OPEB Benefits	<u>1,886,356</u>
Total Net Position	<u><u>\$ 125,162,066</u></u>

See accompanying Notes to Financial Statements.

**CITY OF TORRINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 11,998,992
Employee	886,797
Total Contributions	<u>12,885,789</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	<u>13,511,442</u>
Total Additions	26,397,231
DEDUCTIONS	
Benefits Payments and Withdrawals	17,579,829
Administration	83,054
Total Deductions	<u>17,662,883</u>
CHANGE IN NET POSITION	8,734,348
Net Position - Beginning of Year	<u>116,427,718</u>
NET POSITION - END OF YEAR	<u><u>\$ 125,162,066</u></u>

See accompanying Notes to Financial Statements.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated as a City in 1740 and chartered as a City in 1923. The City covers an area of 40 square miles and is located in Litchfield County. The City is governed under the provision of its charter and the Connecticut General Statutes. The City operates under a Mayor and a City Council that consists of six members.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

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

Fiduciary Component Units

The City has established two single-employer, defined benefit pension plans and a postretirement health care benefits (OPEB) plan to provide retirement benefits and postretirement health care benefits primary to employees and their beneficiaries. The City performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans and can impose its will.

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

General Fund

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

Bonded Projects Fund

The Bonded Projects Fund is used to account for capital projects that are funded by government obligation bonds.

WPCA Infrastructure Projects

The WPCA Infrastructure Projects is used to account for major projects for the City's sewer infrastructure.

American Rescue Plan Act Fund

The American Rescue Plan Act Fund is used to account for revenues and expenditures of the American Rescue Plan Act (ARPA) grant.

Torrington High School Renovation Fund

The Torrington High School Renovation Fund is used to account for the various improvements to the high school that are funded by government obligation bonds and state grants.

The City reports the following major proprietary fund:

Water Pollution Control Authority (WPCA)

The Water Pollution Control Authority (WPCA) fund is used to account for activities that are funded by charging rates designed to cover the operations of the WPCA, including related capital assets.

Additionally, the City reports the following fund types:

Internal Service Funds

The Internal Service Funds account for employee health insurance as well as maintenance provided to departments of the City and Board of Education.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pension and OPEB Trust Funds

The Pension and OPEB Trust Funds account for the fiduciary activities of the City's defined benefit pension and OPEB plans, which accumulates resources for pension benefit payments to qualified employees upon retirement.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and of the City's internal service funds, are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds 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.

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

D. Deposits and Investments

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

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

Investments for the City are reported at fair value.

E. Receivables and Payables

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

Property taxes become an enforceable lien and are assessed on property as of October 1; however, the legal right to attach property does not exist until July 1. Property assessments are made at 70% of the market value. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are billed and due July 1, and motor vehicle supplement taxes are billed and due January 1. Certificates of continuing lien are filed against the real estate represented by delinquent real estate taxes within the year in which the tax is due. Taxes not paid within 30 days of the due date are subject to an interest charge of 1-1/2% per month.

F. Prepaid Items

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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

Land Improvements	20 Years
Building and Building Improvements	25 to 50 Years
Infrastructure	10 to 65 Years
Machinery and Equipment	5 to 20 Years
Licensed Vehicles	8 Years

Property, plant, and equipment owned by the City's proprietary funds (WPCA) are recorded at acquisition cost, or if contributed property, at fair market value at the time of contribution.

Depreciation has been calculated on each class of depreciable property using the straight-line method, over the estimated useful lives ranging from 5 to 50 years.

H. Deferred Outflows/Inflows of Resources

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports 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 and OPEB results from changes in the City's proportionate share in liability. 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). For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from grants receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies but does not vest until the employee reaches retirement age. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for the remainder of the vacation and sick leave including an estimate of the nonvested portion, expected to be paid in the future from governmental funds, is accounted for within the liabilities section of the government-wide financial statements. The vesting method using historical data used to calculate the liability.

Vested sick leave and accumulated vacation leave of the City's proprietary fund is recorded as an expense and liability within the fund, as the benefits accrue to employees.

J. Net Pension Liability

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Other Postemployment Benefit (OPEB) Liability

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

L. Long-Term Obligations

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

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

M. Fund Equity

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

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

Restricted – Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

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

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

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Finance). A motion by the Board of Finance is required to modify or rescind a fund balance commitment.

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the City Charter. The authority to assign fund balance is vested in the Board of Finance through the City’s budgetary process.

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

N. Accounting Estimates

The preparation of 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

General budget policies are as follows:

The City is required to adopt a budget for its General Fund. The City is not required to prepare a budget for the ARPA special revenue fund as it is governed by grant documents. The City adheres to the following procedures in establishing the budgetary data included in the General Fund. On or before February 15 of each year, every department, board, or commission of the City shall furnish to the City Council an estimate of the amount of money required for its business for the ensuing year. On or before March 20 of each year, the Board of Finance reviews the budgets submitted by the City Council. The Board of Education shall submit its proposed budget to the Board of Finance on or before the 15th day of April.

The Board of Finance/City Council held public hearings on the budget in May to obtain taxpayer comments. In mid-May, a joint meeting of the City Council and Board of Finance is held to make final recommendations on the budget. Prior to June 1, the Board of Finance votes final approval of the proposed budget and adopts the budget ordinance.

Upon request by the City Council, the Board of Finance may authorize the transfer of any unencumbered appropriation from one department to another during the year. The Board of Finance may approve additional appropriations up to \$100,000. Additional appropriations of over \$100,000 must be approved by voter referendum whenever there is no offsetting revenue source to the appropriation so that it falls below this threshold.

- Formal budgetary integration is employed as a management control device during the year.
- The Board of Education, which is not a separate legal entity but a function of the City, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education and Board of Finance approval.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Equity and Accumulated Deficits

The Torrington High School Renovation Fund had an accumulated deficit of \$28,420,211 at June 30, 2024. The fund balance deficit will be funded with permanent financing of ongoing projects and intergovernmental grant receipts.

The Economic Development Fund had an accumulated deficit of \$473,405 as of June 30, 2024, which will be funded by intergovernmental grant receipts.

The Maintenance Fund had a net position deficit of \$822,852 as of June 30, 2024, which will be funded by future General Fund contributions.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$104,510,642 of the City's bank balance of \$105,377,211 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 93,976,750
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>10,533,892</u>
Total Amount Subject to Custodial Risk	<u><u>\$ 104,510,642</u></u>

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2024, the City's cash equivalents amounted to \$9,574,540. The following table provides a summary of the Town's cash equivalents, excluding U.S. Government guaranteed obligations, which are currently not rated:

Principal	\$ 87,450
Bank of America	9,069,484
JP Morgan	413,835
Charles Schwab	<u>3,771</u>
Total	<u><u>\$ 9,574,540</u></u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

B. Investments

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

Investment Type	Credit Rating	Fair Value	Maturity in Years		
			Less Than 1	1-10	More Than 10
Interest-Bearing Investments:					
U.S. Government Agencies	Aaa	\$ 67	\$ -	\$ 67	\$ -
Other Investments:					
Mutual Funds	N/A	125,714,779			
Total Investments		<u>\$ 125,714,846</u>			

Interest Rate Risk

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

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The City investment policy states that assets shall be invested in a manner consistent with generally accepted fiduciary standards. Assets are to be diversified in order to minimize the impact of large losses in individual investments. Investments held by the City are mutual fund type investments, which are not rated.

Concentration of Credit Risk

The City's investment policy does not limit an investment in any one issuer in excess of 5% of the City's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

B. Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2024:

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 67	\$ -	\$ 67	\$ -
Mutual Funds	125,714,779	125,714,779	-	-
Total Investments by Fair Value Level	125,714,846	<u>\$ 125,714,779</u>	<u>\$ 67</u>	<u>\$ -</u>
Total Investments	<u>\$ 125,714,846</u>			

NOTE 4 RECEIVABLES

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

	General	Bonded Projects	High School Renovation	WPCA	Nonmajor and Other	Total
Receivables:						
Accounts	\$ 274,842	\$ 3,123	\$ 2,818	\$ 131,570	\$ 792,090	\$ 1,204,443
Intergovernmental	324,187	-	-	-	3,213,233	3,537,420
Loans	-	-	-	-	3,235,553	3,235,553
Gross Receivables	599,029	3,123	2,818	131,570	7,240,876	7,977,416
Less: Allowance for Uncollectibles:	-	-	-	-	(109,000)	(109,000)
Net Total Receivables	<u>\$ 599,029</u>	<u>\$ 3,123</u>	<u>\$ 2,818</u>	<u>\$ 131,570</u>	<u>\$ 7,131,876</u>	<u>\$ 7,868,416</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,094,537	\$ -	\$ -	\$ 4,094,537
Construction In Progress	70,912,669	75,565,220	18,019,805	128,458,084
Total Capital Assets Not Being Depreciated	75,007,206	75,565,220	18,019,805	132,552,621
Capital Assets Being Depreciated:				
Land Improvements	14,129,745	55,138	-	14,184,883
Building and System	103,332,706	3,084,436	-	106,417,142
Machinery and Equipment	37,800,176	1,086,835	-	38,887,011
Infrastructure	84,601,711	14,798,349	-	99,400,060
Total Capital Assets Being Depreciated	239,864,338	19,024,758	-	258,889,096
Less: Accumulated Depreciation for:				
Land Improvements	7,478,293	508,703	-	7,986,996
Building and System	47,350,643	2,349,671	-	49,700,314
Machinery and Equipment	32,876,174	1,412,133	-	34,288,307
Infrastructure	64,415,705	1,275,563	-	65,691,268
Total Accumulated Depreciation	152,120,815	5,546,070	-	157,666,885
Total Capital Assets Being Depreciated, Net	87,743,523	13,478,688	-	101,222,211
Governmental Activities Capital Assets, Net	<u>\$ 162,750,729</u>	<u>\$ 89,043,908</u>	<u>\$ 18,019,805</u>	<u>\$ 233,774,832</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Land Improvements	\$ 704,086	\$ -	\$ -	\$ 704,086
Building and System	66,514,319	7,015	-	66,521,334
Machinery and Equipment	12,504,997	244,823	-	12,749,820
Infrastructure	11,784,625	475,627	-	12,260,252
Total Capital Assets Being Depreciated	91,508,027	727,465	-	92,235,492
Less: Accumulated Depreciation for:				
Land Improvements	691,911	1,179	-	693,090
Building and System	627,243	2,209,507	-	2,836,750
Machinery and Equipment	11,986,411	122,798	-	12,109,209
Infrastructure	5,912,218	421,408	-	6,333,626
Total Accumulated Depreciation	19,217,783	2,754,892	-	21,972,675
Total Capital Assets Being Depreciated, Net	72,290,244	(2,027,427)	-	70,262,817
Business-Type Activities Capital Assets, Net	<u>\$ 72,290,244</u>	<u>\$ (2,027,427)</u>	<u>\$ -</u>	<u>\$ 70,262,817</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 431,809
Public Safety	643,252
Public Works	2,039,011
Health	105,133
Recreation	3,551
Education	2,323,314
Total	<u>\$ 5,546,070</u>

