

## Official Statement Dated August 14, 2025

### NEW 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 Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is 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 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. (See "Tax Matters" herein.)*

## **TOWN OF LITCHFIELD, CONNECTICUT**

### **\$2,100,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 (the "Bonds")** (BANK QUALIFIED)

#### **Dated: Date of Delivery**

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

Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2026.

The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$1,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

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

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

#### **MATURITY SCHEDULE AND AMOUNTS**

| <b>Maturity</b> | <b>Amount</b> | <b>Coupon</b> | <b>Yield</b> | <b>CUSIP (1)</b> | <b>Maturity</b> | <b>Amount</b> | <b>Coupon</b> | <b>Yield</b> | <b>CUSIP (1)</b> |
|-----------------|---------------|---------------|--------------|------------------|-----------------|---------------|---------------|--------------|------------------|
| 2026            | \$ 140,000    | 5.000%        | 2.150%       | 536597VH7        | 2034            | \$ 140,000    | 4.000%        | 3.090%*      | 536597VR5        |
| 2027            | 140,000       | 5.000         | 2.170        | 536597VJ3        | 2035            | 140,000       | 4.000         | 3.270*       | 536597VS3        |
| 2028            | 140,000       | 5.000         | 2.120        | 536597VK0        | 2036            | 140,000       | 4.000         | 3.490*       | 536597VT1        |
| 2029            | 140,000       | 5.000         | 2.200        | 536597VL8        | 2037            | 140,000       | 4.000         | 3.630*       | 536597VU8        |
| 2030            | 140,000       | 5.000         | 2.280        | 536597VM6        | 2038            | 140,000       | 4.000         | 3.760*       | 536597VV6        |
| 2031            | 140,000       | 5.000         | 2.450        | 536597VN4        | 2039            | 140,000       | 4.000         | 3.890*       | 536597VW4        |
| 2032            | 140,000       | 4.000         | 2.700*       | 536597VP9        | 2040            | 140,000       | 4.000         | 4.030        | 536597VX2        |
| 2033            | 140,000       | 4.000         | 2.920*       | 536597VQ7        |                 |               |               |              |                  |

\* Priced assuming redemption on August 1, 2031; however, any such redemption is at the option of the Town. See "Redemption Provisions" herein.

## **Huntington Securities, Inc.**

*The Bonds are offered for delivery when as, and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about August 28, 2025.*

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

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

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

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

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

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

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

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

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

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

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

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## BOND ISSUE SUMMARY

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

|  |   |
|--|---|
| <b>Issuer:</b>   | Town of Litchfield, Connecticut (the "Town").   |
| <b>Issue:</b>  | \$2,100,000 General Obligation Bonds, Issue of 2025 (the "Bonds").  |
| <b>Dated Date:</b>   | Date of Delivery.   |
| <b>Interest Due:</b>   | February 1 and August 1 in each year until maturity, commencing February 1, 2026.   |
| <b>Principal Due:</b>  | Serially, August 1, 2026 through 2040, as detailed in this Official Statement.  |
| <b>Purpose and Authority:</b>  | The Bonds are being issued to finance certain capital projects undertaken by the Town. (See "Authorization and Purpose of the Bonds" herein).   |
| <b>Redemption:</b>   | The Bonds are subject to optional redemption prior to maturity and mandatory redemption if the winning bidder structures the amortization with term bonds. (See "Redemption Provisions" herein.)  |
| <b>Security:</b>   | The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)   |
| <b>Credit Rating:</b>  | The Bonds have been rated "AA+" by S&P Global Ratings ("S&P"). The bond rating on the Town's outstanding bonds is currently "AA+" by S&P. (See "Ratings" herein.)   |
| <b>Tax Exemption:</b>  | See "Tax Matters" herein.   |
| <b>Continuing Disclosure:</b>  | In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events within ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement. |
| <b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b> | U.S. Bank Trust Company, National Association, Corporate Trust Services, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.   |
| <b>Legal Opinion:</b>  | Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. See "Form of Opinion of Bond Counsel" attached as Appendix B to this Official Statement.   |
| <b>Delivery and Payment:</b>   | It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 28, 2025 against payment in immediately available <b>Federal Funds</b> .  |
| <b>Issuer Official:</b>  | Questions concerning the Town and this Official Statement should be directed to Amaechi E. Obi, Director of Finance, Town of Litchfield, Connecticut - Telephone (860) 567-7554.  |
| <b>Municipal Advisor:</b>  | Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.  |

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided only in connection with the initial offering and sale of \$2,100,000 General Obligation Bonds, Issue of 2025 (the "Bonds") to present certain financial and supplementary economic and demographic data relevant to the Town of Litchfield, Connecticut (the "Town"), and may not be reproduced or used in whole or in part for any other purpose.

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

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

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be payable February 1 and August 1 in each year until maturity, commencing February 1, 2026. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds at the rates per annum specified by the successful bidder as set forth on the cover page, as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$1,000 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 Transfer System" herein). The Certifying Bank, Registrar, Transfer and Paying Agent will be U.S. Bank Trust Company, National Association of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC of Hartford, Connecticut, as set forth in Appendix B. The Bonds SHALL be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, and described herein. **The Bonds are subject to redemption prior to maturity as described herein. (See "Redemption Provisions" herein.)**

### REDEMPTION PROVISIONS

#### *Optional Redemption*

The Bonds maturing on or before August 1, 2031 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2032 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 1, 2031, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

| <b><u>Redemption Dates</u></b> | <b><u>Redemption Price</u></b> |
|--------------------------------|--------------------------------|
| August 1, 2031 and thereafter  | 100%                           |

**NOTICE OF REDEMPTION**

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days but not more than sixty days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

**AUTHORIZATION AND USE OF PROCEEDS OF THE BONDS**

Authorization: The Bonds are being issued pursuant to Title 7 of the Connecticut General Statutes, as amended, and certain bond resolutions adopted by the voters at a Town Meeting held on May 15, 2025.

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

| <b>Projects</b>                          | <b>Total Bond<br/>Authorization</b> | <b>Amount of<br/>Notes<br/>Outstanding</b> | <b>Additions<br/>(Reductions)</b> | <b>The Bonds<br/>(This Issue) <sup>(1)</sup></b> | <b>Premium<br/>Applied<br/>(This Issue) <sup>(1)</sup></b> |
|--|-------------------------------------|--|-----------------------------------|--|--|
| 2025-26 Capital Improvement Program..... | \$ 3,922,319                        | \$ -                                       | \$ 2,209,000                      | \$ 2,100,000                                     | \$ 109,000   |

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

**RATINGS**

The Bonds have been rated "AA+" by S&P Global Ratings ("S&P"). Certain outstanding bonds of the Town are also rated "Aa2" by Moody's Ratings ("Moody's") and "AA+" by S&P. However, the Town did not seek a rating from Moody's on this issue. Such ratings reflect only the views of such rating agency and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041-003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town may furnish certain information and materials to the rating agencies, some of which may not have been included in this official statement. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Town's bonds and notes, including the Bonds.

## **SECURITY AND REMEDIES**

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

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

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds. There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues or property to secure the Bonds or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such bonds or notes of the Town would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

## **BOOK-ENTRY TRANSFER SYSTEM**

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

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

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

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

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

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

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

Redemption proceeds, principal payments and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on 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, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.



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

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

## **REPLACEMENT BONDS**

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

## **DTC PRACTICES**

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

## **TAX MATTERS**

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

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

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

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

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

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

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

**State Taxes.** In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is 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 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 should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

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

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

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

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

## **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 of Connecticut (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 Town received \$1.824 million from the Rescue Plan. The Town 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 information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, 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 Town.

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

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.

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## **CYBERSECURITY**

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial. The Town has purchased endpoint protection package from Cowbell to mitigate the risks associated with cyber security threats. The Town stores its digital data in the cloud as well as introducing an enhanced daily SPAM filter. In addition, the Town is implementing multi-factor authentication for users, conducted an Election Infrastructure Cyber Resiliency Report from Connecticut Military Department in March 2023 and continues to offer Cyber Security training to all employees.

## **CLIMATE CHANGE**

Scientific studies have forecasted changing global weather patterns that may increase extreme weather events across the world. Like many towns in Connecticut, Litchfield is vulnerable to inland wetland, small river and stream flooding. In addition, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances although the Town has dedicated significant resources over the last four years for a tree management program to mitigate the negative effects of dead trees falling into our roadways and power lines. Most recently, Litchfield has been recognized as a Climate Leader by Sustainable CT. The Town has been acknowledged for their continued work and attention towards transitioning the Town to be less reliant on fossil fuels and for exploring new ways to be environmentally cognizant of the challenges they face ahead.

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

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

## **AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain material events within 10 days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds. (See Appendix C "Form of Continuing Disclosure Agreement").

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

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## II. THE ISSUER



### DESCRIPTION OF THE TOWN

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

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

The Town's educational system consists of one elementary school for Pre K through 3rd grade, one intermediate school for 4th through 6th grades and one middle/high school for 7th through 12th grades. The Town, as well as each of the Member Towns of Regional School District No. 6 (the Towns of Warren, Morris and Goshen) approved at referendum on June 28, 2022 to merge and to create a new Regional School District No. 20. The new Regional School District No. 20 commenced operating in September 2024. Regional School District No. 20 also expanded its Agricultural Programs with the acquisition and management responsibilities of the Arethusa Farm. This property provides 120 acres for students and staff to have hands on experience in animal and plant husbandry. The merger will also provide advanced opportunities for the Town's students, academically, in sports, the arts, music and theater and create significant cost savings for all 4 towns. Litchfield is a community predominantly composed of owner-occupied, single-family dwellings. Single-family dwellings comprise over 80% of all housing units in the Town. During the 2023 U. S. Census, the Town population is about 8,249 people.

**FORM OF GOVERNMENT**

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

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

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

**MUNICIPAL OFFICIALS**

| Name                   | Position                 | Term               | Length of Service |
|------------------------|--------------------------|--------------------|-------------------|
| Denise Raap.....       | First Selectman.....     | 2 Years -- Elected | 5.5 years         |
| Jodiann Tenney.....    | Selectman.....           | 2 Years -- Elected | 5.5 years         |
| Daniel Morosani.....   | Selectman.....           | 2 Years -- Elected | 2.0 years         |
| John P. Bongiorno..... | Selectman.....           | 2 Years -- Elected | 2.0 years         |
| Jeffrey J. Zullo.....  | Selectman.....           | 2 Years -- Elected | 14.0 years        |
| Alan R. Landau.....    | Town Treasurer.....      | 2 Years -- Elected | 2.0 years         |
| Lisa A. Losee.....     | Town Clerk.....          | 4 Years -- Elected | 16.0 years        |
| Helen Bunnell.....     | Tax Collector.....       | Appointed          | 6.0 years         |
| Amaechi E. Obi.....    | Director of Finance..... | Appointed          | 10.5 years        |

**SUMMARY OF MUNICIPAL SERVICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

## EDUCATIONAL SYSTEM

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

The District was organized on June 28, 2022, under the provisions of Part III of Chapter 164 of the Connecticut General Statutes, as approved by the voters of Warren, Morris, Goshen and the Town. The District is governed by a twelve-member Board of Education (the “Board”), three from Warren, three from Morris, three from Goshen and three from the Town. The Board is responsible for determining curriculum, setting policy, preparing the annual District budget and all personnel matters within its jurisdiction. The District’s operating and debt service expenses are paid by the Member Towns in proportion to the number of pupils attending school from each Member Town. The Town is liable for 56.08% of the District’s operating budget for fiscal year 2025-26. Payments are made by the Town to the District 6 times per year, every other month.

