

FINAL OFFICIAL STATEMENT DATED JULY 25, 2017

Refunding Issue: Book-Entry-Only

Rating: S&P Global Ratings: "AA+"

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds 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. (See Appendix B "Opinion of Bond Counsel and Tax Exemption" herein.)



Town of Bloomfield, Connecticut

\$13,050,000

General Obligation Refunding Bonds, Issue of 2017

Dated: Date of Delivery

**Due: August 1, 2018-2031,
as shown below:**

The Bonds will bear interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2018. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2018	\$ 485,000	3.000%	0.910%	093851UK7	2025	\$ 685,000	5.000%	1.760%	093851US0
2019	475,000	3.000%	0.980%	093851UL5	2026	700,000	5.000%	1.910%	093851UT8
2020	645,000	4.000%	1.080%	093851UM3	2027	710,000	5.000%	2.090%	093851UU5
2021	650,000	4.000%	1.180%	093851UN1	2028*	1,975,000	5.000%	2.200%	093851UV3
2022	655,000	5.000%	1.280%	093851UP6	2029*	1,990,000	4.000%	2.410%	093851UW1
2023	665,000	5.000%	1.430%	093851UQ4	2030*	1,995,000	4.000%	2.550%	093851UX9
2024	675,000	5.000%	1.600%	093851UR2	2031*	745,000	4.000%	2.670%	093851UY7

* Priced assuming redemption on August 1, 2027; however any such redemption is at the option of the Town.

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

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

The Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

Piper Jaffray®

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about August 3, 2017.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. 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, salesman or other person has been authorized by the Town of Bloomfield, Connecticut (the "Town") to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the 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 has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – "2016 Financial Statements" excerpted from the Town's Comprehensive Annual Financial Report hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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Refunding Bond Issue Summary

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

Issuer:	Town of Bloomfield, Connecticut (the "Town").
Issue:	\$13,050,000 General Obligation Refunding Bonds, Issue of 2017 (the "Bonds").
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due serially August 1, 2018 through August 1, 2031. Interest due February 1 and August 1 in each year until maturity, commencing February 1, 2018.
Purpose:	Bond proceeds will be used to refund all or a portion of the outstanding bonds of the Town dated October 20, 2010, and November 1, 2011, see "Authorization and Purpose" herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security:	The Bonds will be general obligations of the Town of Bloomfield, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "AA+" by S&P Global Ratings.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Issuer as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of the occurrence of certain events with respect to the Bonds and timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, Escrow Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 3, 2017. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. James Wren, Jr., Director of Finance, Town of Bloomfield, 800 Bloomfield Avenue, Bloomfield, CT 06002. Telephone: (860) 769-3536.

SECTION I – SECURITIES OFFERED

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Bloomfield, Connecticut (the “Town”), in connection with the issuance and sale of \$13,050,000 General Obligation Refunding Bonds, Issue of 2017 (the “Bonds”) of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds. 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. 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. 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.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent for the Bonds.

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

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

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut will serve as Municipal Advisor to the Town with respect to the issuance of the Bonds (the “Municipal Advisor”). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

Description of the Bonds

The Bonds will mature on August 1 in each of the years as set forth on the cover page hereof. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the cover page, payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2018. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Redemption Provisions

The Bonds maturing on or before August 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2028 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after August 1, 2027 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
August 1, 2027 and thereafter.....	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent for the Bonds. The legal opinion for the Bonds will be rendered by Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. See Appendix B "Opinion of Bond Counsel and Tax Exemption".

Authorization and Purpose

Refunding Bonds: Pursuant to a resolution adopted by the Town Council of the Town of Bloomfield at its meeting on June 26, 2017, the Town authorized the issuance of bonds in an amount up to \$15,000,000 for the purpose of refunding, in whole or in part, all or a portion of the principal outstanding of the Town of Bloomfield's \$25,000,000 General Obligation Bonds, 2010 Series A, dated October 20, 2010 and the Town of Bloomfield's \$15,000,000 General Obligation Bonds, Issue of 2011, dated November 1, 2011 (see "Plan of Refunding" herein).