Business-Type Activities:

Water	<u>\$ 2,754,892</u>
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Construction Commitments

The status of appropriation for current capital projects as of June 30, 2024, is presented below:

	Project Authorization	Expenditures	Balance
Roads, Sidewalks, and Drainage	\$ 38,000,000	\$ 34,350,000	\$ 3,650,000
Animal Control Facility	1,000,000	1,000,000	-
Middle School Roof and Windows	1,400,000	700,000	700,000
Torrington High School	179,575,000	77,300,000	102,275,000
Total	<u>\$ 219,975,000</u>	<u>\$ 113,350,000</u>	<u>\$ 106,625,000</u>

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 36,748
General Fund	Internal Service Funds	768,343
General Fund	Pension and OPEB Trust Funds	786,755
Total		<u>\$ 1,591,846</u>

The Economic Development Fund has advanced the general fund loans in the amount of \$722,763. The City will repay \$67,000 per year to the Economic Development Fund. The balance at June 30, 2024, was \$588,763.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

	Transfers In					Total Transfers Out
	General	Torrington High School Renovation	WPCA	Internal Service	Nonmajor Governmental	
Transfers Out:						
General Fund	\$ -	\$ -	\$ -	\$ 444,833	\$ 4,367,498	\$ 4,812,331
Nonmajor Governmental	1,502,847	-	-	-	-	1,502,847
WPCA	25,000	-	-	24,000	282,499	331,499
WPCA Infrastructure	-	-	288,870	-	-	288,870
Bonded Projects	-	10,000,000	-	-	-	10,000,000
Internal Service Fund	2,000,000	-	-	-	-	2,000,000
Total Transfers In	<u>\$ 3,527,847</u>	<u>\$ 10,000,000</u>	<u>\$ 288,870</u>	<u>\$ 468,833</u>	<u>\$ 4,649,997</u>	<u>\$ 18,935,547</u>

The above transfers represent normal budgetary and other recurring transfers.

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 46,715,000	\$ 14,000,000	\$ 2,910,000	\$ 57,805,000	\$ 3,980,000
Unamortized Premium	3,397,352	1,376,794	813,965	3,960,181	-
Total Bonds Payable	<u>50,112,352</u>	<u>15,376,794</u>	<u>3,723,965</u>	<u>61,765,181</u>	<u>3,980,000</u>
Clean Water Fund Loans	21,777,493	-	1,059,461	20,718,032	1,080,845
Net Pension Liability	53,186,942	-	5,843,222	47,343,720	-
Landfill Postclosure Costs	36,000	-	36,000	-	-
Net OPEB Liability	108,174,176	-	475,855	107,698,321	-
Retirement Settlements	1,998,105	34,660	186,290	1,846,475	877,929
Heart And Hypertension	808,773	-	162,242	646,531	131,440
Compensated Absences	3,639,891	199,214	174,840	3,664,265	262,361
Governmental Activities Long-Term Liabilities	<u>\$ 239,733,732</u>	<u>\$ 15,610,668</u>	<u>\$ 11,661,875</u>	<u>\$ 243,682,525</u>	<u>\$ 6,332,575</u>
Business-Type Activities:					
Clean Water Fund Loans	\$ 23,804,054	\$ -	\$ 1,212,794	\$ 22,591,260	\$ 1,237,271
Compensated Absences	256,664	8,847	-	265,511	23,490
Net Pension Liability	2,049,894	-	474,915	1,574,979	-
Net OPEB Liability	1,032,689	-	134,133	898,556	-
Business-Type Activities Long-Term Liabilities	<u>\$ 27,143,301</u>	<u>\$ 8,847</u>	<u>\$ 1,821,842</u>	<u>\$ 25,330,306</u>	<u>\$ 1,260,761</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds Payable

A summary of general obligation bonds and notes outstanding for governmental and proprietary funds at June 30, 2024, is as follows:

Description	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Balance Outstanding June 30, 2024
Bonds Payable:					
2024 General Obligation Bonds	2/29/2024	2044	4.0 - 5.0%	\$ 14,000,000	\$ 14,000,000
2023 General Obligation Bonds	03/15/23	2043	4.0 - 5.0%	17,250,000	17,250,000
2022 General Obligation Bonds	05/11/22	2037	3.50 - 5.0%	7,000,000	6,500,000
2020 General Obligation Bonds	05/07/20	2040	1.15 - 2.55%	9,700,000	7,795,000
2019 General Obligation Bonds	05/14/19	2038	2.375 - 5.0%	7,850,000	5,660,000
2015 General Obligation Refunding Bonds	09/17/15	2027	3.00 - 4.0%	4,760,000	1,600,000
2016 General Obligation Refunding Bonds	07/07/16	2031	2.00 - 5.0%	12,840,000	5,000,000
Total Bonds Payable					<u>\$ 57,805,000</u>
Notes Payable:					
Clean Water Fund Notes 546-DC-3	06/30/22	2041	2.00%	11,905,382	\$ 10,881,310
Clean Water Fund Notes 546-DC	01/01/20	2040	2.00%	20,471,880	16,627,242
Clean Water Fund Notes 546-DC2	01/29/21	2041	2.00%	6,688,774	5,726,816
Clean Water Fund Notes 546-DC1	01/29/21	2041	2.00%	9,578,204	8,200,696
Clean Water Fund Notes 695-DC	02/17/17	2037	2.00%	2,076,689	1,476,563
Clean Water Fund Notes 611-C	03/01/11	2030	2.00%	1,123,491	396,665
Total Notes Payable					<u>\$ 43,309,292</u>

On February 29, 2024, the City issued \$14,000,000 in general obligation bonds to finance various City improvements. The bond matures on March 15, 2044 (interest rate of 4.0-5.0%).

All long-term liabilities are generally liquidated by the General Fund and Enterprise Fund.

The annual requirements to amortize bonds payable as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,980,000	\$ 2,277,447	\$ 6,257,447
2026	4,000,000	2,098,497	6,098,497
2027	4,875,000	1,901,121	6,776,121
2028	4,315,000	1,697,168	6,012,168
2029	4,300,000	1,508,277	5,808,277
2030-2034	19,335,000	5,239,261	24,574,261
2034-2039	12,015,000	2,117,760	14,132,760
2040-2044	4,985,000	444,950	5,429,950
Total	<u>\$ 57,805,000</u>	<u>\$ 17,284,481</u>	<u>\$ 75,089,481</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 233,064,000	\$ 59,688,000	\$ 173,376,000
Schools	466,128,000	78,381,000	387,747,000
Sewer	388,440,000	51,302,292	337,137,708
Urban Renewal	336,648,000	-	336,648,000
Pension Deficit	310,752,000	-	310,752,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, \$725,088,000.

The City has debt authorized and unissued bonds as of June 30, 2024, as follows:

Project	Amount of Total Debt Authorized	Bonds and Notes Issued	Paydowns/ Grants	Authorized But Unissued Debt
Sewer Improvements	\$ 72,260,000	\$ 50,310,084	\$ 15,486,358	\$ 6,463,558
East River Basin Sewers	4,100,000	2,038,245	532,605	1,529,150
Pavement Management Program	38,000,000	34,100,000	-	3,900,000
Torrington Middle School Roof and Window Replacement	1,400,000	700,000	-	700,000
Torrington High/Middle School Project	179,575,000	54,350,000	49,560,971	75,664,029
Total	<u>\$ 295,335,000</u>	<u>\$ 141,498,329</u>	<u>\$ 65,579,934</u>	<u>\$ 88,256,737</u>

Clean Water Fund Notes

The City has entered into six state of Connecticut Clean Water Fund serial notes outstanding. These notes were issued to finance the construction and improvement of sewer and water infrastructure. The notes specifically associated with construction of the Pollution Abatement Facility (546-DC notes) will be repaid 50% from the General Fund and 50% from the WPCA Enterprise Fund. All other Connecticut Clean Water Fund notes will be entirely repaid from the WPCA Enterprise Fund.

The annual requirements to amortize clean water fund notes for governmental and proprietary funds as of June 30, 2024, are as follows:

Year Ending June 30,	Clean Water Fund Loans					
	Government Activities		Business Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,080,845	\$ 404,490	\$ 1,237,271	\$ 440,525	\$ 2,318,116	\$ 845,015
2026	1,102,662	382,674	1,262,247	415,552	2,364,909	798,226
2027	1,124,919	360,417	1,287,725	390,074	2,412,644	750,491
2028	1,147,623	337,712	1,313,715	364,083	2,461,338	701,795
2029	1,170,788	314,547	1,340,233	337,565	2,511,021	652,112
2030-2034	6,218,098	1,208,578	6,855,127	1,280,483	13,073,225	2,489,061
2034-2039	6,871,490	555,188	7,293,334	570,476	14,164,824	1,125,664
2040-2044	2,001,607	37,265	2,001,608	37,266	4,003,215	74,531
Total	<u>\$ 20,718,032</u>	<u>\$ 3,600,871</u>	<u>\$ 22,591,260</u>	<u>\$ 3,836,024</u>	<u>\$ 43,309,292</u>	<u>\$ 7,436,895</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 LONG-TERM DEBT (CONTINUED)

Bond Anticipation Notes

On February 29, 2024, the City issued bond anticipation notes for \$34,350,000 with an interest rate of 4.0%. The bond anticipation notes are due on March 13, 2025.