## EDUCATIONAL FACILITIES

| <u>School</u>                    | <u>Grades</u> | <u>Occupied</u> | <u>Renovation</u> | <u>Classrooms</u> | <u>Enrollment</u> | <u>Capacity</u> |
|----------------------------------|---------------|-----------------|-------------------|-------------------|-------------------|-----------------|
|                                  |               |                 |                   |                   | <u>10/01/24</u>   |                 |
| Warren Elementary School.....    | K - 5         | 1965            | 1999              | 7                 | 54                | 175             |
| James Morris School.....         | K - 5         | 1932            | 1999              | 13                | 116               | 325             |
| Goshen Center School.....        | K - 5         | 1967            | 1999              | 13                | 135               | 325             |
| Litchfield Center School.....    | Pre K-3       | 1925            | 1945, 1965, 1988  | 22                | 247               | 300             |
| Litchfield Intermediate School.. | 4 - 5         | 1967            | 2007              | 18                | 121               | 200             |
| Region 20 Middle School.....     | 6 - 8         | 1956            | 1963, 1976 & 2007 | 31                | 351               | 500             |
| Region 20 High School.....       | 9 - 12        | 1954            | 1999              | 29                | 589               | 725             |
| Total.....                       |               |                 |                   | 133               | 1,613             | 2,550           |

Source: Director of Business Operations for the Schools.

## EDUCATIONAL ENROLLMENT HISTORY AND PROJECTIONS

| <u>Actual (1)</u>    |              |              |               |              |
|----------------------|--------------|--------------|---------------|--------------|
| <u>School Year</u>   | <u>K - 5</u> | <u>6 - 8</u> | <u>9 - 12</u> | <u>Total</u> |
| 2024-25              | 603          | 351          | 583           | 1,537        |
| <u>Projected (2)</u> |              |              |               |              |
| 2025-26              | 644          | 365          | 626           | 1,635        |
| 2026-27              | 681          | 359          | 617           | 1,657        |
| 2027-28              | 669          | 369          | 610           | 1,648        |

(1) As of October 1.

(2) Projections based on Cohort Survival Method.

Source: Director of Business Operations for the Schools.

## MUNICIPAL EMPLOYMENT

| <u>Fiscal Year</u>      | <u>2026</u> | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government..... | 124         | 122         | 122         | 119         | 105         | 103         | 101         |

Source: Town Officials.

## MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

| <u>Employees</u>                | <u>Organization</u>                               | <u>Employee Covered</u> | <u>Current Expiration Date</u> |
|---------------------------------|---|-------------------------|--------------------------------|
|                                 | <u>General Government</u>                         |                         |                                |
| Public Works.....               | Council; 4, AFSCME.....                           | 19                      | 6/30/2027                      |
| Department Heads.....           | Town of Litchfield Supervisors Association.....   | 6                       | 6/30/2027                      |
| Clerical.....                   | Town of Litchfield Municipal Employees Assoc..... | 9                       | 6/30/2027                      |
| Police.....                     | Council: 4 Local 1303-485.....                    | 2                       | 6/30/2027                      |
| .....                           | Non-Bargaining Employees.....                     | 88                      |                                |
| Total - General Government..... |   | <u>124</u>              |                                |

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

## ECONOMIC DEVELOPMENT

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

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

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

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

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

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

| <b>Year</b> | <b>Town of Litchfield</b> | <b>Litchfield County</b> | <b>Northwest Hills Planning Region</b> | <b>State of Connecticut</b> |
|-------------|---------------------------|--------------------------|--|-----------------------------|
| 1990        | 8,391                     | 174,092                  | n/a                                    | 3,287,116                   |
| 2000        | 8,316                     | 182,193                  | n/a                                    | 3,405,565                   |
| 2010        | 8,466                     | 189,927                  | n/a                                    | 3,574,097                   |
| 2020        | 8,192                     | 185,186                  | n/a                                    | 3,605,944                   |
| 2023        | 8,249                     | n/a                      | 112,848                                | 3,598,348                   |

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

#### AGE CHARACTERISTICS OF THE POPULATION

| <b>Age</b>      | <b>Town of Litchfield</b> |                | <b>Northwest Hills Planning Region</b> |                | <b>State of Connecticut</b> |                |
|-----------------|---------------------------|----------------|--|----------------|-----------------------------|----------------|
|                 | <b>Number</b>             | <b>Percent</b> | <b>Number</b>                          | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Under 5.....    | 306                       | 3.7            | 4,786                                  | 4.2            | 181,240                     | 5.0            |
| 5 - 9.....      | 404                       | 4.9            | 5,321                                  | 4.7            | 195,390                     | 5.4            |
| 10 - 14.....    | 461                       | 5.6            | 6,088                                  | 5.4            | 217,297                     | 6.0            |
| 15 - 19.....    | 266                       | 3.2            | 6,749                                  | 6.0            | 238,145                     | 6.6            |
| 20 - 24.....    | 457                       | 5.5            | 5,456                                  | 4.8            | 233,423                     | 6.5            |
| 25 - 34.....    | 949                       | 11.5           | 12,781                                 | 11.3           | 449,771                     | 12.5           |
| 35 - 44.....    | 841                       | 10.2           | 13,061                                 | 11.6           | 451,461                     | 12.5           |
| 45 - 54.....    | 935                       | 11.3           | 14,612                                 | 12.9           | 462,543                     | 12.9           |
| 55 - 59.....    | 648                       | 7.9            | 8,844                                  | 7.8            | 260,758                     | 7.2            |
| 60 - 64.....    | 783                       | 9.5            | 10,049                                 | 8.9            | 257,548                     | 7.2            |
| 65 - 74.....    | 1,220                     | 14.8           | 14,780                                 | 13.1           | 376,023                     | 10.4           |
| 75 - 84.....    | 693                       | 8.4            | 6,996                                  | 6.2            | 187,378                     | 5.2            |
| 85 and over.... | 286                       | 3.5            | 3,325                                  | 2.9            | 87,371                      | 2.4            |
| Total .....     | <u>8,249</u>              | <u>100.0</u>   | <u>112,848</u>                         | <u>100.0</u>   | <u>3,598,348</u>            | <u>100.0</u>   |

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

#### INCOME DISTRIBUTION

|                          | <b>Town of Litchfield</b> |                | <b>Northwest Hills Planning Region</b> |                | <b>State of Connecticut</b> |                |
|--------------------------|---------------------------|----------------|--|----------------|-----------------------------|----------------|
|                          | <b>Families</b>           | <b>Percent</b> | <b>Families</b>                        | <b>Percent</b> | <b>Families</b>             | <b>Percent</b> |
| Less than \$10,000 ..... | 6                         | 0.3            | 604                                    | 2.0            | 22,973                      | 2.5            |
| \$ 10,000 to 14,999 ...  | 22                        | 1.0            | 271                                    | 0.9            | 12,547                      | 1.4            |
| \$ 15,000 to 24,999 ...  | 34                        | 1.5            | 941                                    | 3.1            | 29,893                      | 3.3            |
| \$ 25,000 to 34,999 ...  | 73                        | 3.3            | 1,073                                  | 3.6            | 35,598                      | 3.9            |
| \$ 35,000 to 49,999 ...  | 190                       | 8.6            | 1,864                                  | 6.2            | 61,793                      | 6.7            |
| \$ 50,000 to 74,999 ...  | 214                       | 9.7            | 3,933                                  | 13.1           | 108,046                     | 11.8           |
| \$ 75,000 to 99,999 ...  | 253                       | 11.5           | 4,479                                  | 14.9           | 108,216                     | 11.8           |
| \$100,000 to 149,999 .   | 543                       | 24.6           | 6,491                                  | 21.6           | 185,242                     | 20.2           |
| \$150,000 to 199,999 .   | 285                       | 12.9           | 3,772                                  | 12.5           | 128,574                     | 14.0           |
| \$200,000 or more .....  | 586                       | 26.6           | 6,681                                  | 22.2           | 224,258                     | 24.5           |
| Total .....              | <u>2,206</u>              | <u>100.0</u>   | <u>30,109</u>                          | <u>100.0</u>   | <u>917,140</u>              | <u>100.0</u>   |

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

## SELECTED WEALTH AND INCOME INDICATORS

|                                     | <b>Median Family Income</b> |               | <b>Per Capita Income</b> |               |
|-------------------------------------|-----------------------------|---------------|--------------------------|---------------|
|                                     | <b>(2000)</b>               | <b>(2023)</b> | <b>(2000)</b>            | <b>(2023)</b> |
| Town of Litchfield.....             | \$ 70,594                   | \$ 127,885    | \$ 30,096                | \$ 61,908     |
| Northwest Hills Planning Region.... | n/a                         | 112,593       | n/a                      | 55,526        |
| Connecticut.....                    | 65,521                      | 120,011       | 28,766                   | 54,409        |
| United States.....                  | 49,600                      | 96,922        | 21,690                   | 43,289        |

Source: U.S. Census Bureau, Census 2000 and 2019-2023 American Community Survey.

## EDUCATIONAL ATTAINMENT

(Years of School Completed, Age 25 & Over)

| <b>Educational Attainment Group</b>      | <b>Town of Litchfield</b> |                | <b>Northwest Hills Planning Region</b> |                | <b>State of Connecticut</b> |                |
|--|---------------------------|----------------|--|----------------|-----------------------------|----------------|
|  | <b>Number</b>             | <b>Percent</b> | <b>Number</b>                          | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Less than 9th grade.....                 | 91                        | 1.4            | 2,114                                  | 2.5            | 101,530                     | 4.0            |
| 9th to 12th grade.....                   | 214                       | 3.4            | 2,902                                  | 3.4            | 118,019                     | 4.7            |
| High School graduate.....                | 1,517                     | 23.9           | 23,710                                 | 28.1           | 647,094                     | 25.5           |
| Some college - no degree.....            | 932                       | 14.7           | 14,601                                 | 17.3           | 410,591                     | 16.2           |
| Associates degree.....                   | 648                       | 10.2           | 7,857                                  | 9.3            | 193,216                     | 7.6            |
| Bachelor's degree.....                   | 1,670                     | 26.3           | 19,137                                 | 22.7           | 581,935                     | 23.0           |
| Graduate or professional degree.....     | 1,283                     | 20.2           | 14,127                                 | 16.7           | 480,468                     | 19.0           |
| Total.....                               | <u>6,355</u>              | <u>100.0</u>   | <u>84,448</u>                          | <u>100.0</u>   | <u>2,532,853</u>            | <u>100.0</u>   |
| Percent High School Graduate or Higher   |                           | 95.2%          |  | 94.1%          |                             | 91.3%          |
| Percent Bachelor's Degree or Higher..... |                           | 46.5%          |  | 39.4%          |                             | 41.9%          |

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

## MAJOR EMPLOYERS

| <b>Name of Employer</b>                                 | <b>Nature of Entity</b>                           | <b>Estimated Number of Employees</b> |
|---|---|--------------------------------------|
| Education Connection.....                               | State Government, Education Services.....         | 657                                  |
| Regional School District No. 20.....                    | Education.....                                    | 221                                  |
| Connecticut Junior Republic.....                        | Special Needs Education, including Residential... | 148                                  |
| Town of Litchfield.....                                 | Local Government.....                             | 124                                  |
| Forman School.....                                      | Education.....                                    | 121                                  |
| Bantam Market.....                                      | Grocery Store.....                                | 103                                  |
| Stop & Shop.....  | Grocery Chain.....                                | 100                                  |
| Brandywine Assisted Living (Sarah Pierce Community).... | Assisted Living.....                              | 92                                   |
| State Police & State Department of Transportation.....  | State Employees.....                              | 60                                   |
| ArethUSA.....   | Restaurant and Ice Cream Shop.....                | 41                                   |