Plan of Refunding

The Bonds are being issued to refund at or prior to maturity all of the outstanding series of general obligation bonds of the Town as set forth below (the "Refunded Bonds"). The refunding is contingent upon delivery of the Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIPs</i>
2010 Series A	10/20/2010	10/15/2028	4.000%	\$ 1,250,000	10/15/2020	100.00%	093851QY2
		10/15/2029	4.000%	1,250,000	10/15/2020	100.00	093851QZ9
		10/15/2030	4.000%	1,250,000	10/15/2020	100.00	093851RA3
		Sub-Total.....		\$ 3,750,000			
2011	11/1/2011	9/1/2018	4.000%	\$ 750,000	N/A	N/A	093851RV7
		9/1/2019	3.000%	750,000	N/A	N/A	093851RW5
		9/1/2020	3.000%	750,000	9/1/2019	100.00%	093851RX3
		9/1/2021	3.000%	750,000	9/1/2019	100.00	093851RY1
		9/1/2022	3.000%	750,000	9/1/2019	100.00	093851RZ8
		9/1/2023	3.000%	750,000	9/1/2019	100.00	093851SA2
		9/1/2024	3.000%	750,000	9/1/2019	100.00	093851SB0
		9/1/2025	3.125%	750,000	9/1/2019	100.00	093851SC8
		9/1/2026	3.125%	750,000	9/1/2019	100.00	093851SD6
		9/1/2027	3.250%	750,000	9/1/2019	100.00	093851SE4
		9/1/2028	3.375%	750,000	9/1/2019	100.00	093851SF1
		9/1/2029	3.500%	750,000	9/1/2019	100.00	093851SG9
		9/1/2030	3.625%	750,000	9/1/2019	100.00	093851SH7
		9/1/2031	3.625%	750,000	9/1/2019	100.00	093851SJ3
		Sub-Total.....		\$ 10,500,000			
		Total.....		\$ 14,250,000			

Upon delivery of the Refunding Bonds, the proceeds will be placed in an irrevocable trust fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an escrow trust agreement (the "Escrow Agreement") to be dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including, United States Treasury securities, United States Treasury State and Local Government Series securities ("SLGS"), Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the "Government Obligations"). The principal of and interest on the Government Obligations, when due, will provide amounts sufficient to meet principal, interest payments and redemption prices on the Refunded Bonds on the redemption dates. The Escrow Agreement permits substitution of certain Government Obligations for other Government Obligations provided that the maturing principal of and interest on all Government Obligations held at any time under the Escrow Agreement will provide amounts sufficient to pay the principal, interest and redemption prices on the Refunded Bonds on the date such payments are due. All investment income on maturing principal of the Government Obligations held in the Escrow Deposit Fund and needed to pay the principal of, interest and redemption prices, on the Refunded Bonds will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Refunding Bonds will be used to pay certain costs of issuance and underwriter's discount.

The Connecticut General Statutes provide that upon placement in escrow of proceeds of refunding bonds sufficient to provide for the payment of principal, interest and call premium payments on the bonds to be refunded by such refunding bonds, such bonds are no longer counted in computing the Town's debt for statutory debt limitation purposes.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding (i) the adequacy of maturing principal of and interest earned on the Government Obligations deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and (ii) the yield on the Bonds and the securities and moneys in the Escrow Deposit Fund and (iii) net present value savings, will be verified by AMTEC of Avon, Connecticut (the "Verification Agent"). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Underwriter. AMTEC will express no opinion on the assumptions provided to them. Bond Counsel in rendering its opinion described herein will rely on the verification report.