Landfill Post-Closure Costs

State and federal laws and regulations require landfill closures to meet certain standards. The City landfill has been closed. The City has fulfilled its post-closure obligations and there are no estimated remaining costs. This amount is based on estimates, which are subject to change due to inflation, technology, or applicable laws and regulations.

Retirement Settlements

This amount represents scheduled payouts as well as eligible payouts to Board of Education retirees who have and are expected to take advantage of the City's retirement program. The amount is based on percentages applied to salaries after an employee meets certain age and years of service requirements.

NOTE 8 RISK MANAGEMENT

The City is exposed to various risks of loss including torts; public official liabilities; police liability; heart and hypertension claims; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss except medical benefits. The City established an internal service fund, health insurance fund, to account for and finance the retained risk of loss for the City's medical benefits claims.

A third-party administers the medical insurance plan for which the City pays a fee. The medical insurance fund provides coverage for most City employees. The City purchases individual stop loss coverage for claims over \$250,000. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years. There has been no reduction in insurance coverage from that in the prior year.

Changes in the balances of claims liabilities during the fiscal years ended June 30, 2024 and 2023, are as follows:

	Medical Insurance		Heart and Hypertension	
	2024	2023	2024	2023
Unpaid Claims - July 1	\$ 1,332,335	\$ 1,303,388	\$ 808,773	\$ 836,199
Incurred Claims (Including IBNR)	22,343,545	20,987,749	-	205,236
Claim Payments	(22,247,568)	(20,958,802)	(162,242)	(232,662)
Unpaid Claims - June 30	<u>\$ 1,428,312</u>	<u>\$ 1,332,335</u>	<u>\$ 646,531</u>	<u>\$ 808,773</u>

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 RISK MANAGEMENT (CONTINUED)

The claim reserves reported are based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

NOTE 9 TAX ABATEMENTS

The City currently has five individual agreements with local businesses that qualify under the implementation of GASB Statement No. 77, *Tax Abatement Disclosure*, for the purposes of providing services to its taxpayers. Details of the agreements are as follows:

	Property Owner/Local Business			
	Torrington Downtown Development Corp	Keystone Place at Newbury Brook LLC	Midland Group LLC	Bad Dog Brewing Comp.
Purpose	Tax Incentive Policy & Connecticut General Statutes Section 12-65b & 12-65h	To assist the municipality; to offer tax incentives to new or substantially renovated manufacturing facilities (Real Property)	To assist the municipality; to offer tax incentives to new or substantially renovated manufacturing facilities (Real Property)	To assist the municipality; to offer tax incentives to new or substantially renovated manufacturing facilities (Business Equipment)
2023 FY - Tax Being Abated	\$308,100 x .0479636= \$14,777.59	\$3,514,390 x .04797= \$168,562.80	\$420,820 x .0479636= \$20,184.04	\$34,080 X .0479636= \$1634.60
Authority Under Which Agreements Are Entered-Into	By Agreement	Connecticut General Statute § 12-81(60)	Connecticut General Statute § 12-81(60)	Connecticut General Statute § 12-81(60)
Eligibility Criteria for Tax Abatement	By Agreement	Must be approved by the State Dept. Of Economic and Community Development (DECD)	Must be approved by the State Dept. Of Economic and Community Development (DECD)	Must be approved by the State Dept. Of Economic and Community Development (DECD) Local Business w/real Property
How Recipients' Tax are Reduced	By Abatement	By Abatement	By Abatement	By Abatement
How the Tax Abatement is Determined	By Agreement	State set amount - 80%	State set amount - 80%	State set amount - 80%
Gross Dollar Amount on an Accrual Basis, Which the Government's Tax Revenues were Reduced as a Result of the Abatement Agreement	\$14,778	\$168,563	\$20,184 State Reimbursed at 50%	\$1,635 State Reimbursed at 50%

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

City Pension Plans

A. Plan Description and Benefits Provided

The City is the administrator of two single-employer, contributory, defined benefit pension plans. Plan provisions are established and amended by the plans' Boards of Trustees. The plans cover substantially all full-time employees except professional personnel at the Board of Education. The pension plans are part of the City's financial reporting entity and are accounted for in the pension trust funds as the Police and Firemen's Retirement, and the Municipal Employees' Retirement. Separate financial statements are not issued.

Management of the plan's rests with the Board of Trustees. The Police and Firemen's Retirement Plan Board of Trustees consists of the mayor, city treasurer, the four members of the Board of Public Safety, one member of the regular fire department to be chosen biennially by the members of the regular fire department, and one member of the police department to be chosen biennially by the members of the regular police department. The Municipal Employees' Retirement Plan Board of Trustees is made up of 10 members consisting of the mayor, city treasurer, the six members of the Board of Councilmen, one street department employee, and one city hall employee, which are chosen biennially by the employees participating in the benefits.

Police and Firemen's Retirement

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The Plan provides normal retirement, death, and disability benefits through a single-employer contributory defined benefit plan. All regular employees of the Police Department and regular employees of the Fire Department hired before June 8, 2009, are participants of the Plan. The retirement benefit is calculated at 2% of the member's highest one year compensation during the final five years of employment multiplied by years of service. Effective September 8, 2000, all police members who have not yet reached the 25th anniversary of date of hire shall have years of service (including any buyback service) maximized at 27 years. In addition, effective September 8, 2005, the benefit for police members shall be based on a salary that is the average annual compensation during the three-year period immediately preceding separation from service. Also, effective September 8, 2000, police members may buy back City service, for benefit accrual purposes only, during the year following September 8, 2000, or during the first year of employment for police hired after that date subject to the restrictions in the Plan. Normal Retirement Age is 55 with 10 years of service or following the completion of 25 years of continuous service. Participants are 100% vested in their accrued benefit after 10 years of service. Benefits and contributions are established by the City and may be amended by the City. The City has not given any postretirement benefit increase. Effective May 5, 2008, participants are required to contribute 8% of their gross pay and the yearly credit was raised to 2.5% up to a maximum of 27 years of credited service.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Police and Firemen's Retirement (Continued)

The retirement age assumption for public safety employees is the earlier of (a) 25 years of service but not before age 53 (fire) and age 57 to the earlier of 25 years of service but not before 51 (police) and age 57.

Effective May 5, 2008, for police members, the percentage for the yearly credit is 2.5% as shown above; however, the service is maximized at 27 years, a 10-years of service requirement was added to the disability benefit, and they must contribute 8% of compensation for a maximum of 27 years. For the period May 5, 2008, through May 4, 2011, no more than five police members may retire annually under this provision.

Effective September 4, 2015, employees shall pay an employee contribution of four (4%) of pay after attaining 25 and before 27 years of service.

Commencing July 1, 2017, overtime earning of the retiree in excess of a cap calculated by multiplying a Police Lieutenant's annual base pay existing in the year of retirement by 52%.

Municipal Employees' Retirement

The City is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is included in the City's financial reports as a pension trust fund. The Plan provides normal retirement, early retirement, termination, and death benefits through a single-employer contributory defined benefit plan. All members of Public Works Employees' and City Hall and School Maintenance and Custodial Employees' Local #1579 and their supervisory employees hired prior to September 2, 2008, are members of the Plan. New employees are no longer eligible for this plan. The retirement benefit for all aforementioned employees other than supervisory employees is calculated at 2% of the participant's average monthly earnings during the final three years of employment multiplied by years of service with a minimum annual benefit of \$240 per year of service, maximum 35 years. Benefits for supervisory employees are based the highest of the last three years of annual gross earnings. Normal Retirement Age is age 65 or following age 60 with 25 years of service. Participants are 100% vested in their accrued benefit after five years of continuous service as long as their employee contributions remain in the fund upon termination. Member's contributions are returnable on termination or death while active or retired (less any benefits paid) provided in each case that no death benefits are otherwise payable. Benefits and contributions are established by the City and may be amended by the City. The City has not given any postretirement benefit increases.

The July 1, 2022, actuarial valuation reflects changes in mortality tables from Scale MP-2020 to Scale MP-2021.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Municipal Employees' Retirement (Continued)

The membership of the plan consisted of the following at July 1, 2022:

	<u>Municipal Employees</u>	<u>Police and Firemen</u>
Retirees, Disabled Employees and Beneficiaries Receiving Benefits	150	169
Terminated Plan Members Entitled to Benefits But Not Yet Receiving Them	10	5
Current Active Members	58	75
Total Members	<u>218</u>	<u>249</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

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

C. Funding Policy

Municipal Employees' Retirement

Member contributions of 5% of gross weekly earnings are required. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined through biennial valuations.

Police and Firemen's Retirement

Member contributions of 8% of gross weekly earnings are required. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined through biennial valuations.

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Trustees' adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation	
	Municipal Employees	Police and Firemen
U.S. Large Cap Equities	36.66 %	36.66 %
U.S. Mid/Small Cap Equities	5.84	5.84
Developed International Equities	17.50	17.50
Intermediate Corporate Fixed Income	30.15	30.15
International Bonds	4.85	4.85
Real Estate	5.00	5.00
Total	100.00 %	100.00 %

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.08% for the Municipal Employees' Plan and 12.67% for the Police and Firemen's' Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2024, were as follows:

	Municipal Employees	Police and Firemen
Total Pension Liability	\$ 55,687,310	\$ 116,507,099
Plan Fiduciary Net Position	45,188,809	78,086,901
Net Pension Liability	\$ 10,498,501	\$ 38,420,198
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%	67.02%

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

E. Net Pension Liability of the City (Continued)

The net pension liability of the Municipal Employees Plan is split between governmental activities and business-type activities as \$8,923,522 and \$1,574,979, respectively.