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

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## EMPLOYMENT BY INDUSTRY

| Employment Sector                            | Town of Litchfield |              | Northwest Hills<br>Planning Region |              | State of Connecticut |              |
|--|--------------------|--------------|------------------------------------|--------------|----------------------|--------------|
|  | Number             | Percent      | Number                             | Percent      | Number               | Percent      |
| Agriculture, forestry, fisheries.....        | 25                 | 0.6          | 877                                | 1.5          | 7,261                | 0.4          |
| Construction.....                            | 474                | 11.2         | 5,268                              | 9.0          | 112,821              | 6.1          |
| Manufacturing.....                           | 448                | 10.6         | 6,397                              | 10.9         | 195,355              | 10.6         |
| Wholesale trade.....                         | 34                 | 0.8          | 1,037                              | 1.8          | 37,294               | 2.0          |
| Retail trade.....                            | 323                | 7.6          | 5,749                              | 9.8          | 192,535              | 10.5         |
| Transportation & warehousing, utilities....  | 154                | 3.6          | 2,166                              | 3.7          | 84,571               | 4.6          |
| Information.....                             | 63                 | 1.5          | 1,219                              | 2.1          | 36,631               | 2.0          |
| Finance, insurance, real estate .....        | 382                | 9.0          | 4,582                              | 7.8          | 162,724              | 8.9          |
| Professional, scientific, management.....    | 500                | 11.8         | 6,898                              | 11.8         | 223,982              | 12.2         |
| Educational, health and social services..... | 1,225              | 28.9         | 15,875                             | 27.1         | 490,839              | 26.7         |
| Arts, entertainment, recreation, food.....   | 308                | 7.3          | 4,122                              | 7.0          | 145,445              | 7.9          |
| Other professional services.....             | 155                | 3.7          | 2,357                              | 4.0          | 78,662               | 4.3          |
| Public Administration.....                   | 145                | 3.4          | 1,955                              | 3.3          | 67,335               | 3.7          |
| Total.....                                   | <u>4,236</u>       | <u>100.0</u> | <u>58,502</u>                      | <u>100.0</u> | <u>1,835,455</u>     | <u>100.0</u> |

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

## UNEMPLOYMENT RATE STATISTICS

| Yearly<br>Average | Town of<br>Litchfield<br>% | Torrington<br>Labor Market<br>% | State of<br>Connecticut<br>% | United<br>States<br>% |
|-------------------|----------------------------|---------------------------------|------------------------------|-----------------------|
| 2015              | 4.2                        | 5.2                             | 5.6                          | 5.3                   |
| 2016              | 3.8                        | 4.6                             | 4.8                          | 4.9                   |
| 2017              | 3.8                        | 4.3                             | 4.4                          | 4.4                   |
| 2018              | 3.0                        | 3.8                             | 3.9                          | 3.9                   |
| 2019              | 2.9                        | 3.4                             | 3.5                          | 3.7                   |
| 2020              | 5.5                        | 6.8                             | 7.8                          | 8.1                   |
| 2021              | 4.8                        | 5.7                             | 6.3                          | 5.4                   |
| 2022              | 3.4                        | 3.9                             | 4.2                          | 3.7                   |
| 2023              | 2.9                        | 3.4                             | 3.8                          | 3.6                   |
| 2024              | 2.5                        | 3.2                             | 3.5                          | 4.0                   |

### 2025 Monthly

|          |     |     |     |     |
|----------|-----|-----|-----|-----|
| January  | 3.3 | 4.1 | 4.0 | 4.4 |
| February | 4.1 | 4.6 | 4.5 | 4.5 |
| March    | 3.5 | 4.3 | 4.1 | 4.2 |
| April    | 2.7 | 3.3 | 3.4 | 3.9 |
| May      | 3.1 | 3.6 | 3.9 | 4.0 |

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

## NUMBER OF DWELLING UNITS

| 2023  | 2020  | 2010  | 2000  | 1990  | % Increase<br>1990-2023 | % Increase<br>2000-2023 | % Increase<br>2010-2023 | % Increase<br>2020-2023 |
|-------|-------|-------|-------|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| 4,117 | 3,966 | 3,975 | 3,629 | 3,430 | 20.0%                   | 13.4%                   | 3.6%                    | 3.8%                    |

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

**CHARACTERISTICS OF HOUSING UNITS**  
(Owner Occupied)

| <b>Sales Price Category</b> | <b>Town of Litchfield</b> |                | <b>Northwest Hills<br/>Planning Region</b> |                | <b>State of Connecticut</b> |                |
|-----------------------------|---------------------------|----------------|--|----------------|-----------------------------|----------------|
|                             | <b>Number</b>             | <b>Percent</b> | <b>Number</b>                              | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Less than \$50,000 .....    | 62                        | 2.2            | 736  | 2.1            | 22,174                      | 2.4            |
| \$ 50,000 to \$ 99,999 ..   | 4                         | 0.1            | 578  | 1.6            | 15,116                      | 1.6            |
| \$ 100,000 to \$149,999 .   | 22                        | 0.8            | 2,807                                      | 7.9            | 38,832                      | 4.1            |
| \$ 150,000 to \$199,999 .   | 255                       | 9.0            | 4,612                                      | 12.9           | 77,152                      | 8.2            |
| \$ 200,000 to \$299,999 .   | 547                       | 19.4           | 8,294                                      | 23.2           | 233,824                     | 24.9           |
| \$ 300,000 to \$499,999 .   | 1,122                     | 39.7           | 10,569                                     | 29.6           | 319,703                     | 34.0           |
| \$ 500,000 to \$999,999 .   | 591                       | 20.9           | 5,845                                      | 16.4           | 173,643                     | 18.5           |
| \$1,000,000 and over .....  | 222                       | 7.9            | 2,242                                      | 6.3            | 59,468                      | 6.3            |
| Total .....                 | <u>2,825</u>              | <u>100.0</u>   | <u>35,683</u>                              | <u>100.0</u>   | <u>939,912</u>              | <u>100.0</u>   |
| Median Value.....           | \$378,300                 |                | \$311,700                                  |                | \$343,200                   |                |

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

**AGE DISTRIBUTION OF HOUSING**

| <b>Year Built</b>    | <b>Town of Litchfield</b> |                | <b>Northwest Hills<br/>Planning Region</b> |                | <b>State of Connecticut</b> |                |
|----------------------|---------------------------|----------------|--|----------------|-----------------------------|----------------|
|                      | <b>Units</b>              | <b>Percent</b> | <b>Units</b>                               | <b>Percent</b> | <b>Units</b>                | <b>Percent</b> |
| 2020 or later.....   | 55                        | 1.3            | 358  | 0.6            | 6,350                       | 0.4            |
| 2010 - 2019.....     | 98                        | 2.4            | 1,382                                      | 2.5            | 66,546                      | 4.3            |
| 2000 - 2009.....     | 226                       | 5.5            | 4,662                                      | 8.4            | 108,430                     | 7.1            |
| 1990 - 1999.....     | 341                       | 8.3            | 4,250                                      | 7.6            | 116,617                     | 7.6            |
| 1980 - 1989.....     | 601                       | 14.6           | 7,867                                      | 14.1           | 197,533                     | 12.9           |
| 1970 - 1979.....     | 533                       | 12.9           | 7,458                                      | 13.4           | 210,611                     | 13.7           |
| 1960 - 1969.....     | 408                       | 9.9            | 4,884                                      | 8.8            | 198,807                     | 12.9           |
| 1950 - 1959.....     | 505                       | 12.3           | 6,161                                      | 11.1           | 221,879                     | 14.4           |
| 1940 - 1949.....     | 209                       | 5.1            | 3,181                                      | 5.7            | 95,842                      | 6.2            |
| 1939 or earlier..... | 1,141                     | 27.7           | 15,462                                     | 27.8           | 313,434                     | 20.4           |
| Total.....           | <u>4,117</u>              | <u>100.0</u>   | <u>55,665</u>                              | <u>100.0</u>   | <u>1,536,049</u>            | <u>100.0</u>   |

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

**NUMBER AND VALUE OF BUILDING PERMITS**

| <b>Fiscal Year<br/>Ending 6/30</b> | <b>Residential</b>          |   | <b>Industrial/Commercial</b> | <b>Total</b>  |               |
|------------------------------------|-----------------------------|---|------------------------------|---------------|---------------|
|                                    | <b>New Homes<br/>Number</b> | <b>Renovations/Additions<br/>Number</b> | <b>Number</b>                | <b>Number</b> | <b>Value</b>  |
| 2025                               | 6                           | 321                                     | 23                           | 350           | \$ 17,375,056 |
| 2024                               | 13                          | 349                                     | 37                           | 399           | 28,851,660    |
| 2023                               | 3                           | 369                                     | 31                           | 403           | 19,451,581    |
| 2022                               | 22                          | 332                                     | 35                           | 389           | 19,709,182    |
| 2021                               | 40                          | 378                                     | 51                           | 469           | 28,603,670    |
| 2020                               | 9                           | 270                                     | 52                           | 331           | 12,857,389    |
| 2019                               | 8                           | 248                                     | 50                           | 306           | 9,237,626     |
| 2018                               | 10                          | 253                                     | 55                           | 318           | 11,808,305    |
| 2017                               | 5                           | 261                                     | 67                           | 333           | 19,704,191    |
| 2016                               | 16                          | 299                                     | 59                           | 374           | 15,345,369    |

Source: Town of Litchfield, Building Official.

## BREAKDOWN OF LAND USE

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

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

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## **IV. TAX BASE DATA**

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### **ASSESSMENT PRACTICES**

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

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

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

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

### **PROPERTY TAX COLLECTION PROCEDURE**

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

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

### **MOTOR VEHICLE PROPERTY TAX RATE**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. For the assessment year commencing October 1, 2021 and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year ending June 30, 2026 is 20.00 mills.

## PROPERTY TAX LEVIES AND COLLECTIONS

| <b>FY<br/>Ending<br/>6/30</b> | <b>Net Taxable<br/>Grand List (1)</b> | <b>Tax Rate<br/>(In Mills)</b> | <b>Total<br/>Adjusted<br/>Tax Levy</b> | <b>Collected<br/>End of<br/>Each FY</b> | <b>Taxes<br/>End of<br/>Each FY</b> | <b>Uncollected<br/>Taxes<br/>As of 6/30/24</b> |
|-------------------------------|---------------------------------------|--------------------------------|--|---|-------------------------------------|--|
| 2026 (1)                      | \$ 1,558,377,055                      | 20.00                          | \$ 30,642,994                          | In Process                              | In Process                          | In Process                                     |
| 2025 (3)                      | 1,550,023,523                         | 18.50                          | 28,141,002                             | 98.8%                                   | \$ 342,818                          | \$ 342,818 (2)                                 |
| 2024                          | 1,120,371,194                         | 26.70                          | 30,061,033                             | 99.0                                    | 291,543                             | 291,543  |
| 2023                          | 1,104,098,508                         | 26.80                          | 29,747,580                             | 98.8                                    | 364,251                             | 163,268  |
| 2022                          | 1,063,593,130                         | 27.60                          | 29,766,844                             | 97.9                                    | 629,130                             | 129,875  |
| 2021                          | 1,056,909,813                         | 27.70                          | 29,461,628                             | 98.9                                    | 323,914                             | 43,750   |
| 2020 (3)                      | 1,049,204,603                         | 28.20                          | 29,721,294                             | 98.7                                    | 400,134                             | 3,337  |
| 2019                          | 1,046,959,259                         | 27.70                          | 29,135,586                             | 98.7                                    | 378,830                             | (6,692)  |
| 2018                          | 1,040,712,083                         | 27.60                          | 28,936,650                             | 99.0                                    | 278,044                             | 213  |
| 2017                          | 1,029,457,478                         | 26.70                          | 27,729,272                             | 98.9                                    | 313,775                             | (6,881)  |

(1) Adopted Budget.