Sources and Uses of Bond Proceeds:

Sources:

Par Amount of the Bonds	\$	13,050,000.00
Net Original Issue Premium		<u>2,202,019.40</u>
Total Sources		15,252,019.40

Uses:

Deposit to Escrow Deposit Fund	15,109,225.76
Costs of Issuance	77,543.64
Underwriters' Discount	<u>65,250.00</u>
Total Uses	<u>\$ 15,252,019.40</u>

Book-Entry-Only Transfer System

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

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

Purchases of the Bonds 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 Security ("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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Principal and Interest on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on 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 Bonds 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 principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or its Agent. Under such circumstances, in the event that a successor 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

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.

Replacement Securities

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, the Town will issue fully-registered Bond certificate directly to the Beneficial Owner. 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.

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 general property tax revenues. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. 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 the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

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

Rating

The Bonds have been rated “AA+” by S&P Global Ratings (“S&P”), acting through Standard & Poor’s Financial Services LLC. The Town furnished to the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town’s bonds and notes, including the Bonds.

The Town expects to furnish the rating agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

Availability of Continuing Information

The Town of Bloomfield prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, within six months of the end of its fiscal year. The Town provides, and will continue to provide, to Moody’s Investors Service and S&P ongoing disclosure in the form of the annual financial report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

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 SEC Rule 15c2-12, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events with respect to the Bonds not later than ten (10) business days after such occurrence and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The Underwriter’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.

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 SEC 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.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