Actuarial Assumptions

The total pension liability was measured on June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	2.40% - 6.40%, Depending on Age and Includes Inflation
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expense, Including Inflation

Mortality Rates were based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, with separate tables for public safety, projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022, valuation were based on a review of available experience. No experience study could be performed due to insufficient credible data.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equities	5.00 %
U.S. Mid/Small Cap Equities	5.30
Developed International Equities	6.40
Intermediate Corporate Fixed Income	2.30
International Bonds	1.20
Real Estate	4.90

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

E. Net Pension Liability of the City (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Municipal Employees' Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 55,349,164	\$ 42,959,986	\$ 12,389,178
Changes for the Year:			
Service Cost	553,530	-	553,530
Interest on Total Pension Liability	3,643,205	-	3,643,205
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions	-	1,314,080	(1,314,080)
Member Contributions	-	185,492	(185,492)
Net Investment Income	-	4,618,642	(4,618,642)
Benefit Payments, Including Refund to Employee			
Contributions	(3,858,589)	(3,858,589)	-
Administrative Expenses	-	(30,802)	30,802
Net Changes	338,146	2,228,823	(1,890,677)
Balances - June 30, 2024	\$ 55,687,310	\$ 45,188,809	\$ 10,498,501

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

E. Net Pension Liability of the City (Continued)

Discount Rate (Continued)

	Police and Firemen's Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 114,684,910	\$ 71,837,252	\$ 42,847,658
Changes for the Year:			
Service Cost	1,718,348	-	1,718,348
Interest on Total Pension Liability	7,604,086	-	7,604,086
Differences Between Expected and Actual Experience	-	-	-
Employer Contributions	-	4,594,642	(4,594,642)
Member Contributions	-	537,580	(537,580)
Net Investment Income	-	8,669,384	(8,669,384)
Benefit Payments, Including Refund to Employee Contributions	(7,500,245)	(7,500,245)	-
Administrative Expenses	-	(51,712)	51,712
Net Changes	1,822,189	6,249,649	(4,427,460)
Balances - June 30, 2024	<u>\$ 116,507,099</u>	<u>\$ 78,086,901</u>	<u>\$ 38,420,198</u>

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

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

	One Percent Decrease 5.75%	Current Discount Rate 6.75%	One Percent Increase 7.75%
Municipal Employees:			
City's Net Pension Liability	\$ 15,960,308	\$ 10,498,501	\$ 5,810,558
Police and Firemen:			
City's Net Pension Liability	51,446,621	38,420,198	27,506,013

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

F. Financial Information for the Separate Plans

	Police and Firemen	Municipal Employees	OPEB Trust Fund	Total
Assets:				
Cash and Cash Equivalents	\$ -	\$ 197,582	\$ 38,661	\$ 236,243
Investments	78,873,653	44,990,366	1,850,827	125,714,846
Receivables	3	1	-	4
Total Assets	78,873,656	45,187,949	1,889,488	125,951,093
Liabilities:				
Due to Other Funds	786,755	-	-	786,755
Accounts and Other Payables	-	(860)	3,132	2,272
Total Liabilities	786,755	(860)	3,132	789,027
Net Assets Held in Trust for Pension and OPEB Benefits	\$ 78,086,901	\$ 45,188,809	\$ 1,886,356	\$ 125,162,066
Contributions:				
Employer	\$ 4,594,642	\$ 1,314,080	\$ 6,090,270	\$ 11,998,992
Employee	537,580	185,492	163,725	886,797
Total Contributions	5,132,222	1,499,572	6,253,995	12,885,789
Investment Income:				
Net Appreciation in Fair Value of Investments	8,669,384	4,618,642	223,416	13,511,442
Total Additions	13,801,606	6,118,214	6,477,411	26,397,231
Deductions:				
Benefit Payments and Withdrawals	7,500,245	3,858,589	6,220,995	17,579,829
Administration	51,712	30,802	540	83,054
Total Deductions	7,551,957	3,889,391	6,221,535	17,662,883
Net Increase	6,249,649	2,228,823	255,876	8,734,348
Net Assets Held in Trust for Pension and OPEB Benefits - Beginning of Year	71,837,252	42,959,986	1,630,480	116,427,718
Net Assets Held in Trust for Pension and OPEB Benefits - End of Year	\$ 78,086,901	\$ 45,188,809	\$ 1,886,356	\$ 125,162,066

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City Pension Plans (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense for the Municipal Employee Plan and Police and Firemen's Plan of \$1,514,818 and \$4,359,965, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Municipal Employees			
	Government Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 97,114	\$ -	\$ 17,140
Total	\$ -	\$ 97,114	\$ -	\$ 17,140

	Police and Firemen	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 18,311	\$ -
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	984,731
Total	\$ 18,311	\$ 984,731

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

<u>Year Ending June 30,</u>	<u>Municipal Employees</u>	<u>Police and Firemen</u>	<u>Total</u>
2025	\$ (207,800)	\$ (491,427)	\$ (699,227)
2026	1,158,113	1,674,006	2,832,119
2027	(704,667)	(1,368,592)	(2,073,259)
2028	(359,900)	(780,407)	(1,140,307)
Total	\$ (114,254)	\$ (966,420)	\$ (1,080,674)

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut's 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.

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.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut's Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

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, 2024, the amount of "on-behalf" contributions made by the state was \$11,612,950 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, 2024, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	125,158,555
Total	<u>\$ 125,158,555</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the City has no proportionate share of the net pension liability.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut's Teachers Retirement System – Pension (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense and revenue of \$11,983,207 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, 2023, 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.

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%.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut's Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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:

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

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.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut's Teachers Retirement System – Pension (Continued)

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

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

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 City has no obligation to contribute to the plan.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

City OPEB Plan

A. Plan Description

The City, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses. The City's Postretirement Medical Program (RMP) covers City, Board of Education, Police, and Fire employees. Retired program members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits under the City's self-insured medical benefits program. The percentage contribution of the employees and retirees for these benefits vary and are detailed with the City's various bargaining agreements. The City does not issue a separate stand-alone financial statement for this program.

At July 1, 2022, plan membership consisted of the following:

	Postretirement Medical Program
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	589
Active Plan Members	846
Total Members	<u>1,435</u>

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

B. Funding Policy

The City's postemployment benefits are accounted for as a pay-as-you-go basis. The City has established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The contribution requirement of the plan members and the City have also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums.

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

- City Hall employees and Public Works Employees contribute an average 13% of the contribution for medical and dental coverage to age 65 with none at ages 65 and older. They are eligible to receive medical coverage under various CIGNA medical plans and an Anthem dental plan to age 65. At age 65, if eligible, they are enrolled in an Anthem Medicare supplemental plan. They also receive life insurance benefits of \$10,000 - \$15,000 at no cost to the retiree.
- Police and Fire employees who meet certain criteria for retirement are eligible to receive medical coverage under various CIGNA medical plans and an Anthem dental plan to age 65. At age 65, if eligible, they are enrolled in an Anthem Medicare supplemental plan. They also receive life insurance benefits of \$3,000 at no cost to the retiree. Eligibility for normal retirement or early retirement is age 55 with 10 years of service or they qualify under disability retirement.
- City supervisory employees who meet certain criteria for retirement are eligible to receive medical coverage under various medical plans, dependent on whether they are under or over age 65, dental coverage only until they reach age 65. They also receive life insurance benefits after retirement of up to \$30,000 at no cost to the employee. Eligibility for normal retirement or early retirement is age 55 with 10 years of service or they qualify under disability retirement.
- Teachers are eligible for medical and dental coverage if they retire under the State Teacher's Plan and must contribute 100% of the cost for this coverage.
- Board of Education Cafeteria employees are eligible for medical and dental coverage if they retire at age 60 with 10 years of service or qualify under disability retirement and must contribute 100% of the cost for this coverage.
- Board of Education Custodians who retire age 55 with 20 years or qualify under disability retirement can receive dental coverage to age 65 and medical coverage for ages 65 and over and must contribute 7% of the contribution. They may also receive life insurance benefits of \$5,000.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

B. Funding Policy (Continued)

- Board of Education Nurses and paraprofessionals who retire age 60 with 10 years of service or qualify under disability retirement can receive medical benefits with a 25% contribution rate up to age 65 with their spouse at 100%, dental coverage at 25% of the contribution only until they reach the age of 65, and life insurance benefits of \$5,000.

C. Investments

Investment Policy

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB Committee. It is the policy of the OPEB Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 13.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability of the City at June 30, 2024, were as follows:

Total OPEB Liability	\$ 110,483,233
Plan Fiduciary Net Position	1,886,356
Net OPEB Liability	<u><u>\$ 108,596,877</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.71%
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The City recorded the net OPEB liability within the governmental activities and business-type activities as \$107,698,321 and \$898,556, respectively.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

D. Net OPEB Liability of the City (Continued)

Actuarial Assumptions

The total OPEB liability at June 30, 2024, was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	Graded by Age
Investment Rate of Return	3.93% (prior 3.65%)
Health Care Cost Trend Rates	6.50% Decreasing .20% Per Year to an Ultimate Rate of 4.40% for 2033 and later.

Mortality rates were as follows:

City and Board of Education Noncertified: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, projected to the valuation date with Scale MP-2021.

Police and Fire: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Safety Employees, projected to the valuation date with Scale MP-2021.

Board of Education Certified and Administrators: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Teachers, projected to the valuation date with Scale MP-2021.