(2) Unaudited estimates.

(3) Years of revaluation.

Source: Town Officials.

## TAXABLE GRAND LIST (1)

| <b>Grand<br/>List<br/>Dated</b> | <b>Real<br/>Property</b> | <b>Personal<br/>Property</b> | <b>Motor<br/>Vehicle<br/>Property</b> | <b>Gross<br/>Taxable<br/>Grand List</b> | <b>Less<br/>Exemptions</b> | <b>Net Taxable<br/>Grand List</b> |
|---------------------------------|--------------------------|------------------------------|---------------------------------------|---|----------------------------|-----------------------------------|
| 10/01/24                        | \$ 1,391,373,875         | \$ 72,702,357                | \$ 101,404,610                        | \$ 1,565,480,842                        | \$ 7,103,787               | \$ 1,558,377,055                  |
| 10/01/23                        | 1,382,653,408            | 65,739,128                   | 110,298,486                           | 1,558,691,022                           | 8,667,499                  | 1,550,023,523                     |
| 10/01/22                        | 953,103,688              | 58,830,386                   | 114,700,240                           | 1,126,634,314                           | 6,263,120                  | 1,120,371,194                     |
| 10/01/21                        | 942,881,068              | 54,536,932                   | 110,409,628                           | 1,107,827,628                           | 3,729,120                  | 1,104,098,508                     |
| 10/01/20                        | 932,754,718              | 53,249,325                   | 82,406,300                            | 1,068,410,343                           | 4,817,213                  | 1,063,593,130                     |
| 10/01/19                        | 929,475,160              | 53,239,035                   | 77,158,050                            | 1,059,872,245                           | 2,962,432                  | 1,056,909,813                     |
| 10/01/18                        | 930,528,925              | 45,287,860                   | 76,820,239                            | 1,052,637,024                           | 3,432,421                  | 1,049,204,603                     |
| 10/01/17                        | 936,009,587              | 38,716,523                   | 76,038,539                            | 1,050,764,649                           | 3,805,390                  | 1,046,959,259                     |
| 10/01/16                        | 931,177,091              | 37,609,801                   | 73,957,401                            | 1,042,744,293                           | 2,032,210                  | 1,040,712,083                     |
| 10/01/15                        | 928,350,490              | 31,299,638                   | 72,243,800                            | 1,031,893,928                           | 2,436,450                  | 1,029,457,478                     |

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

Source: Town Officials

## LARGEST TAXPAYERS

| <b>Name of Taxpayer</b>             | <b>Nature of Operations</b>   | <b>Total<br/>As of 10/1/24</b> | <b>Rank</b> | <b>Percent<br/>of Total</b> |
|-------------------------------------|-------------------------------|--------------------------------|-------------|-----------------------------|
| Eversource.....                     | Power Company.....            | \$31,420,480                   | 1           | 2.02                        |
| Silicon Ranch Corporation.....      | Renewable Energy.....         | 11,234,340                     | 2           | 0.72                        |
| City of Waterbury.....              | Watershed.....                | 8,828,330                      | 3           | 0.57                        |
| CRP/BWN LLC (Sarah Pierce).....     | Health Care Facility.....     | 7,629,860                      | 4           | 0.49                        |
| 6645 Federal Square Realty LLC..... | Real Estate.....              | 4,979,870                      | 5           | 0.32                        |
| White Memorial Foundation.....      | Leased Land for Cottages..... | 4,246,680                      | 6           | 0.27                        |
| Lex-Litchfield LLC.....             | Real Estate.....              | 4,024,840                      | 7           | 0.26                        |
| CPI Litchfield LLC.....             | Real Estate.....              | 3,871,460                      | 8           | 0.25                        |
| Aquarion Water Co.....              | Water Supply.....             | 3,048,840                      | 9           | 0.20                        |
| Stillman House LLC.....             | Real Estate.....              | 2,992,130                      | 10          | 0.19                        |
| Total.....                          |                               | <u>\$82,276,830</u>            |             | <u>5.28</u>                 |

Source: Tax Assessor.

## EQUALIZED NET GRAND LIST

| <b>Grand List<br/>of 10/1</b> | <b>Equalized Net<br/>Grand List</b> | <b>%<br/>Growth</b> |
|-------------------------------|-------------------------------------|---------------------|
| 2023 <sup>(1)</sup>           | \$ 2,214,427,020                    | -6.25%              |
| 2022                          | 2,362,021,529                       | 11.83%              |
| 2021                          | 2,112,090,442                       | 12.90%              |
| 2020                          | 1,870,699,251                       | 19.71%              |
| 2019                          | 1,562,726,123                       | 4.13%               |
| 2018 <sup>(1)</sup>           | 1,500,782,011                       | 4.17%               |
| 2017                          | 1,440,658,955                       | -5.67%              |
| 2016                          | 1,527,189,335                       | 7.39%               |
| 2015                          | 1,422,154,129                       | -3.06%              |
| 2014                          | 1,467,022,228                       | -0.13%              |

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

Source: Town of Litchfield, Assessor's Office.

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## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

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

### BASIS OF ACCOUNTING

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

### ANNUAL AUDIT

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

The most recent annual audit covers the fiscal year ended June 30, 2024, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements, the Notes to Financial Statements and the Required Supplementary Information, together with the report of the independent auditor as prepared by Clermont & Associates LLC, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Director of Finance, Town of Litchfield, upon request.

### BUDGETARY PROCEDURES

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

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

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

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

## **MUNICIPAL BUDGET EXPENDITURE CAP**

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

## **SUPPLEMENTAL APPROPRIATIONS**

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

## **EMPLOYEE PENSION SYSTEMS**

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

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

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

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

The eligible faculty and professional personnel of the Board of Education ("BOE") participate in a multiple employer cost sharing contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes. The BOE plan is administered by the Connecticut State Teachers' Retirement Board. The Town does not and is not legally responsible to contribute to the plan. The State of Connecticut contributes based on actuarially determined amounts.

The Town's audit report dated June 30, 2024 summarizes actuarial information based upon the July 1, 2022 actuarial valuation, funding, pension cost and net pension asset amounts for the Town Plan and the Merit Service Plan. The Audit Report also provides information on eligibility and additional information on the BOE plan. (See Appendix A, Note 10 "Employee Retirement Plans", of the "Notes to Financial Statements").

As of Fiscal Year 2011, the firm of Hooker and Holcombe, Inc. has provided actuarial services for the Town.

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

|   | <b>Town Plan</b>  |                     |                     |                   |                     |
|---|-------------------|---------------------|---------------------|-------------------|---------------------|
|   | <b>2024</b>       | <b>2023</b>         | <b>2022</b>         | <b>2021</b>       | <b>2020</b>         |
| Total pension liability.....  | \$ 19,812,905     | \$ 20,124,542       | \$ 19,892,222       | \$ 19,360,202     | \$ 18,757,398       |
| Plan fiduciary net position.....                                      | 19,283,423        | 17,556,360          | 16,414,539          | 19,119,297        | 15,696,537          |
| Net pension liability.....  | <u>\$ 529,482</u> | <u>\$ 2,568,182</u> | <u>\$ 3,477,683</u> | <u>\$ 240,905</u> | <u>\$ 3,060,861</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 97.3%             | 87.2%               | 82.5%               | 98.8%             | 83.7%               |

|   | <b>Merit Service Plan</b> |                   |                   |                     |                   |
|---|---------------------------|-------------------|-------------------|---------------------|-------------------|
|   | <b>2024</b>               | <b>2023</b>       | <b>2022</b>       | <b>2021</b>         | <b>2020</b>       |
| Total pension liability.....  | \$ 5,582,556              | \$ 5,456,035      | \$ 5,050,740      | \$ 4,912,035        | \$ 4,738,779      |
| Plan fiduciary net position.....                                      | 5,153,879                 | 4,633,319         | 4,322,011         | 5,038,525           | 4,138,486         |
| Net pension liability.....  | <u>\$ 428,677</u>         | <u>\$ 822,716</u> | <u>\$ 728,729</u> | <u>\$ (126,490)</u> | <u>\$ 600,293</u> |
| Plan fiduciary net position as a %<br>of total pension liability..... | 92.3%                     | 84.9%             | 85.6%             | 102.6%              | 87.3%             |

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

|                       | <b>Town Plan</b>             |                                |                              |
|-----------------------|------------------------------|--------------------------------|------------------------------|
|                       | <b>Current</b>               |                                |                              |
|                       | <b>1% Decrease<br/>5.25%</b> | <b>Discount Rate<br/>6.25%</b> | <b>1% Increase<br/>7.25%</b> |
| Net Pension Liability | \$ 2,363,340                 | \$ 529,438                     | \$ (1,051,410)               |

  

|                       | <b>Merit Service Plan</b>    |                                |                              |
|-----------------------|------------------------------|--------------------------------|------------------------------|
|                       | <b>Current</b>               |                                |                              |
|                       | <b>1% Decrease<br/>5.25%</b> | <b>Discount Rate<br/>6.25%</b> | <b>1% Increase<br/>7.25%</b> |
| Net Pension Liability | \$ 1,127,240                 | \$ 428,677                     | \$ (147,220)                 |

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

**(Town Plan)**

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

**(Merit Service Plan)**

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

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

**Schedule of Employer Contributions  
(Town Plan)**

| <b>Fiscal Year</b> | <b>Actuarial Determined<br/>Employer Contribution</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
|--------------------|---|--------------------------------|-----------------------------------|
| 2022               | \$ 520,645  | \$ 520,645                     | 100.0                             |
| 2023               | 528,358   | 528,358                        | 100.0                             |
| 2024               | 508,217   | 508,217                        | 100.0                             |
| 2025               | 514,350   | 514,350                        | 100.0                             |
| 2026 (1)           | 103,409   | 103,409                        | 100.0                             |

(1) As budgeted for fiscal year 2025-26.

*[The remainder of this page intentionally left blank]*

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

**Schedule of Employer Contributions  
(Merit Service Plan)**

| <b>Fiscal Year</b> | <b>Actuarial Determined<br/>Employer Contribution</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
|--------------------|---|--------------------------------|-----------------------------------|
| 2022               | \$ 127,954  | \$ 127,954                     | 100.0                             |
| 2023               | 127,954   | 127,954                        | 100.0                             |
| 2024               | 168,828   | 168,828                        | 100.0                             |
| 2025               | 168,828   | 168,828                        | 100.0                             |
| 2026 (1)           | 112,045   | 112,045                        | 100.0                             |

(1) As budgeted for fiscal year 2025-26.

For further details on the plans, see Appendix A, Note 10 "Pension Plans and Benefits Provided" of the "Notes to Financial Statements".

**OTHER POST-EMPLOYMENT BENEFITS**

As disclosed in the audited financial statements for the year ended June 30, 2022, the Board of Education ("BOE") provides certain retirees with health care, life insurance and lump sum benefits, in accordance with certain union contracts.

For further details on the plans, see Appendix A, Note 11 "Other Post-Employment Benefits" of the "Notes to Financial Statements".

The Retiree Health Plan ("RHP") is a single-employer defined benefit healthcare plan administered by the BOE. The RHP provides medical and dental insurance benefits to eligible retirees and their spouses. All employees of the BOE are eligible to participate in the plan.

A trust was officially established on March 29, 2011 between the Town and the Litchfield Board of Education and the Town's Pension Commission. The monies in the OPEB special revenue fund were transferred to the OPEB trust fund on that date. As in prior years, all expenses for postemployment benefits were paid out of the General Fund during fiscal year ended June 30, 2016. The plan does not issue a stand-alone financial report.