The plan has not had a formal actuarial experience study performed.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2024, are summarized in the following table:

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

D. Net OPEB Liability of the City (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	31.50 %	5.00 %
U.S. Mid/Small Cap	13.50	5.30
Developed International Equities	20.00	6.40
Intermediate Corporate Fixed Income	21.35	2.30
Intermediate Government Fixed Income	13.65	1.80
Total	100.00 %	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% (prior: 3.65%). The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances - July 1, 2023	\$ 110,837,345	\$ 1,630,480	\$ 109,206,865
Changes for the Year:			
Service Cost	4,125,086	-	4,125,086
Interest on Total Pension Liability	4,083,613	-	4,083,613
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,725,028	-	1,725,028
Changes in Assumptions	(4,066,844)	-	(4,066,844)
Employer Contributions	-	6,090,270	(6,090,270)
Member Contributions	-	163,725	(163,725)
Net Investment Income	-	223,416	(223,416)
Benefit Payments, Including Refund to Employee Contributions	(6,220,995)	(6,220,995)	-
Administrative Expenses	-	(540)	540
Net Changes	(354,112)	255,876	(609,988)
Balances - June 30, 2024	\$ 110,483,233	\$ 1,886,356	\$ 108,596,877

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

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

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

	One Percent Decrease 2.93%	Current Discount Rate 3.93%	One Percent Increase 4.93%
City's Net OPEB Liability	<u>\$ 124,314,783</u>	<u>\$ 108,596,877</u>	<u>\$ 95,840,421</u>

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

	Health Care Cost Trend Rates		
	5.50% Decreasing to 3.40%	6.50% Decreasing to 4.40%	7.50% Decreasing to 5.40%
City's Net OPEB Liability	<u>\$ 93,196,416</u>	<u>\$ 108,596,877</u>	<u>\$ 127,979,032</u>

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$2,182,559. At June 30, 2024, the City reported deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities Deferred Inflows of Resources	Business-Type Activities Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 10,797,413	\$ 90,086
Changes of Assumptions	11,376,194	94,915
Net Difference Between Projected and Actual Earning on Pension Plan Investments	173,999	1,452
Total	<u>\$ 22,347,606</u>	<u>\$ 186,453</u>

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City OPEB Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 1,396,475	\$ 11,651
Changes of Assumptions	2,684,100	22,394
Total	<u>\$ 4,080,575</u>	<u>\$ 34,045</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>
2025	\$ 8,991,875
2026	6,189,419
2027	2,856,700
2028	381,445
Total	<u>\$ 18,419,439</u>

State Teachers Retirement Plan

A. Plan Description

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

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

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.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

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

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

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

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.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

State Teachers Retirement Plan (Continued)

C. Eligibility (Continued)

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$158,029 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.

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

State Teachers Retirement Plan (Continued)

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

At June 30, 2024, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	11,725,638
Total	<u>\$ 11,725,638</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of \$(1,381,356) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
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	2028

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

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

State Teachers Retirement Plan (Continued)

F. Actuarial Assumptions (Continued)

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

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

- Discount rate changed from 3.53% to 3.64%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

State Teachers Retirement Plan (Continued)

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. 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, 2023.

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 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

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

J. Other Information

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

CITY OF TORRINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 FUND BALANCE CLASSIFICATIONS

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

	General Fund	Bonded Projects	WPCA Infrastructure Projects	American Rescue Plan Act	Torrington High School Renovation	Nonmajor Governmental Funds	Total
Fund Balances:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,992	\$ 13,992
Restricted for:							
Trust Purposes	-	-	-	-	-	4,908	4,908
Grants	-	-	-	-	-	8,821,963	8,821,963
Capital Projects		7,859,144	-	-	12,788,457		20,647,601
Committed to:							
General Government	154,125	-	-	-	-	1,622,548	1,776,673
Public Safety	-	-	-	-	-	553,692	553,692
Public Works	-	-	-	-	-	123,256	123,256
Capital Projects	-	4,029,035	-	-	-	20,930,568	24,959,603
Health and Social Services	-	-	-	-	-	642,256	642,256
Recreation	-	-	-	-	-	1,664,562	1,664,562
Assigned to:							
Education	119,129	-	-	-	-	-	119,129
General Government	448,934	-	-	-	-	-	448,934
Public Safety	244,776	-	-	-	-	-	244,776
Public Works	80,844	-	-	-	-	-	80,844
Health and Social Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Subsequent Years Budget	3,900,000	-	-	-	-	-	3,900,000
Unassigned	16,282,001	-	-	-	(41,208,668)	(1,062,168)	(25,988,835)
Total Fund Balances	<u>\$ 21,229,809</u>	<u>\$ 11,888,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,420,211)</u>	<u>\$ 33,315,577</u>	<u>\$ 38,013,354</u>

Encumbrances outstanding at year-end of \$358,025 are reported as assigned fund balance.

NOTE 13 CONTINGENT LIABILITIES

The City is a party to various legal proceedings which involve claims against the City. In those cases where a loss is probable and measurable, a liability has been recorded. It is the opinion of City management and the City attorney that the ultimate resolution of remaining litigation will not have a material effect on the financial position of the City.

NOTE 14 SUBSEQUENT EVENTS

On September 30, 2024, the Board of Education will no longer be a part of the City's Self Insurance Plan. The Internal Service Fund reserve attributable to the Board of Education will be calculated after adjustments are made for transitional claims with approval from the City Council and Board of Finance and returned if necessary. The Board of Education has obtained insurance coverage for school district employees effective September 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property Taxes:				
Property Taxes	\$ 99,789,271	\$ 99,789,271	\$ 99,507,329	\$ (281,942)
Motor Vehicle Supplemental Tax	1,136,100	1,136,100	1,239,602	103,502
Total Property Taxes	100,925,371	100,925,371	100,746,931	(178,440)
Intergovernmental:				
Federal and State Grants:				
Pequot Fund Grant	196,642	196,642	196,642	-
Stabilization Grant	72,539	72,539	72,539	-
In Lieu of Taxes	1,330,234	1,330,234	1,326,312	(3,922)
Disabled Persons	8,500	8,500	9,165	665
MRSA Motor Vehicle	5,155,675	5,155,675	6,134,330	978,655
Municipal Grants in Aid	605,345	605,345	605,345	-
Distressed Municipalities	-	-	4,769	4,769
Additional Veterans' Grants	33,000	33,000	35,768	2,768
Enterprise Zones	75,000	75,000	10,361	(64,639)
Streetlights	1,045	1,045	-	(1,045)
Total Federal and State Grants	7,477,980	7,477,980	8,395,231	917,251
Board of Education Grants:				
Special Education	1,500,000	1,500,000	2,026,311	526,311
Education Cost Sharing	23,449,732	23,449,732	23,316,540	(133,192)
Nonpublic Health and Welfare	25,000	25,000	16,243	(8,757)
Total Board of Education Grants	24,974,732	24,974,732	25,359,094	384,362
Total Intergovernmental	32,452,712	32,452,712	33,754,325	1,301,613
General Government:				
Telephone Access Lines	78,000	78,000	120,257	42,257
Group Insurance Workers Compensation	450,000	450,000	525,421	75,421
Insurance Refund	105,000	105,000	-	(105,000)
Probate	31,986	31,986	31,012	(974)
Building Fees	505,500	505,500	969,098	463,598

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

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
General Government Continued:				
Planning and Zoning	\$ 35,000	\$ 35,000	\$ 32,045	\$ (2,955)
City Clerk	925,000	925,000	829,151	(95,849)
City Real Estate	30,000	30,000	14,488	(15,512)
Miscellaneous	153,500	153,500	73,072	(80,428)
State Mandated Fees	436,000	436,000	336,000	(100,000)
Auction Proceeds	-	-	-	-
Municipal Cannabis Tax	100,000	100,000	48,816	(51,184)
Total General Government	2,849,986	2,849,986	2,979,360	129,374
Public Safety:				
Parking Authority	85,000	85,000	123,351	38,351
Canine - Hotchkiss Trust	2,500	2,500	2,500	-
Fire Outside Duty	-	-	-	-
Fire Workers Compensation and Insurance	170,000	170,000	202,781	32,781
Police Tickets and Permits	60,000	60,000	74,949	14,949
School Bus Violations	-	-	860	860
Civilian Fingerprinting	20,000	20,000	30,990	10,990
Police - Outside Duty	170,000	170,000	5,137	(164,863)
Police Workers Compensation and Insurance	200,000	200,000	259,572	59,572
Miscellaneous-Testing	25,000	25,000	35,021	10,021
Total Public Safety	732,500	732,500	735,161	2,661
Public Works:				
MIRA Fees (Formerly CRRA)	35,000	35,000	14,086	(20,914)
Workers Compensation and Insurance	40,000	40,000	90,517	50,517
Street Openings	10,000	10,000	-	(10,000)
Engineering	100	100	34	(66)
Street Department Miscellaneous Fees	5,000	5,000	21,803	16,803
Miscellaneous Charges	2,000	2,000	4,538	2,538
Recycling Income	36,259	36,259	36,847	588
Free-Waste Receptacles	21,875	21,875	7,134	(14,741)
Total Public Works	150,234	150,234	174,959	24,725
Investment Income	1,750,000	1,750,000	2,250,896	500,896
Recreation:				
Swimming Fees	12,000	12,000	9,385	(2,615)

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

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Education:				
Workers Compensation and Insurance	\$ 2,100,000	\$ 2,100,000	\$ 1,722,320	\$ (377,680)
Use of Prior Year Fund Balance	1,900,000	1,900,000	-	(1,900,000)
Total Revenues	142,872,803	142,872,803	142,373,337	(499,466)
OTHER FINANCING SOURCES				
Operating Transfer In	3,618,000	3,618,000	3,491,000	(127,000)
Total Other Financing Sources	3,618,000	3,618,000	3,491,000	(127,000)
Total Revenues and Other Financing Sources	\$ 146,490,803	\$ 146,490,803	145,864,337	\$ (626,466)
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut Teachers' Retirement System to Town Teachers pension on-behalf payments are not budgeted.			11,612,950	
State of Connecticut Teachers' Retirement System to Town Teachers OPEB on-behalf payments are not budgeted.			158,029	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			57,205	
Revaluation fund revenues are not budgeted			8,825	
The City does not budget for certain interfund transfers			135,264	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit IV)			\$ 157,836,610	

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

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
Assessor	\$ 380,865	\$ 386,411	\$ 365,334	\$ 21,077
Board of Assessment	4,400	4,400	1,170	3,230
Boards and Agencies	417,932	417,932	346,126	71,806
Building	454,711	457,812	469,158	(11,346)
City Real Estate	252,956	252,956	212,992	39,964
City Clerk	779,683	779,683	757,819	21,864
Comptroller	379,425	425,351	497,178	(71,827)
Corporate Counsel	190,930	190,930	178,252	12,678
Mayor	236,564	236,564	235,940	624
Personnel	320,512	320,512	282,532	37,980
Planning and Zoning	374,789	380,374	370,924	9,450
Purchasing	127,878	129,172	109,485	19,687
Registrars	186,922	186,922	167,410	19,512
Services for the Elderly	363,913	365,484	325,156	40,328
Treasurer	60,558	60,558	83,917	(23,359)
Information Services	967,381	968,888	1,023,107	(54,219)
Economic Development	168,614	168,614	106,974	61,640
Probate	57,900	57,900	55,491	2,409
Citywide Services	24,064	24,064	20,574	3,490
Total General Government	5,749,997	5,814,527	5,609,539	204,988
Public Safety:				
Public Safety Miscellaneous	1,895,000	1,895,000	1,666,783	228,217
Emergency Management	40,863	40,863	32,670	8,193
Fire	5,826,727	6,039,069	6,120,207	(81,138)
Fire - Volunteers	88,500	88,500	82,727	5,773
Police	9,828,346	10,249,235	9,608,853	640,382
Animal Control	352,761	352,761	328,121	24,640
Traffic Management	541,274	541,274	444,320	96,954
Total Public Safety	18,573,471	19,206,702	18,283,681	923,021
Public Works:				
Administration	182,593	182,593	173,603	8,990
City Hall	365,725	365,725	350,326	15,399
Engineering	824,043	830,612	698,271	132,341
Landfill	1,830,150	1,830,150	1,823,007	7,143
San Sewer / St Lights	192,100	192,100	221,993	(29,893)
Streets	6,282,818	6,287,359	6,095,312	192,047
Total Public Works	9,677,429	9,688,539	9,362,512	326,027
Public Health and Social Services:				
Health	3,682,238	3,682,238	3,490,493	191,745
Employee Benefits and Insurance:				
Insurance	1,650,017	1,650,017	1,778,632	(128,615)
Pension and Benefits	10,225,366	9,513,661	9,436,166	77,495
Total Employee Benefits and Insurance	11,875,383	11,163,678	11,214,798	(51,120)

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

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Recreation	\$ 649,191	\$ 652,025	\$ 501,725	\$ 150,300
Tax Collector Contract	645,600	645,600	818,576	(172,976)
Board of Education	79,472,698	79,472,698	78,726,444	746,254
Second Part Budget: Contingency	315,503	315,503	147,744	167,759
Debt Service:				
Bond Redemption	3,969,481	3,969,481	3,969,460	21
Interest	2,908,911	2,908,911	2,907,128	1,783
Total Debt Service	6,878,392	6,878,392	6,876,588	1,804
Total Expenditures	137,519,902	137,519,902	135,032,100	2,487,802
OTHER FINANCING USES				
Operating Transfers Out:				
Pension	5,323,848	5,323,848	5,323,848	-
OPEB	33,000	33,000	33,000	-
Capital Reserve	2,496,503	2,496,503	2,496,503	-
Capital Projects	25,550	25,550	25,550	-
Revaluation	73,000	73,000	73,000	-
Vehicle Replacement	800,000	800,000	800,000	-
Brownsfield	67,000	67,000	67,000	-
Bridge Fund	150,000	150,000	150,000	-
Evictions	2,000	2,000	2,000	-
Total Other Financing Uses	8,970,901	8,970,901	8,970,901	-
Total Expenditures and Other Financing Sources	<u>\$ 146,490,803</u>	<u>\$ 146,490,803</u>	144,003,001	<u>\$ 2,487,802</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut Teachers' Retirement System to Town Teachers pension on-behalf payments are not budgeted.	11,612,950
State of Connecticut Teachers' Retirement System to Town Teachers OPEB on-behalf payments are not budgeted.	158,029
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	(22,273)
The City does not budget for accrued payroll services or early retirement settlements at year-end. The accrued liabilities are charged to the subsequent year's budget. These amounts are recorded as a current year expenditure for financial statement purposes.	(1,203,675)
The City does not budget for certain interfund transfers	135,264
The City does not budget for the Revaluation Fund expenditures that are consolidated in the general fund for reporting purposes.	19,800
Transfers to the revaluation fund are budgeted by the City but eliminated for GASB54	(73,000)
Total Expenditures and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit IV)	<u>\$ 154,630,096</u>

CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost	\$ 847,373	\$ 832,714	\$ 903,306	\$ 874,813	\$ 901,057	\$ 780,679	\$ 794,759	\$ 678,900	\$ 695,193	\$ 553,530
Interest	3,388,757	3,319,339	3,447,081	3,415,694	3,522,098	3,472,866	3,544,230	3,547,095	3,588,588	3,643,205
Differences Between Expected and Actual Experience	(2,700,565)	-	(587,142)	-	(1,408,862)	-	(601,938)	-	473,030	-
Changes of Assumptions	(2)	-	63,642	-	1,212,207	-	1,702,734	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,455,752)	(2,436,843)	(2,557,951)	(2,734,956)	(2,963,273)	(3,185,553)	(3,310,705)	(3,501,771)	(3,753,407)	(3,858,589)
Net Change in Total Pension Liability	(920,189)	1,715,210	1,268,936	1,555,551	1,263,227	1,067,992	2,129,080	724,224	1,003,404	338,146
Total Pension Liability - Beginning	45,541,729	44,621,540	46,336,750	47,605,686	49,161,237	50,424,464	51,492,456	53,621,536	54,345,760	55,349,164
Total Pension Liability - Ending	44,621,540	46,336,750	47,605,686	49,161,237	50,424,464	51,492,456	53,621,536	54,345,760	55,349,164	55,687,310
Plan Fiduciary Net Position:										
Contributions - Employer	2,130,792	1,521,271	1,360,145	1,216,031	1,249,364	1,308,154	1,253,562	1,227,984	1,318,278	1,314,080
Contributions - Member	362,688	353,195	334,994	311,644	288,210	261,235	246,467	225,897	201,782	185,492
Net Investment Income	728,798	(256,752)	4,225,538	3,072,208	2,703,655	1,243,092	9,648,548	(6,077,354)	4,403,100	4,618,642
Benefit Payments, Including Refunds of Member Contributions	(2,455,752)	(2,436,843)	(2,557,951)	(2,734,956)	(2,963,273)	(3,185,553)	(3,310,705)	(3,501,771)	(3,753,407)	(3,858,589)
Administrative Expense	(36,205)	(25,797)	(25,163)	(34,764)	(42,869)	(35,763)	(45,323)	(37,538)	(38,592)	(30,802)
Other	-	9,258	(61,594)	-	185	33	-	-	-	-
Net Change in Plan Fiduciary Net Position	730,321	(835,668)	3,275,969	1,830,163	1,235,272	(408,802)	7,792,549	(8,162,782)	2,131,161	2,228,823
Plan Fiduciary Net Position - Beginning	35,371,803	36,102,124	35,266,456	38,542,425	40,372,588	41,607,860	41,199,058	48,991,607	40,828,825	42,959,986
Plan Fiduciary Net Position - Ending	36,102,124	35,266,456	38,542,425	40,372,588	41,607,860	41,199,058	48,991,607	40,828,825	42,959,986	45,188,809
Net Pension Liability - Ending	\$ 8,519,416	\$ 11,070,294	\$ 9,063,261	\$ 8,788,649	\$ 8,816,604	\$ 10,293,398	\$ 4,629,929	\$ 13,516,935	\$ 12,389,178	\$ 10,498,501
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.91%	76.11%	80.96%	82.12%	82.52%	80.01%	91.37%	75.13%	77.62%	81.15%
Covered Payroll	\$ 7,508,384	\$ 7,180,419	\$ 6,941,007	\$ 7,149,237	\$ 5,743,293	\$ 5,915,592	\$ 4,846,634	\$ 4,962,953	\$ 4,070,560	\$ 4,168,253
Net Pension Liability as a Percentage of Covered Payroll	113.47%	154.17%	130.58%	122.93%	153.51%	174.00%	95.53%	272.36%	304.36%	251.87%

CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE AND FIRE EMPLOYEES
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost	\$ 1,562,617	\$ 1,629,262	\$ 1,777,628	\$ 1,884,618	\$ 1,941,156	\$ 1,906,156	\$ 1,940,534	\$ 1,837,260	\$ 1,881,342	\$ 1,718,348
Interest	5,915,425	6,279,584	6,453,191	6,835,726	7,049,160	6,942,101	7,142,154	7,253,221	7,441,007	7,604,086
Changes of Benefit Terms	-	-	(127,841)	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	2,967,870	-	2,581,055	-	(3,641,245)	-	(785,093)	750,000	201,429	-
Changes of Assumptions	-	-	3,158,910	-	2,581,740	-	3,431,059	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,622,992)	(5,692,476)	(5,689,529)	(5,723,688)	(5,942,245)	(5,963,189)	(6,086,286)	(7,065,773)	(6,389,330)	(7,500,245)
Net Change in Total Pension Liability	4,822,920	2,216,370	8,153,414	2,996,656	1,988,566	2,885,068	5,642,368	2,774,708	3,134,448	1,822,189
Total Pension Liability - Beginning	80,070,392	84,893,312	87,109,682	95,263,096	98,259,752	100,248,318	103,133,386	108,775,754	111,550,462	114,684,910
Total Pension Liability - Ending	84,893,312	87,109,682	95,263,096	98,259,752	100,248,318	103,133,386	108,775,754	111,550,462	114,684,910	116,507,099
Plan Fiduciary Net Position:										
Contributions - Employer	3,926,071	3,795,161	3,599,764	4,128,371	4,139,371	4,283,329	4,291,829	4,292,329	4,610,323	4,594,642
Contributions - Member	712,134	715,430	709,907	689,105	683,800	677,458	680,921	627,937	563,685	537,580
Net Investment Income (Loss)	1,178,199	(485,726)	6,165,567	4,395,741	4,019,188	1,899,098	15,345,780	(10,022,443)	7,337,569	8,669,384
Benefit Payments, Including Refunds of Member Contributions	(5,622,992)	(5,692,476)	(5,689,529)	(5,723,688)	(5,942,245)	(5,963,189)	(6,086,286)	(7,065,773)	(6,389,330)	(7,500,245)
Administrative Expense	(45,702)	(36,760)	(43,794)	(49,604)	(59,216)	(53,425)	(64,465)	(61,403)	(56,155)	(51,712)
Other	(1)	13,871	44,709	-	43	158	-	-	-	-
Net Change in Plan Fiduciary Net Position	147,709	(1,690,500)	4,786,624	3,439,925	2,840,941	843,429	14,167,779	(12,229,353)	6,066,092	6,249,649
Plan Fiduciary Net Position - Beginning	53,464,606	53,612,315	51,921,815	56,708,439	60,148,364	62,989,305	63,832,734	78,000,513	65,771,160	71,837,252
Plan Fiduciary Net Position - Ending	53,612,315	51,921,815	56,708,439	60,148,364	62,989,305	63,832,734	78,000,513	65,771,160	71,837,252	78,086,901
Net Pension Liability - Ending	<u>\$ 31,280,997</u>	<u>\$ 35,187,867</u>	<u>\$ 38,554,657</u>	<u>\$ 38,111,388</u>	<u>\$ 37,259,013</u>	<u>\$ 39,300,652</u>	<u>\$ 30,775,241</u>	<u>\$ 45,779,302</u>	<u>\$ 42,847,658</u>	<u>\$ 38,420,198</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.15%	59.61%	59.53%	61.21%	62.83%	61.89%	71.71%	58.96%	62.64%	67.02%
Covered Payroll	\$ 10,060,356	\$ 8,797,081	\$ 9,031,565	\$ 9,302,512	\$ 8,407,304	\$ 8,659,523	\$ 8,304,057	\$ 8,503,354	\$ 8,090,549	\$ 8,284,722
Net Pension Liability as a Percentage of Covered Payroll	310.93%	399.99%	426.89%	409.69%	443.17%	453.84%	370.60%	538.37%	529.60%	463.75%

**CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION PLANS
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Municipal Employees:										
Actuarially Determined Contribution	\$ 1,756,607	\$ 1,349,133	\$ 1,185,738	\$ 1,195,733	\$ 1,195,733	\$ 1,241,462	\$ 1,241,462	\$ 1,318,830	\$ 1,318,830	\$ 1,261,262
Contributions in Relation to the Actuarially Determined Contribution	2,130,792	1,521,271	1,360,145	1,216,031	1,249,364	1,308,154	1,253,562	1,227,984	1,318,278	1,314,080
Contribution Deficiency (Excess)	<u>\$ (374,185)</u>	<u>\$ (172,138)</u>	<u>\$ (174,407)</u>	<u>\$ (20,298)</u>	<u>\$ (53,631)</u>	<u>\$ (66,692)</u>	<u>\$ (12,100)</u>	<u>\$ 90,846</u>	<u>\$ 552</u>	<u>\$ (52,818)</u>
Covered Payroll	\$ 7,675,621	\$ 7,180,419	\$ 6,941,007	\$ 7,149,237	\$ 5,743,293	\$ 5,915,592	\$ 4,846,634	\$ 4,962,953	\$ 4,070,560	\$ 4,168,253
Contributions as a Percentage of Covered Payroll	27.76%	21.19%	19.60%	17.01%	21.75%	22.11%	25.86%	24.74%	32.39%	31.53%
Police and Firemen:										
Actuarially Determined Contribution	\$ 3,861,898	\$ 3,690,619	\$ 3,452,634	\$ 4,124,871	\$ 4,124,871	\$ 4,279,729	\$ 4,279,729	\$ 4,534,125	\$ 4,534,125	\$ 4,515,684
Contributions in Relation to the Actuarially Determined Contribution	3,926,071	3,795,161	3,599,764	4,128,371	4,139,371	4,283,329	4,291,829	4,292,329	4,610,323	4,594,642
Contribution Deficiency (Excess)	<u>\$ (64,173)</u>	<u>\$ (104,542)</u>	<u>\$ (147,130)</u>	<u>\$ (3,500)</u>	<u>\$ (14,500)</u>	<u>\$ (3,600)</u>	<u>\$ (12,100)</u>	<u>\$ 241,796</u>	<u>\$ (76,198)</u>	<u>\$ (78,958)</u>
Covered Payroll	\$ 9,349,008	\$ 8,797,081	\$ 9,031,565	\$ 9,302,512	\$ 8,407,304	\$ 8,659,523	\$ 8,304,057	\$ 8,503,354	\$ 8,090,549	\$ 8,284,722
Contributions as a Percentage of Covered Payroll	41.99%	43.14%	39.86%	44.38%	49.24%	49.46%	51.68%	50.48%	56.98%	55.46%

Notes to Schedule:

Valuation Date: July 1, 2022
Measurement Date: June 30, 2024
Actuarially determined contribution rates are calculated as of June 30, two years prior to the beginning of the plan year.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed Level Dollar Period of 20 Years as of Valuation Date
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.40%
Investment Rate of Return	6.75%
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables with separate tables for Public Safety, projected to the valuation date with Scale MP-2021.

**CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLANS
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Municipal Employees:										
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.06%	-0.72%	11.84%	7.95%	6.73%	3.01%	23.65%	-12.55%	10.92%	11.08%
Police and Firemen:										
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.22%	-0.92%	11.80%	7.53%	6.53%	2.94%	23.50%	-12.69%	10.89%	12.67%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City'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%
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	74,613,949	80,724,853	107,322,905	101,727,133	93,038,640	120,663,593	131,289,024	103,982,020	131,666,103	125,158,555
Total	<u>\$ 74,613,949</u>	<u>\$ 80,724,853</u>	<u>\$ 107,322,905</u>	<u>\$ 101,727,133</u>	<u>\$ 93,038,640</u>	<u>\$ 120,663,593</u>	<u>\$ 131,289,024</u>	<u>\$ 103,982,020</u>	<u>\$ 131,666,103</u>	<u>\$ 125,158,555</u>
City's Covered Payroll	N/A	N/A	N/A	N/A	\$ 27,348,514	\$ 27,797,537	\$ 27,227,621	\$ 15,419,105	\$ 23,106,600	\$ 32,549,740
City'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	61.51%	59.50%	52.26%	55.69%	57.69%	52.00%	49.24%	60.77%	54.06%	58.39%

Notes to Schedule:

Changes in Benefit Terms None
Changes of Assumptions None

Actuarial Cost Method Entry Age
Amortization Method Level Percent of Pay, Closed, Grading to a level dollar amortization method for the June 30, 2024 valuation.
Single Equivalent Amortization Period 27.8 Years
Asset Valuation Method 4-Year Smoothed Market
Inflation 2.50%
Salary Increase 3.00%-6.50%, Including Inflation
Investment Rate of Return 6.90%, Net of Investment Related Expense

Notes:

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

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

	2018	2019	2020	2021	2022	2023	2024
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	26,183,415	18,599,006	18,818,169	19,581,763	11,328,651	11,530,931	11,725,638
Total	\$ 26,183,415	\$ 18,599,006	\$ 18,818,169	\$ 19,581,763	\$ 11,328,651	\$ 11,530,931	\$ 11,725,638
City's Covered Payroll	N/A	\$ 27,348,514	\$ 27,797,537	\$ 27,227,621	\$ 15,419,105	\$ 23,106,600	\$ 32,549,740
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79%	1.49%	2.08%	2.50%	6.11%	9.46%	11.92%

Notes to Schedule:

Changes in Benefit Terms	There were no changes to benefit terms since the prior Measurement Date
Changes of Assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023;
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll Over an Open Period
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, Net of Investment Related Expense Including Price Inflation
Price Inflation	2.50%

Notes:

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

CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST EIGHT FISCAL YEARS*

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability:								
Service Cost	\$ 4,889,457	\$ 5,121,706	\$ 4,880,939	\$ 5,207,268	\$ 7,448,109	\$ 6,338,407	\$ 4,782,705	\$ 4,125,086
Interest	4,190,877	4,379,890	4,763,139	4,001,254	3,232,240	3,184,353	4,406,757	4,083,613
Changes of Benefit Terms	-	-	-	-	(1,771,701)	-	-	-
Differences Between Expected and Actual Experience	391,596	(347,698)	(12,098,577)	1,303,315	(9,673,577)	(246,761)	(17,284,800)	1,725,028
Changes of Assumptions	-	(6,435,473)	(1,674,380)	24,681,957	7,649,628	(25,990,014)	1,848,258	(4,066,844)
Benefit Payments, Including Refunds of Member Contributions	(4,379,819)	(3,834,905)	(5,259,669)	(5,296,369)	(5,036,041)	(4,171,683)	(5,189,899)	(6,220,995)
Net Change In Total OPEB Liability	5,092,111	(1,116,480)	(9,388,548)	29,897,425	1,848,658	(20,885,698)	(11,436,979)	(354,112)
Total OPEB Liability - Beginning	116,826,856	121,918,967	120,802,487	111,413,939	141,311,364	143,160,022	122,274,324	110,837,345
Total OPEB Liability - Ending	121,918,967	120,802,487	111,413,939	141,311,364	143,160,022	122,274,324	110,837,345	110,483,233
Plan Fiduciary Net Position:								
Contributions - Employer	4,306,115	3,767,666	5,389,188	5,434,152	5,191,595	4,254,811	5,316,081	6,090,270
Contributions - TRB Subsidy	123,704	117,239	120,481	112,217	99,446	149,872	123,818	163,725
Net Investment Income (Loss)	1,417	4,533	19,888	32,499	218,093	(161,865)	180,467	223,416
Benefit Payments, Including Refunds of Member Contributions	(4,379,819)	(3,834,905)	(5,259,669)	(5,296,369)	(5,036,041)	(4,171,683)	(5,189,899)	(6,220,995)
Administrative Expense	-	(48)	(217)	(385)	(564)	(635)	(703)	(540)
Net Change In Plan Fiduciary Net Position	51,417	54,485	269,671	282,114	472,529	70,500	429,764	255,876
Plan Fiduciary Net Position - Beginning	-	51,417	105,902	375,573	657,687	1,130,216	1,200,716	1,630,480
Plan Fiduciary Net Position - Ending	51,417	105,902	375,573	657,687	1,130,216	1,200,716	1,630,480	1,886,356
Net OPEB Liability - Ending	<u>\$ 121,867,550</u>	<u>\$ 120,696,585</u>	<u>\$ 111,038,366</u>	<u>\$ 140,653,677</u>	<u>\$ 142,029,806</u>	<u>\$ 121,073,608</u>	<u>\$ 109,206,865</u>	<u>\$ 108,596,877</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.04%	0.09%	0.34%	0.47%	0.79%	0.98%	1.47%	1.71%
Covered-Employee Payroll	\$ 53,620,900	\$ 56,167,900	\$ 51,432,973	\$ 53,798,890	\$ 55,173,814	\$ 57,601,462	\$ 57,463,684	\$ 59,992,086
Net OPEB Liability as a Percentage of Covered-Employee Payroll	227.28%	214.89%	215.89%	261.44%	257.42%	210.19%	190.05%	181.02%