For fiscal year 2016-17, the Town and Board of Education implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town and Board of Education as of June 30 were as follows:

|  | <b>2024</b>           | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>       |
|--|-----------------------|---------------------|---------------------|---------------------|-------------------|
| Total OPEB liability.....  | \$ 278,986            | \$ 1,129,950        | \$ 1,468,848        | \$ 1,405,426        | \$ 2,075,598      |
| Plan fiduciary net position.....                                   | 2,174,001             | 1,905,558           | 1,724,574           | 1,963,110           | 1,572,024         |
| Net OPEB liability.....  | <u>\$ (1,895,015)</u> | <u>\$ (775,608)</u> | <u>\$ (255,726)</u> | <u>\$ (557,684)</u> | <u>\$ 503,574</u> |
| Plan fiduciary net position as a %<br>of total OPEB liability..... | 779.3%                | 168.6%              | 117.4%              | 139.7%              | 75.7%             |

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

|                    | <b>1% Decrease<br/>5.25%</b> | <b>Current<br/>Discount Rate<br/>6.25%</b> | <b>1% Increase<br/>7.25%</b> |
|--------------------|------------------------------|--|------------------------------|
| Net OPEB Liability | \$ (1,870,096)               | \$ (1,895,015)                             | \$ (1,916,584)               |



Based upon a July 1, 2022 actuarial valuation, the actuarial value of assets and actuarial liabilities were as follows:

| <b>Actuarial<br/>Valuation<br/>July 1</b> | <b>Actuarial<br/>Value<br/>of Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>(b)</b> | <b>Unfunded<br/>(Overfunded)<br/>AAL<br/>(UAAL)<br/>(b) - (a)</b> | <b>Funded<br/>Ratio<br/>(a) / (b)</b> |
|---|--|--|---|---------------------------------------|
| 2012                                      | \$ 620,872                                       | \$ 3,124,371   | \$ 2,503,499  | 19.9%                                 |
| 2014                                      | 886,171  | 2,570,923  | 1,684,752   | 34.5%                                 |
| 2016                                      | 1,023,827  | 2,299,857  | 1,276,030   | 44.5%                                 |
| 2020                                      | 1,572,024  | 1,356,601  | (215,423)   | 115.9%                                |
| 2022                                      | 1,724,574  | 1,066,825  | (657,749)   | 161.7%                                |

The following table represents a prospective forecast of the OPEB Actuarial Determined Employer Contribution ("ADEC") based on the July 1, 2022 valuation and assumes that the Town will pay the ADEC each year. The expected rate of return is 6.25%.

#### Schedule of Employer Contributions

| <b>Fiscal Year</b> | <b>Actuarial Determined<br/>Employer Contribution</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
|--------------------|---|--------------------------------|-----------------------------------|
| 2022               | \$ 21,050   | \$ 94,563                      | 449.2                             |
| 2023               | 22,463  | 14,737                         | 65.6                              |
| 2024               | -   | 10,852                         | N/A                               |
| 2025               | -   | -                              | N/A                               |
| 2026 (1)           | -   | -                              | N/A                               |

#### INVESTMENT POLICIES AND PROCEDURES

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

#### PROPERTY TAX REVENUES

| <b>Fiscal Year</b>       | <b>General Fund<br/>Revenues</b> | <b>Property Tax<br/>Revenues</b> | <b>Property Tax As a %<br/>of General Fund</b> |
|--------------------------|----------------------------------|----------------------------------|--|
| 2026 (Adopted Budget)    | \$ 34,100,499 (1)                | \$ 31,217,994                    | 91.5   |
| 2025 (Estimated Actuals) | 32,006,960 (1)                   | 28,964,740                       | 90.5   |
| 2024                     | 37,840,125                       | 30,226,901                       | 79.9   |
| 2023                     | 36,806,114                       | 29,836,343                       | 81.1   |
| 2022                     | 34,441,747                       | 29,893,336                       | 86.8   |
| 2021                     | 37,872,262                       | 29,657,637                       | 78.3   |
| 2020                     | 34,914,564                       | 29,828,194                       | 85.4   |
| 2019                     | 34,665,181                       | 29,189,846                       | 84.2   |
| 2018                     | 35,297,817                       | 29,353,144                       | 83.2   |
| 2017                     | 33,708,872                       | 27,879,012                       | 82.7   |

(1) Adopted budget for fiscal year 2025-26 and unaudited estimates for fiscal year 2024-25, do not include on-behalf payments for state teachers' retirement.

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## INTERGOVERNMENTAL REVENUES

| <b>Fiscal Year</b>       | <b>General Fund<br/>Revenues</b> | <b>Intergovernmental<br/>Revenues</b> | <b>Intergovernmental<br/>Revenues as a %<br/>of General Fund Revenues</b> |
|--------------------------|----------------------------------|---------------------------------------|---|
| 2026 (Adopted Budget)    | \$ 34,100,499 (1)                | \$ 1,605,179 (1)                      | 4.7   |
| 2025 (Estimated Actuals) | 32,006,960 (1)                   | 1,356,966 (1)                         | 4.2   |
| 2024                     | 37,840,125                       | 5,386,536                             | 14.2  |
| 2023                     | 36,806,114                       | 5,308,554                             | 14.4  |
| 2022                     | 34,441,747                       | 3,425,369                             | 9.9   |
| 2021                     | 37,872,262                       | 7,259,540                             | 19.2  |
| 2020                     | 34,914,564                       | 4,219,168                             | 12.1  |
| 2019                     | 34,665,181                       | 4,570,667                             | 13.2  |
| 2018                     | 35,297,817                       | 5,034,065                             | 14.3  |
| 2017                     | 33,708,872                       | 5,135,647                             | 15.2  |

(1) Adopted budget for fiscal year 2025-26 and unaudited estimates for fiscal year 2024-25, do not include on-behalf payments for state teachers' retirement.

## EXPENDITURES (1)

| <b>Fiscal Year</b>       | <b>Board of<br/>Education<br/>%</b> | <b>Debt<br/>Service<br/>%</b> | <b>Public<br/>Works<br/>%</b> | <b>General<br/>Government<br/>%</b> | <b>Benefits and<br/>Other<br/>%</b> | <b>Public<br/>Safety<br/>%</b> |
|--------------------------|-------------------------------------|-------------------------------|-------------------------------|-------------------------------------|-------------------------------------|--------------------------------|
| 2026 (Adopted Budget)    | 66.1                                | 6.3                           | 10.6                          | 6.6                                 | 4.6                                 | 4.0                            |
| 2025 (Estimated Actuals) | 64.1                                | 7.1                           | 10.4                          | 6.8                                 | 5.6                                 | 4.0                            |
| 2024                     | 67.5                                | 10.0                          | 8.7                           | 5.0                                 | 4.2                                 | 2.9                            |
| 2023                     | 65.4                                | 11.6                          | 9.6                           | 5.1                                 | 3.7                                 | 2.9                            |
| 2022                     | 63.9                                | 12.9                          | 9.5                           | 5.1                                 | 3.5                                 | 2.9                            |
| 2021                     | 67.7                                | 10.6                          | 9.0                           | 5.0                                 | 2.5                                 | 3.2                            |
| 2020                     | 64.2                                | 12.3                          | 8.9                           | 4.5                                 | 5.0                                 | 3.0                            |
| 2019                     | 65.4                                | 10.7                          | 8.6                           | 4.2                                 | 6.0                                 | 2.9                            |
| 2018                     | 66.2                                | 10.5                          | 9.4                           | 3.8                                 | 5.4                                 | 2.7                            |
| 2017                     | 65.9                                | 10.8                          | 9.0                           | 4.3                                 | 5.4                                 | 2.6                            |

(1) Adopted budget for fiscal year 2023-24 and unaudited estimates for fiscal year 2022-23, do not include on-behalf payments for state teachers' retirement.

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

|   | <b>Fiscal Year 2023-24</b> |                              |                                    | <b>Fiscal Year<br/>2024-25</b> | <b>Fiscal Year<br/>2025-26</b> |
|---|----------------------------|------------------------------|------------------------------------|--------------------------------|--------------------------------|
|   | <b>Final<br/>Budget</b>    | <b>Actual<br/>Operations</b> | <b>Favorable<br/>(Unfavorable)</b> | <b>Unaudited<br/>Estimated</b> | <b>Adopted<br/>Budget</b>      |
| <b>Revenues</b>   |                            |                              |                                    |                                |                                |
| Property taxes.....   | \$29,958,529               | \$30,226,901                 | \$ 268,372                         | \$ 28,964,740                  | \$ 31,217,994                  |
| Intergovernmental.....  | 1,431,848                  | 1,688,459                    | 256,611                            | 1,356,966                      | 1,605,179                      |
| Licenses, permits and fees.....   | 736,505                    | 1,041,612                    | 305,107                            | 645,544                        | 627,000                        |
| Income from investments.....  | 255,000                    | 1,112,687                    | 857,687                            | 745,021                        | 400,000                        |
| Other revenues.....   | 112,000                    | 72,389                       | (39,611)                           | 294,690                        | 250,326                        |
| <b>Total Revenues.....</b>  | <b>32,493,882</b>          | <b>34,142,048</b>            | <b>1,648,166</b>                   | <b>32,006,960</b>              | <b>34,100,499</b>              |
| <b>Expenditures</b>   |                            |                              |                                    |                                |                                |
| Current:  |                            |                              |                                    |                                |                                |
| General government.....   | 1,890,064                  | 1,848,626                    | 41,438                             | 2,130,130                      | 2,243,707                      |
| Public safety.....  | 1,075,495                  | 1,056,539                    | 18,956                             | 1,252,311                      | 1,348,724                      |
| Public works.....   | 3,416,081                  | 3,306,947                    | 109,134                            | 3,239,238                      | 3,630,577                      |
| Health and welfare.....   | 14,341                     | 2,011                        | 12,330                             | 57,696                         | 48,788                         |
| Cultural and recreation.....  | 212,175                    | 209,265                      | 2,910                              | 118,461                        | 112,865                        |
| Libraries.....  | 411,998                    | 411,998                      | -                                  | 448,450                        | 460,500                        |
| Board of education.....   | 20,024,237                 | 20,531,634                   | (507,397)                          | 20,041,980                     | 22,563,463                     |
| Other.....  | 1,806,129                  | 1,798,853                    | 7,276                              | 1,735,154                      | 1,568,468                      |
| Debt service.....   | 3,673,786                  | 3,671,699                    | 2,087                              | 2,225,264                      | 2,135,407                      |
| <b>Total Expenditures.....</b>  | <b>32,524,306</b>          | <b>32,837,572</b>            | <b>(313,266)</b>                   | <b>31,248,684</b>              | <b>34,112,499</b>              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures.....</b> | <b>(30,424)</b>            | <b>1,304,476</b>             | <b>1,334,900</b>                   | <b>758,276</b>                 | <b>(12,000)</b>                |
| <b>Other Financing Sources (Uses)</b>                                     |                            |                              |                                    |                                |                                |
| Operating transfers in.....   | 46,424                     | 49,763                       | 3,339                              | 28,000                         | 28,000                         |
| Operating transfers out.....  | (16,000)                   | (16,000)                     | -                                  | (720,965)                      | (16,000)                       |
| <b>Total Other Financing Sources<br/>(Uses).....</b>                      | <b>30,424</b>              | <b>33,763</b>                | <b>3,339</b>                       | <b>(692,965)</b>               | <b>12,000</b>                  |
| <b>Net change in fund balances.....</b>                                   | <b>\$ -</b>                | <b>\$ 1,338,239</b>          | <b>\$ 1,338,239</b>                | <b>\$ 65,311</b>               | <b>\$ -</b>                    |

Source: Audited financial statements; Fiscal year 2024-25 unaudited estimates and 2025-26 adopted budget.

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

| <b>Fiscal Year Ended:</b>  | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         | <b>2024</b>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |                     |                     |
| Cash and cash equivalents.....   | \$15,179,165        | \$18,279,743        | \$19,306,226        | \$20,138,101        | \$10,321,965        |
| Receivables, net.....  | 654,885             | 685,655             | 560,219             | 597,613             | 7,368,715           |
| Other assets.....  | 171,571             | 14,550              | 23,833              | -                   | 835,656             |
| Due from other funds.....  | 45,925              | -                   | 45,345              | -                   | 1,019               |
| Inventories.....   |                     |                     |                     | 6,469               | 59,043              |
| <b>Total Assets.....</b>   | <b>\$16,051,546</b> | <b>\$18,979,948</b> | <b>\$19,935,623</b> | <b>\$20,742,183</b> | <b>\$18,586,398</b> |
| <b>Liabilities</b>   |                     |                     |                     |                     |                     |
| Accounts payable and accrued.....  |                     |                     |                     |                     |                     |
| liabilities.....   | \$ 1,116,370        | \$ 1,397,517        | \$ 1,103,766        | \$ 1,133,521        | \$ 1,142,592        |
| Due to other funds.....  | 6,748,867           | 9,081,045           | 9,766,509           | 11,004,327          | 9,779,415           |
| Unearned revenue.....  | -                   | 283,832             | 288,542             | -                   | -                   |
| <b>Total Liabilities.....</b>  | <b>7,865,237</b>    | <b>10,762,394</b>   | <b>11,158,817</b>   | <b>12,137,848</b>   | <b>10,922,007</b>   |
| <b>Deferred Inflows of Resources</b>   |                     |                     |                     |                     |                     |
| Unavailable revenue  |                     |                     |                     |                     |                     |
| Property taxes.....  | 565,778             | 499,715             | 423,893             | 427,071             | 493,945             |
| Advanced property tax collections..  | 30,424              | 58,345              | 70,686              | 70,192              | 7,836               |
| <b>Total Deferred Inflows of Resources.</b>                                    | <b>596,202</b>      | <b>558,060</b>      | <b>494,579</b>      | <b>497,263</b>      | <b>501,781</b>      |
| <b>Fund Balances (Deficits)</b>  |                     |                     |                     |                     |                     |
| Nonspendable.....  | 171,571             | 14,550              | 23,833              | 6,469               | 59,043              |
| Restricted.....  |                     |                     |                     | -                   | 222,724             |
| Committed.....   | 389,838             | 254,161             | 780,004             | 540,965             | 332,828             |
| Assigned.....  | 65,472              | 66,712              | -                   | -                   | 105,786             |
| Unassigned.....  | 6,963,226           | 7,324,071           | 7,478,390           | 7,559,638           | 6,442,229           |
| <b>Total Fund Balances.....</b>  | <b>7,590,107</b>    | <b>7,659,494</b>    | <b>8,282,227</b>    | <b>8,107,072</b>    | <b>7,162,610</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances.....</b> | <b>\$16,051,546</b> | <b>\$18,979,948</b> | <b>\$19,935,623</b> | <b>\$20,742,183</b> | <b>\$18,586,398</b> |

Source: Annual audited financial statements.

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

|                                     | <b>Actual<br/>2019-20</b> | <b>Actual<br/>2020-21</b> | <b>Actual<br/>2021-22</b> | <b>Actual<br/>2022-23</b> | <b>Actual<br/>2023-24</b> |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Nonspendable.....                   | \$ 171,571                | \$ 14,550                 | \$ 23,833                 | \$ 6,469                  | \$ 59,043                 |
| Committed.....                      | 389,838                   | 254,161                   | 780,004                   | 540,965                   | 332,828                   |
| Assigned.....                       | 65,472                    | 66,712                    | -                         | -                         | 105,786                   |
| Unassigned.....                     | 6,963,226                 | 7,324,071                 | 7,478,390                 | 7,559,638                 | 6,442,229                 |
| <b>Total Fund Balance.....</b>      | <b>\$ 7,590,107</b>       | <b>\$ 7,659,494</b>       | <b>\$ 8,282,227</b>       | <b>\$ 8,107,072</b>       | <b>\$ 6,939,886</b>       |
| Unassigned Fund Balance as % of     |                           |                           |                           |                           |                           |
| Total Expenditures & Transfers..... | 20.29%                    | 19.32%                    | 21.89%                    | 20.39%                    | 16.51%                    |

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

| <b>Fiscal Year Ended:</b>                            | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         | <b>2024</b>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                      |                     |                     |                     |                     |                     |
| Property taxes and assessments..                     | \$29,828,194        | \$29,657,637        | \$29,893,336        | \$29,836,343        | \$30,226,901        |
| Intergovernmental.....                               | 4,219,168           | 7,259,540           | 3,425,369           | 5,308,554           | 5,386,536           |
| Charges for services.....                            | 557,266             | 902,446             | 967,876             | 773,500             | 1,041,612           |
| Income from investments.....                         | 259,663             | 37,487              | 63,965              | 709,565             | 1,112,687           |
| Other revenues.....                                  | 50,273              | 15,152              | 91,201              | 178,152             | 72,389              |
| <b>Total Revenues.....</b>                           | <b>34,914,564</b>   | <b>37,872,262</b>   | <b>34,441,747</b>   | <b>36,806,114</b>   | <b>37,840,125</b>   |
| <b>Expenditures</b>                                  |                     |                     |                     |                     |                     |
| Current:   |                     |                     |                     |                     |                     |
| General government.....                              | 1,559,980           | 1,827,761           | 1,679,008           | 1,798,504           | 1,818,959           |
| Public safety.....                                   | 1,015,614           | 1,170,423           | 967,628             | 998,851             | 1,069,507           |
| Public works.....                                    | 3,040,481           | 3,277,261           | 3,132,780           | 3,341,231           | 3,148,046           |
| Health and welfare.....                              | 49,501              | 41,707              | 46,513              | 54,559              | 1,902               |
| Culture and recreation.....                          | 684,040             | 672,319             | 644,988             | 571,058             | 612,552             |
| Education.....                                       | 22,026,308          | 24,674,832          | 21,007,127          | 22,877,696          | 24,486,459          |
| Employee Benefits.....                               | 1,730,866           | 915,744             | 1,142,766           | 1,278,093           | 1,509,050           |
| Debt service.....                                    | 4,211,057           | 3,859,112           | 4,230,870           | 4,057,958           | 3,625,275           |
| <b>Total Expenditures.....</b>                       | <b>34,317,847</b>   | <b>36,439,159</b>   | <b>32,851,680</b>   | <b>34,977,950</b>   | <b>36,271,750</b>   |
| Revenues over (under)<br>expenditures.....           | <u>596,717</u>      | <u>1,433,103</u>    | <u>1,590,067</u>    | <u>1,828,164</u>    | <u>1,568,375</u>    |
| <b>Other Financing Sources (Uses)</b>                |                     |                     |                     |                     |                     |
| Premium on bonds.....                                | -                   | 1,540               | 4,956               | 107                 | 3,339               |
| Operating transfers in.....                          | 404,824             | 100,463             | 343,758             | 91,574              | 222,724             |
| Operating transfers out.....                         | -                   | (1,465,719)         | (1,316,048)         | (2,095,000)         | (2,738,900)         |
| <b>Total Other Financing Sources<br/>(Uses).....</b> | <b>404,824</b>      | <b>(1,363,716)</b>  | <b>(967,334)</b>    | <b>(2,003,319)</b>  | <b>(2,512,837)</b>  |
| Net change in fund balances.....                     | 1,001,541           | 69,387              | 622,733             | (175,155)           | (944,462)           |
| Fund Balances - beginning of year.                   | <u>6,588,566</u>    | <u>7,590,107</u>    | <u>7,659,494</u>    | <u>8,282,227</u>    | <u>8,107,072</u>    |
| Fund Balances - end of year.....                     | <u>\$ 7,590,107</u> | <u>\$ 7,659,494</u> | <u>\$ 8,282,227</u> | <u>\$ 8,107,072</u> | <u>\$ 7,162,610</u> |

Source: Annual audited financial statements.

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## VI. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 28, 2025  
(Pro Forma)

#### Long-Term Debt: Bonds

| <u>Date of Issue</u>          | <u>Purpose</u>                     | <u>Rate %</u> | <u>Original<br/>Issue Amount</u> | <u>Principal<br/>Outstanding<br/>as of 8/28/25</u> | <u>Final<br/>Fiscal Year<br/>Maturity</u> |
|-------------------------------|------------------------------------|---------------|----------------------------------|--|---|
| <b><u>General Purpose</u></b> |                                    |               |                                  |  |   |
| 2/8/2012                      | General Purpose .....              | 2.00 - 3.00   | \$ 2,718,400                     | \$ 332,000   | 2027                                      |
| 3/15/2012                     | Refunding - General Purpose .....  | 2.00 - 4.00   | 2,302,000                        | -  | 2026                                      |
| 8/11/2016                     | General Purpose .....              | 2.00 - 3.00   | 6,411,000                        | 2,569,380  | 2032                                      |
| 8/16/2017                     | General Purpose .....              | 2.00 - 3.00   | 2,535,000                        | 1,175,000  | 2033                                      |
| 9/4/2018                      | General Purpose .....              | 2.125 - 4.00  | 1,691,000                        | 890,000  | 2034                                      |
| 8/29/2019                     | General Purpose .....              | 4.00 - 5.00   | 3,650,000                        | 2,180,000  | 2035                                      |
| 11/5/2020                     | General Purpose .....              | 2.00 - 4.00   | 2,000,000                        | 1,380,000  | 2036                                      |
| 9/14/2021                     | General Purpose .....              | 2.00 - 4.00   | 2,020,000                        | 1,480,000  | 2037                                      |
| 8/23/2022                     | General Purpose .....              | 3.00 - 5.00   | 2,085,000                        | 1,665,000  | 2038                                      |
| 8/22/2023                     | General Purpose.....               | 4.00 - 5.00   | 1,208,500                        | 1,040,000  | 2039                                      |
| 8/28/2025                     | General Purpose (This Issue) ..... | TBD           | 2,100,000                        | 2,100,000  | 2041                                      |
|                               |                                    |               | <b>\$ 28,720,900</b>             | <b>\$ 14,811,380</b>                               |   |
| <b><u>Schools</u></b>         |                                    |               |                                  |  |   |
| 2/8/2012                      | Schools .....                      | 2.00 - 3.00   | \$ 181,600                       | \$ 18,000  | 2027                                      |
| 3/15/2012                     | Refunding - Schools .....          | 2.00 - 4.00   | 2,253,000                        | -  | 2026                                      |
| 8/11/2016                     | Schools .....                      | 2.00 - 3.00   | 26,600                           | 10,620   | 2032                                      |
| 8/22/2023                     | Schools.....                       | 4.00 - 5.00   | 221,500                          | 190,000  | 2039                                      |
|                               |                                    |               | <b>\$ 2,682,700</b>              | <b>\$ 218,620</b>                                  |   |
|                               | <b>Total .....</b>                 |               | <b>\$ 31,403,600</b>             | <b>\$ 15,030,000</b>                               |   |

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# COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY

As of August 28, 2025

(Pro Forma)

| <b>Fiscal Year</b> | <b>Principal Payments (1)</b> | <b>Interest Payments</b> | <b>Total Debt Service (1)</b> | <b>The Bonds Principal</b> | <b>Total Principal All Issues (1)</b> |
|--------------------|-------------------------------|--------------------------|-------------------------------|----------------------------|---------------------------------------|
| 2026               | \$ 2,290,000                  | \$ 426,924               | \$ 2,716,924                  | \$ -                       | \$ 2,290,000                          |
| 2027               | 1,650,000                     | 366,364                  | 2,016,364                     | 140,000                    | 1,790,000                             |
| 2028               | 1,475,000                     | 312,161                  | 1,787,161                     | 140,000                    | 1,615,000                             |
| 2029               | 1,470,000                     | 263,924                  | 1,733,924                     | 140,000                    | 1,610,000                             |
| 2030               | 1,470,000                     | 218,349                  | 1,688,349                     | 140,000                    | 1,610,000                             |
| 2031               | 1,460,000                     | 175,661                  | 1,635,661                     | 140,000                    | 1,600,000                             |
| 2032               | 1,460,000                     | 135,296                  | 1,595,296                     | 140,000                    | 1,600,000                             |
| 2033               | 1,015,000                     | 99,481                   | 1,114,481                     | 140,000                    | 1,155,000                             |
| 2034               | 850,000                       | 70,906                   | 920,906                       | 140,000                    | 990,000                               |
| 2035               | 740,000                       | 46,456                   | 786,456                       | 140,000                    | 880,000                               |
| 2036               | 495,000                       | 28,531                   | 523,531                       | 140,000                    | 635,000                               |
| 2037               | 355,000                       | 16,797                   | 371,797                       | 140,000                    | 495,000                               |
| 2038               | 225,000                       | 7,594                    | 232,594                       | 140,000                    | 365,000                               |
| 2039               | 90,000                        | 1,800                    | 91,800                        | 140,000                    | 230,000                               |
| 2040               | -                             | -                        | -                             | 140,000                    | 140,000                               |
| 2041               | -                             | -                        | -                             | 140,000                    | 140,000                               |
|                    | <u>\$ 15,045,000</u>          | <u>\$ 2,170,244</u>      | <u>\$ 17,215,244</u>          | <u>\$ 2,100,000</u>        | <u>\$ 17,145,000</u>                  |

(1) Does not reflect fiscal year 2025-26 principal payments of \$2,115,000 made as of August 28, 2025.

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

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

### OUTSTANDING SHORT-TERM INDEBTEDNESS

As of August 28, 2025, the Town will have no outstanding short-term indebtedness.

### OVERLAPPING AND UNDERLYING INDEBTEDNESS

The Town is a member of Regional School District No. 20, along with the Towns of Warren, Morris and Goshen. The below represents the Town's overlapping debt as on June 30, 2025.

| <b>Net Debt Outstanding (1)</b> | <b>Applicable % of Net Debt Charged to Town</b> | <b>Town Net Overlapping Debt (1)</b> |
|---------------------------------|---|--------------------------------------|
| \$ 321,536                      | 56.080%   | \$ 180,317                           |

Source: Regional School District No. 20.

The Town has no underlying debt.

## DEBT STATEMENT

As of August 28, 2025

(Pro Forma)

### Long-Term Indebtedness (1)

|   |                      |
|---|----------------------|
| The Bonds (This Issue).....   | \$ 2,100,000         |
| General Purpose.....  | 12,711,380           |
| Schools.....  | 218,620              |
| <b>Total Long-Term Indebtedness.....</b>                                | <b>15,030,000</b>    |
| Short-Term Indebtedness: Notes Payable.....                             | -                    |
| <b>Total Direct Indebtedness.....</b>                                   | <b>15,030,000</b>    |
| Exclusions: Sewer assessments and Sewer use charges receivable (2)..... | (505,626)            |
| <b>Net Direct Indebtedness.....</b>                                     | <b>14,524,374</b>    |
| Net Overlapping Indebtedness (56.08% RSD #20).....                      | 180,317              |
| <b>Total Net Direct and Overlapping Indebtedness.....</b>               | <b>\$ 14,704,691</b> |

(1) Does not include authorized but unissued debt of \$1,450. See "Authorized but Unissued Debt" herein.

(2) Grants and receivables applicable to authorized and unissued debt are not included. As of June 30, 2025, the Town's sewer assessments receivable was \$164,341 and sewer use charges receivable was \$341,275 for the payment of sewer debt.

## CURRENT DEBT RATIOS

As of August 28, 2025

(Pro Forma)

|  |               |
|--|---------------|
| Total Direct Indebtedness.....                         | \$ 15,030,000 |
| Total Net Direct Indebtedness.....                     | \$ 14,524,374 |
| Total Net Direct and Net Overlapping Indebtedness..... | \$ 14,704,691 |

|  |                  |
|--|------------------|
| Population (1).....                              | 8,249            |
| Net Taxable Grand List (10/1/24).....            | \$ 1,558,377,055 |
| Estimated Full Value.....                        | \$ 2,226,252,936 |
| Equalized Net Taxable Grand List (2023) (2)..... | \$ 2,214,427,020 |
| Per Capita Income (1).....                       | \$ 61,908        |

### Total Direct Indebtedness:

|  |             |
|--|-------------|
| Per Capita.....                          | \$ 1,822.04 |
| To Net Taxable Grand List .....          | 0.96%       |
| To Estimated Full Value .....            | 0.68%       |
| To Equalized Net Taxable Grand List..... | 0.68%       |
| Per Capita to Per Capita Income.....     | 2.94%       |

### Total Net Direct Indebtedness:

|  |             |
|--|-------------|
| Per Capita.....                          | \$ 1,760.74 |
| To Net Taxable Grand List.....           | 0.93%       |
| To Estimated Full Value.....             | 0.65%       |
| To Equalized Net Taxable Grand List..... | 0.66%       |
| Per Capita to Per Capita Income.....     | 2.84%       |

### Total Net Direct and Net Overlapping Indebtedness:

|  |            |
|--|------------|
| Per Capita.....                          | \$1,782.60 |
| To Net Taxable Grand List.....           | 0.94%      |
| To Estimated Full Value.....             | 0.66%      |
| To Equalized Net Taxable Grand List..... | 0.66%      |
| Per Capita to Per Capita Income.....     | 2.88%      |

(1) U.S. Census Bureau, 2019-2023 American Community Survey.

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



## LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

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

### TEMPORARY FINANCING

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

Temporary notes may be funded beyond ten years from their initial borrowing date, if written commitment exists for State and/or Federal grants for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

### SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996 (the "Current Program").

Under the Current Program, the State of Connecticut is making proportional progress payments for eligible construction costs during project construction. The State grants are being 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.

### LIMITATION OF INDEBTEDNESS

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

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

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

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

### STATEMENT OF STATUTORY DEBT LIMITATION

As of August 28, 2025

(Pro Forma)

|   |                      |
|---|----------------------|
| Total Fiscal Year 2024 tax collections (including interest and lien fees) | \$ 30,243,444        |
| State Reimbursement for Revenue Loss on:                                  |                      |
| Local Property tax relief for elderly                                     | -                    |
| Base for Establishing Debt Limit  | <u>\$ 30,243,444</u> |

| <u>Debt Limitation</u> | <u>General Purpose</u> | <u>School</u>  | <u>Sewer</u>   | <u>Urban Renewal</u> | <u>Pension Deficit</u> | <u>Total Debt</u> |
|------------------------|------------------------|----------------|----------------|----------------------|------------------------|-------------------|
| (2.25 times base)..... | \$ 68,047,749          |                |                |                      |                        |                   |
| (4.50 times base)..... |                        | \$ 136,095,498 |                |                      |                        |                   |
| (3.75 times base)..... |                        |                | \$ 113,412,915 |                      |                        |                   |
| (3.25 times base)..... |                        |                |                | \$ 98,291,193        |                        |                   |
| (3.00 times base)..... |                        |                |                |                      | \$ 90,730,332          |                   |
| (7.00 times base)..... |                        |                |                |                      |                        | \$ 211,704,108    |

#### Indebtedness (Including the Bonds)

|  |                      |                       |                       |                      |                      |                       |
|--|----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Bonds Payable.....   | \$ 12,711,380        | \$ 218,620            | \$ -                  | \$ -                 | \$ -                 | \$ 12,930,000         |
| The Bonds (This Issue).....                                  | 2,100,000            | -                     | -                     | -                    | -                    | 2,100,000             |
| Net Overlapping Debt - RSD #20.....                          | -                    | 180,317               | -                     | -                    | -                    | 180,317               |
| Authorized but Unissued Debt (1).....                        | 1,325                | 125                   | -                     | -                    | -                    | 1,450                 |
| Total Indebtedness.....                                      | 14,812,705           | 399,062               | -                     | -                    | -                    | 15,211,767            |
| Grants / Assessments Receivable (2).....                     | -                    | -                     | (164,351)             | -                    | -                    | (164,351)             |
| Total Net Indebtedness.....                                  | 14,812,705           | 399,062               | (164,351)             | -                    | -                    | 15,047,416            |
| Excess of Limit Over Outstanding<br>and Authorized Debt..... | <u>\$ 53,235,044</u> | <u>\$ 135,696,436</u> | <u>\$ 113,577,266</u> | <u>\$ 98,291,193</u> | <u>\$ 90,730,332</u> | <u>\$ 196,656,692</u> |

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

(2) As of June 30, 2025, the Town's sewer assessments receivable for the payment of sewer debt was \$164,351.

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## AUTHORIZED BUT UNISSUED DEBT

| <b>Projects</b>                          | <b>Total Bond<br/>Authorization</b> | <b>Prior<br/>Bonds Issued</b> | <b>Paydowns/<br/>Grants (1)</b> | <b>The Bonds<br/>(This Issue)</b> | <b>Premium<br/>Applied<br/>(This Issue)</b> | <b>Authorized<br/>But<br/>Unissued</b> |
|--|-------------------------------------|-------------------------------|---------------------------------|-----------------------------------|---|--|
| 2022-23 Capital Improvement Program..... | \$ 5,486,143                        | \$ 2,166,000                  | \$ 3,319,582                    | \$ -                              | \$ -  | \$ 561                                 |
| 2023-24 Capital Improvement Program..... | 5,433,298                           | 1,504,000                     | 3,928,959                       | -                                 | -   | 339                                    |
| 2025-26 Capital Improvement Program..... | 3,922,319                           | -                             | 1,712,769                       | 2,100,000                         | 109,000                                     | 550                                    |
| Total.....                               | <u>\$ 14,841,760</u>                | <u>\$ 3,670,000</u>           | <u>\$ 8,961,310</u>             | <u>\$ 2,100,000</u>               | <u>\$ 109,000</u>                           | <u>\$ 1,450</u>                        |

(1) Estimated expected grants.

Source: Town Officials.