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

**CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 8,175,400	\$ 10,828,600	\$ 11,094,900	\$ 11,455,900	\$ 11,703,600	\$ 7,896,308	\$ 8,011,648	\$ 8,370,081	\$ 8,474,895	\$ 8,013,539
Contributions in Relation to the Actuarially Determined Contribution	3,460,800	3,283,900	4,306,115	3,767,666	5,389,188	5,434,152	5,191,595	4,254,811	5,316,081	6,090,270
Contribution Deficiency (Excess)	<u>\$ 4,714,600</u>	<u>\$ 7,544,700</u>	<u>\$ 6,788,785</u>	<u>\$ 7,688,234</u>	<u>\$ 6,314,412</u>	<u>\$ 2,462,156</u>	<u>\$ 2,820,053</u>	<u>\$ 4,115,270</u>	<u>\$ 3,158,814</u>	<u>\$ 1,923,269</u>
Covered-Employee Payroll	N/A	N/A	\$ 53,620,900	\$ 56,167,900	\$ 51,432,973	\$ 53,798,890	\$ 55,173,814	\$ 57,601,462	\$ 57,463,684	\$ 59,992,086
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	8.03%	6.71%	10.48%	10.10%	9.41%	7.39%	9.25%	10.15%

Notes to Schedule:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2024
Changes in Benefit Terms	None
Changes of Assumptions	Since the last actuarial valuation the investment rate of return was adjusted as disclosed below.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Salary, Closed
Amortization Period	26 Years
Inflation	2.40%
Payroll Growth	4.40%
Investment Rate of Return	3.93% (Prior 3.65%)
Health Care Costs Trends	Medical: 6.50%, decreasing 0.20% per year, to an ultimate rate of 4.40% for 2033 and later. Dental: 4.0%
Retirement Age	25 Years of Service with Varying Retirement Rates
Postretirement Mortality	City and Board of Education Noncertified: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, projected to the valuation date with Scale MP-2021. Police and Fire: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Safety Employees projected to the valuation date with Scale MP-2021. Board of Education Certified and Administrators: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Teachers, projected to the valuation date with Scale MP-2021.

**CITY OF TORRINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
LAST EIGHT FISCAL YEARS***

	2017	2018	2019	2020	2021	2022	2023	2024
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.83%	7.16%	5.95%	5.38%	25.18%	-14.32%	13.15%	13.68%

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

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

March __, 2025

City of Torrington
140 Main Street
Torrington, CT 06790

We have acted as Bond Counsel in connection with the issuance by the City of Torrington, Connecticut (the “City”), of its \$ _____ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated March __, 2025. In such capacity, we have examined a record of proceedings of the City authorizing the Bonds, a Tax Regulatory Agreement of the City dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

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

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

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded 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. We express no opinion regarding other federal income 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 excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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 foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

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

March ___, 2025

City of Torrington
140 Main Street
Torrington, CT 06790

We have acted as Bond Counsel in connection with the issuance by the City of Torrington, Connecticut (the “City”), of its \$ _____ General Obligation Bond Anticipation Notes (the “Notes”) dated March ___, 2025. In such capacity, we have examined a record of proceedings of the City authorizing the Notes, a Tax Regulatory Agreement of the City dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

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

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

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excluded 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. We express no opinion regarding other federal income 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 excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

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 foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

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 City will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the City 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 City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of the ____ day of March, 2025, by the City of Torrington, Connecticut (the “City”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ General Obligation Bonds, Issue of 2025, dated March __, 2025 (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 City, dated February __, 2025, prepared in connection with the Bonds.

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

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

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

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

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

Section 2. Annual Financial Information.

(a) The City agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:

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

(ii) In addition to the information and statements described in (i) above:

(A) amounts of 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 or amount 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 net debt as of the close of the fiscal year,
- (F) total bonded debt of the City per capita,
- (G) ratios of the total bonded debt of the City to the City'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 City's pension benefit obligations.

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

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

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

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

Section 3. Reporting of Listed Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;

- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the City;

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

- (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material.
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material.
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

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

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

The City agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City 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 City or by any agents which may be employed by the City for such purpose from time to time.

Section 6. Termination.

The obligations of the City 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 City ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The City acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Mayor, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the City should be made to the Mayor, City of Torrington, 140 Main Street, Torrington, CT 06790.

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

Section 8. Miscellaneous.

(a) The City 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 City from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the City elects to provide any such additional information, data or notices, the City shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

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

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

CITY OF TORRINGTON, CONNECTICUT

By: _____
ELINOR CARBONE
Mayor

By: _____
DANIEL T. FARLEY
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 for the Notes to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, 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 Notes.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is made as of March __, 2025, by the City of Torrington, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bond Anticipation Notes dated March __, 2025 (the “Notes”).

Section 1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule (as hereinafter defined). In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Final Official Statement” means the official statement of the Issuer dated February __, 2025 prepared in connection with the issuance of the Notes.

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

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

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

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

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

Section 2. Event Notices.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 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) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (m) rating changes;
- (n) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

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

Section 3. 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 4. Use of Agents. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 6. Additional Information. 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 deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any annual report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any annual report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future annual report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is City of Torrington, 140 Main Street, Torrington, CT 06790, ATTN: Mayor. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

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

CITY OF TORRINGTON, CONNECTICUT

By: _____
ELINOR CARBONE
Mayor

By: _____
DANIEL T. FARLEY
Treasurer

APPENDIX F – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

CITY OF TORRINGTON, CONNECTICUT \$15,900,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the CITY OF TORRINGTON, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on WEDNESDAY,

FEBRUARY 26, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$15,900,000 General Obligation Bonds, Issue of 2025, dated March 13, 2025 (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 March 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2028	975,000	2037	975,000
2029	975,000	2038	975,000
2030	975,000	2039	975,000
2031	975,000	2040	975,000
2032	975,000	2041	650,000
2033	975,000	2042	650,000
2034	975,000	2043	650,000
2035	975,000	2044	650,000
2036	975,000	2045	625,000

The Bonds will bear interest commencing September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before March 15, 2033 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after March 15, 2033, at any time, either in whole or in part, in such amounts and in such order of maturity, but by lot within a maturity, as the Issuer may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 15, 2033 and thereafter	100.0%

Nature of Obligation

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

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

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

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

Record Date

The record dates for the Bonds will be the last business day of February and August in each year.

Proposals

Each bid must be for the entire \$15,900,000 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 two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Issuer, as described under "Basis of Award" 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 true interest cost ("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 i-Deal's 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: 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 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, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about March 13, 2025 (the “Closing Date”).

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

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

Bond Counsel Opinion

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

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: sdawson@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@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 February 19, 2025 (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 William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@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.

CITY OF TORRINGTON, CONNECTICUT

ELINOR CARBONE
Mayor

DANIEL T. FARLEY
Treasurer

February 19, 2025

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

CITY OF TORRINGTON, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2025
Dated March 13, 2025

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

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

2. ***Purchase Price.*** The CITY OF TORRINGTON, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about March 13, 2025, 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 February 26, 2025 (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 _____, 2025.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, March 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2028	975,000		
2029	975,000		
2030	975,000		
2031	975,000		
2032	975,000		
2033	975,000		
2034	975,000		
2035	975,000		
2036	975,000		
2037	975,000		
2038	975,000		
2039	975,000		
2040	975,000		
2041	650,000		
2042	650,000		
2043	650,000		
2044	650,000		
2045	625,000		

Schedule B to Issue Price Certificate

APPENDIX G – NOTICE OF SALE – THE NOTES

NOTICE OF SALE

CITY OF TORRINGTON, CONNECTICUT \$22,350,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY-ONLY

NOTICE IS GIVEN that ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the CITY OF TORRINGTON, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on WEDNESDAY,

FEBRUARY 26, 2025

(the “Sale Date”) for the purchase of the Issuer’s \$22,350,000 General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated March 13, 2025 and will mature and be payable to the registered owner on March 12, 2026 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

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

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

Each bid for the purchase of the Notes must be submitted in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$50,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost ("NIC"), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

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

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

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC's 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: www.parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms" above. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

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.

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

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.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer ("FAST") on or about March 13, 2025 (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 Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: sdawson@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@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 that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

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

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

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

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price.

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

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

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

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

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

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

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated February 19, 2025 (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 William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@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.

CITY OF TORRINGTON, CONNECTICUT

ELINOR CARBONE
Mayor

DANIEL T. FARLEY
Treasurer

February 19, 2025

Municipal Advisory Services

Provided by