## HISTORICAL DEBT STATEMENT

|  | <b>2024-25 (1)</b> | <b>2023-24</b>   | <b>2022-23</b>   | <b>2021-22</b>   | <b>2020-21</b>   |
|--|--------------------|------------------|------------------|------------------|------------------|
| Population (2).....                              | 8,249              | 8,249            | 8,249            | 8,249            | 8,249            |
| Net taxable grand list.....                      | \$ 1,550,023,523   | \$ 1,120,371,194 | \$ 1,104,098,508 | \$ 1,063,593,130 | \$ 1,056,909,813 |
| Estimated full value.....                        | \$ 2,214,319,319   | \$ 1,600,530,277 | \$ 1,577,283,583 | \$ 1,519,418,757 | \$ 1,509,871,161 |
| Equalized net taxable grand list (3)...          | \$ 2,214,427,020   | \$ 2,362,021,529 | \$ 2,112,090,442 | \$ 1,870,699,251 | \$ 1,562,726,123 |
| Per capita income (2).....                       | \$ 61,908          | \$ 61,908        | \$ 61,908        | \$ 61,908        | \$ 61,908        |
| Short-term debt.....                             | \$ -               | \$ -             | \$ -             | \$ -             | \$ -             |
| Long-term debt.....                              | 15,045,000         | 17,940,000       | 19,587,992       | 21,165,928       | 22,673,464       |
| Total Direct Indebtedness.....                   | \$ 15,045,000      | \$ 17,940,000    | \$ 19,587,992    | \$ 21,165,928    | \$ 22,673,464    |
| Net Direct Indebtedness.....                     | \$ 14,539,374      | \$ 17,488,606    | \$ 19,141,927    | \$ 20,667,106    | \$ 22,078,836    |
| Overlapping indebtedness.....                    | \$ 180,317         | \$ -             | \$ -             | \$ -             | \$ -             |
| Net Direct Plus Overlapping<br>Indebtedness..... | \$ 14,719,691      | \$ 17,488,606    | \$ 19,141,927    | \$ 20,667,106    | \$ 22,078,836    |

(1) Unaudited estimates.

(2) U.S. Census Bureau, 2019-2023 American Community Survey.

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

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### HISTORICAL DEBT RATIOS

|  | <u>2024-25 (1)</u> | <u>2023-24</u> | <u>2022-23</u> | <u>2021-22</u> | <u>2020-21</u> |
|--|--------------------|----------------|----------------|----------------|----------------|
| <b>Total Direct Indebtedness:</b>                |                    |                |                |                |                |
| Per capita.....                                  | \$1,823.86         | \$2,174.81     | \$2,374.59     | \$2,565.88     | \$2,748.63     |
| To net taxable grand list.....                   | 0.97%              | 1.60%          | 1.77%          | 1.99%          | 2.15%          |
| To estimated full value.....                     | 0.68%              | 1.12%          | 1.24%          | 1.39%          | 1.50%          |
| To equalized net taxable grand list..            | 0.68%              | 0.76%          | 0.93%          | 1.13%          | 1.45%          |
| Debt per capita to per capita income.....        | 2.95%              | 3.51%          | 3.84%          | 4.14%          | 4.44%          |
| <b>Net Direct Indebtedness:</b>                  |                    |                |                |                |                |
| Per capita.....                                  | \$1,762.56         | \$2,120.09     | \$2,320.51     | \$2,505.41     | \$2,676.55     |
| To net taxable grand list.....                   | 0.94%              | 1.56%          | 1.73%          | 1.94%          | 2.09%          |
| To estimated full value.....                     | 0.66%              | 1.09%          | 1.21%          | 1.36%          | 1.46%          |
| To equalized net taxable grand list..            | 0.66%              | 0.74%          | 0.91%          | 1.10%          | 1.41%          |
| Debt per capita to per capita income.....        | 2.85%              | 3.42%          | 3.75%          | 4.05%          | 4.32%          |
| <b>Net Direct Plus Overlapping Indebtedness:</b> |                    |                |                |                |                |
| Per capita.....                                  | \$1,784.42         | \$2,120.09     | \$2,320.51     | \$2,505.41     | \$2,676.55     |
| To net taxable grand list.....                   | 0.95%              | 1.56%          | 1.73%          | 1.94%          | 2.09%          |
| To estimated full value.....                     | 0.66%              | 1.09%          | 1.21%          | 1.36%          | 1.46%          |
| To equalized net taxable grand list..            | 0.66%              | 0.74%          | 0.91%          | 1.10%          | 1.41%          |
| Debt per capita to per capita income.....        | 2.88%              | 3.42%          | 3.75%          | 4.05%          | 4.32%          |

(1) Unaudited estimates.

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

| <u>Fiscal Year Ended 6/30</u> | <u>Annual Debt Service</u> | <u>Total General Fund Expenditures and Transfers out</u> | <u>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</u> |
|-------------------------------|----------------------------|--|--|
| 2026 (1)                      | \$ 2,135,407               | \$ 34,128,499  | 6.26%  |
| 2025 (1)                      | 2,225,264                  | 31,969,649   | 6.96%  |
| 2024                          | 3,625,275                  | 39,010,650   | 9.29%  |
| 2023                          | 4,057,958                  | 37,072,950   | 10.95%   |
| 2022                          | 4,230,870                  | 34,167,728   | 12.38%   |
| 2021                          | 3,859,112                  | 37,904,878   | 10.18%   |
| 2020                          | 4,211,057                  | 34,317,847   | 12.27%   |
| 2019                          | 3,625,671                  | 34,131,121   | 10.62%   |
| 2018                          | 3,575,110                  | 34,819,353   | 10.27%   |
| 2017                          | 3,631,294                  | 33,514,731   | 10.83%   |

(1) Fiscal years 2024-25 and 2025-26 are presented on a budgetary basis, all other fiscal years are presented on a GAAP basis.

Source: Annual audited financial statements, fiscal year 2024-25 unaudited estimates and 2025-26 adopted budget.

## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

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

### MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. 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 Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

### DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town signed by the First Selectman, Town Treasurer, and the Director of Finance, which will be dated the date of delivery of the Bonds, and which will certify to the best of said officials' knowledge and belief, that the descriptions and statements in the Official Statement relating to the Town of Litchfield and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A Receipt for the purchase price of the Bonds;
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached to the Official Statement as Appendix B;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C; and
6. Within seven business days of the bid opening, the Town will furnish the purchaser of the Bonds a reasonable number of copies of the Official Statement, as prepared by the Town.

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

*[The remainder of this page intentionally left blank]*

## CONCLUDING STATEMENT

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

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

## TOWN OF LITCHFIELD, CONNECTICUT

BY: / s / Denise Raap  
**DENISE RAAP**  
*First Selectman*

BY: / s / Alan R. Landau  
**ALAN R. LANDAU**  
*Town Treasurer*

BY: / s / Amaechi E. Obi  
**AMAECHI E. OBI**  
*Director of Finance*

**Dated: August 14, 2025**

## APPENDIX A - AUDITED FINANCIAL STATEMENTS

### TOWN OF LITCHFIELD, CONNECTICUT

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of Litchfield for the Fiscal Year ended June 30, 2024 as presented by the Auditors. This appendix does not include all of the schedules made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Litchfield, Connecticut.

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

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL

August \_\_, 2025

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

We have acted as Bond Counsel to the Town of Litchfield, Connecticut (the “Town”) in connection with the issuance by the Town of its \$\_\_\_\_\_ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated August \_\_, 2025. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

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

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

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

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

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

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



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

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

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

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

Respectfully,

PULLMAN & COMLEY, LLC

## APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

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

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of August \_\_, 2025, by the Town of Litchfield, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Issue of 2025, dated August \_\_, 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 Issuer, dated August \_\_, 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 Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:

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

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

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

- (C) the percentage or amount of the annual property tax levy collected and uncollected;
- (D) a schedule of annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (F) the direct debt and overall net debt of the Issuer per capita;
- (G) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;
- (H) a statement of statutory debt limitations and debt margins;
- (I) the funding status of the Issuer's pension benefit obligation.

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

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

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

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

### **Section 3. Reporting of Listed Events.**

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

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

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

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

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

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

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

#### **Section 5. Use of Agents.**

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

## **Section 6. Termination.**

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

## **Section 7. Enforcement.**

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

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

## **Section 8. Miscellaneous.**

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

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

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

IN WITNESS 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.

TOWN OF LITCHFIELD, CONNECTICUT

By: \_\_\_\_\_  
DENISE RAAP  
First Selectman

By: \_\_\_\_\_  
ALAN R. LANDAU  
Town Treasurer

By: \_\_\_\_\_  
AMAECHI E. OBI  
Director of Finance

**APPENDIX D – NOTICE OF SALE**

**NOTICE OF SALE**

**TOWN OF LITCHFIELD, CONNECTICUT  
\$2,209,000\* GENERAL OBLIGATION BONDS, ISSUE OF 2025  
(BANK QUALIFIED)  
BOOK-ENTRY-ONLY**

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

AUGUST 14, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$2,209,000\* General Obligation Bonds, Issue of 2025, dated August 28, 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 August 1 in the principal amounts and in each of the years as follows:

| <u>Maturity</u> | <u>Amount (\$)*</u> | <u>Maturity</u> | <u>Amount (\$)*</u> |
|-----------------|---------------------|-----------------|---------------------|
| 2026            | 144,000             | 2034            | 150,000             |
| 2027            | 145,000             | 2035            | 150,000             |
| 2028            | 145,000             | 2036            | 150,000             |
| 2029            | 145,000             | 2037            | 150,000             |
| 2030            | 145,000             | 2038            | 150,000             |
| 2031            | 145,000             | 2039            | 150,000             |
| 2032            | 145,000             | 2040            | 150,000             |
| 2033            | 145,000             |                 |                     |

The Bonds will bear interest commencing February 1, 2026 and semiannually thereafter on August 1 and February 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

**Serial Bonds and/or Term Bonds**

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

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

**Mandatory Sinking Fund Redemption**

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

## Optional Redemption

The Bonds maturing on or before August 1, 2031 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after August 1, 2031, either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the respective 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> |
|-------------------------------|-------------------------|
| August 1, 2031 and thereafter | 100.0%                  |

## Nature of Obligation

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

## Bank Qualification

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

## Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), 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 \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

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

## Record Date

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

## Proposals

Each bid must be for the entire \$2,209,000\* 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.

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

## 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. For the purpose of making such determination, it shall be assumed that any Bond designated as term bonds by a bidder shall be deemed to be payable on the dates and in the amounts as described above. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. 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.

## Adjustment of Principal Amount and Maturity Schedule of the Bonds

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



## CUSIP Numbers

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

## Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto: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 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

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

## Certifying Agent, Registrar, Paying Agent and Transfer Agent

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

## **Delivery, Payment and Closing Requirements**

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

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about August 28, 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 Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: Mark.Chapman@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

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

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

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

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 August 1, 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](http://www.i-dealprospectus.com) and [www.munistat.com](http://www.munistat.com), and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Mark Chapman, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2087, E-mail: [Mark.Chapman@munistat.com](mailto:Mark.Chapman@munistat.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

### **Continuing Disclosure Agreement**

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

TOWN OF LITCHFIELD, CONNECTICUT

DENISE RAAP  
First Selectman

ALAN R. LANDAU  
Town Treasurer

August 1, 2025

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

TOWN OF LITCHFIELD, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2025  
Dated August 28, 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 TOWN OF LITCHFIELD, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about August 28, 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 August 14, 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 August \_\_, 2025.

**[UNDERWRITER]**

By: \_\_\_\_\_

Name:

Title:

**Schedule A to Issue Price Certificate**

| <u>Maturity,<br/>August 1</u> | <u>Principal Amount (\$)</u> | <u>Interest<br/>Rate (%)</u> | <u>Price<br/>(\$, not Yield)</u> |
|-------------------------------|------------------------------|------------------------------|----------------------------------|
| 2026                          |                              |                              |                                  |
| 2027                          |                              |                              |                                  |
| 2028                          |                              |                              |                                  |
| 2029                          |                              |                              |                                  |
| 2030                          |                              |                              |                                  |
| 2031                          |                              |                              |                                  |
| 2032                          |                              |                              |                                  |
| 2033                          |                              |                              |                                  |
| 2034                          |                              |                              |                                  |
| 2035                          |                              |                              |                                  |
| 2036                          |                              |                              |                                  |
| 2037                          |                              |                              |                                  |
| 2038                          |                              |                              |                                  |
| 2039                          |                              |                              |                                  |
| 2040                          |                              |                              |                                  |

**Schedule B to Issue Price Certificate**