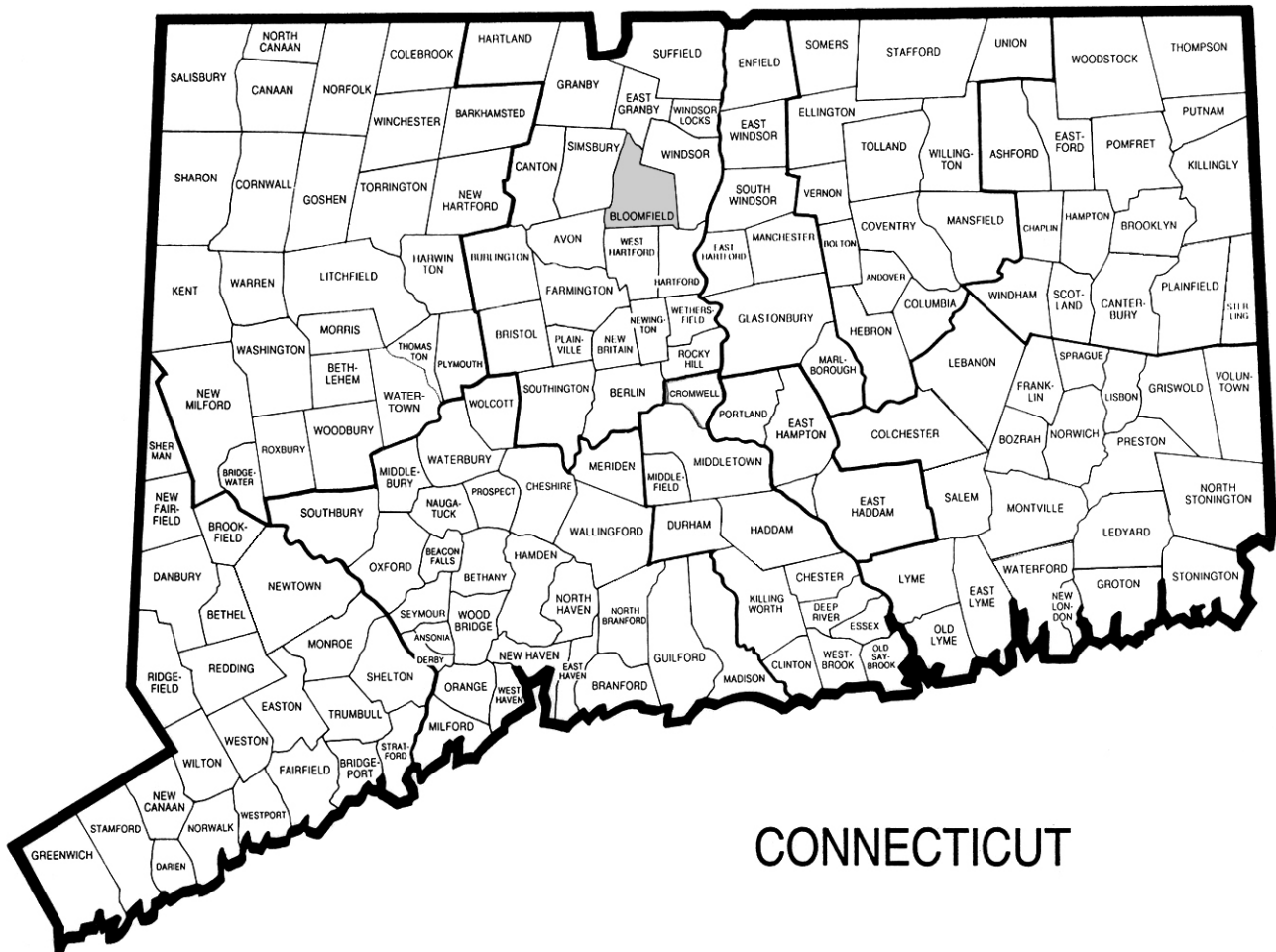
Underwriting

The Bonds are being purchased by Piper Jaffray & Co. (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town at the net aggregate purchase price of \$15,186,769.40 (consisting of the principal amount of \$13,050,000.00 plus net original issue premium of \$2,202,019.40, less underwriter’s discount of \$65,250.00).

The Underwriter will be obligated to purchase all of the Bonds, if any such Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the offering prices or yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into a distribution agreement (the “CS&Co. Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase the Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

SECTION II – THE ISSUER



CONNECTICUT

Description of the Town

The Town of Bloomfield was first settled in 1642 and incorporated in 1835, and was originally part of the Town of Windsor. The Town covers approximately 26.9 square miles and is north of and adjacent to the City of Hartford. Other neighboring towns include Avon, East Granby, Simsbury, West Hartford and Windsor.

Bloomfield is a suburban, residential community with a significant commercial tax base. Over the past two fiscal years, the Town has experienced robust construction activity. Some of the more recent developments include a new 690,000 square foot Trader Joe's distribution center which is slated for completion in the spring of 2018 and will add 685 new jobs in Bloomfield and surrounding towns. Also, construction is underway on Heirloom Flats, a 212-unit market rate luxury apartment complex located in the Town center. The first units are expected to be leased in the fall of 2017 and will provide an additional boost to merchants in the vibrant Town center. Please refer to the "Economic Development" section for more information.

The Town is served by a number of state highways with nearby access to Interstates 91 and 84. Bradley International Airport, located eight miles north of the Town, provides air passenger and air freight facilities.

Form of Government

Bloomfield is administered under the Council-Manager form of government. The Town Charter, which is the primary organizational document, was first adopted in 1959 and last revised in November of 2005. The nine-member Town Council is elected biennially for a term of two years and serves without compensation. Minority party representation of at least three council members is guaranteed. The Town Manager is appointed by the Council and serves as a full-time chief executive officer. The annual budget is adopted through a Town Meeting/Town Council/elector process. See "Budget Adoption Procedure" herein.

The Director of Finance is an appointee of the Town Manager and is responsible for the financial affairs of the Town, including supervision of the Assessor's office, Tax Collector's office, and the Deputy Finance Director. The Director of Finance also oversees Information Systems and Purchasing / Risk Management for the Town.

The Bloomfield Center and Blue Hills Fire Districts provide fire and rescue services. Funding for the Districts' operations comes primarily from a separate tax levy. The Districts receive no subsidy from the Town. The Town's share of The Metropolitan District sewer levy is included in the Town's General Fund budget. See "Fire" and "Sewer and Water" below.

Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection</i>	<i>Length of Service</i>
Mayor	Joan Gamble	Elected/2 years	9 years ¹
Deputy Mayor	Sydney T. Schulman	Elected/2 years	25 years
Councilor	Derrick Seldon	Elected/2 years	3 years
Councilor	Patrick DeLorenzo	Elected/2 years	4 years
Councilor	Wayne Hypolite	Elected/2 years	13 years
Councilor	Joseph P. Merritt	Elected/2 years	25 years
Councilor	E. Leon Rivers	Elected/2 years	9 years
Councilor	Joel Neuwirth	Elected/2 years	3 years
Councilor	Joseph Washington	Elected/2 years	5 years
Town Manager	Philip K. Schenck, Jr.	Appointed	4 years
Director of Finance	James Wren, Jr.	Appointed	1 year
Tax Collector	Jean Kitchens	Appointed	30 years
Town Clerk	Marguerite Phillips	Appointed	24 years
Assessor	Todd Helems	Appointed	½ year
Treasurer	Byron R. Lester	Appointed	10 years
Town Attorney	Marc N. Needelman	Appointed	25 years
Superintendent of Schools	James Thompson, Jr.	Appointed	6 years

¹ Mayor since 2015. Deputy Mayor for 2 years prior to being Mayor.

Summary of Municipal Services

Police: The Town police department provides 24-hour service and has an authorized staff of 48 sworn personnel, including 29 patrolmen, four detectives, the Chief of Police, three lieutenants, nine sergeants, one EMS coordinator and one captain. Dispatchers also handle emergency medical calls in cooperation with the volunteer ambulance service.

Fire: Fire protection is provided by two independent fire districts, the Bloomfield Center Fire District, covering the central and northern parts of Town, and the Blue Hills Fire District, covering eastern and southern sections of Bloomfield. Each District maintains three fire stations. Together, the Districts have approximately 70 volunteers providing full coverage to the Town. The Districts, each of which is administered by an elected three-member Board of Fire Commissioners, levy their own taxes and receive no direct funding from the Town.

Emergency Medical Services: The Bloomfield Volunteer Ambulance Corps, with approximately 60 volunteers, provides emergency medical services to Town residents.

Public Works: Under the direction of the Director of Public Works, this department handles street and highway maintenance and construction; park grounds maintenance; maintenance of all school grounds and athletic fields; groundskeeping for all public buildings and public areas; and motor vehicle maintenance for all Town departments. Additional support is provided to the school system, leisure services department and building maintenance department. The department has 19 full-time field operations personnel as well as six employees performing vehicle maintenance and seven employees performing facilities maintenance.

Solid Waste Disposal: The Town provides curbside solid waste and recyclables collections to residents. The Town entered into a long-term service contract (the “Service Contract”) with the Connecticut Resources Recovery Authority (“CRRA”) for the disposal of solid waste through the Mid-Connecticut System (the “System”). The Service Contract became effective November 16, 2012, and runs through 2027. CRRA has since been superseded by the Materials Innovation and Recycling Authority (“MIRA”).

The Connecticut General Assembly adopted, and on June 6, 2014 Governor Malloy signed, Public Act 14-94, which establishes MIRA as the successor authority to CRRA. Pursuant to this legislation, MIRA will continue to provide solid waste materials management services, with a focus on the development of additional resource recovery, recycling, and processing enterprises on property owned by the CRRA and the attendant redevelopment of the Connecticut Solid Waste System. The legislation provides generally that MIRA has assumed the rights and responsibilities of CRRA, and that: (1) all orders or regulations of CRRA remain in full force and effect as orders or regulations of MIRA, (2) MIRA is substituted for CRRA in any outstanding legal proceedings, (3) contracts, rights of action or matters undertaken or commenced by CRRA will now be undertaken and completed by MIRA under the same terms and conditions, (4) the officers and employees of CRRA are the officers and employees of MIRA, and (5) all property of CRRA is the property of MIRA.

Each municipality signing the Service Contract, including the Town, has agreed to cause to be delivered to the System all of the solid waste under the legal control of the municipality. MIRA is required to impose service payments at a uniform rate per ton for all municipalities, such that the aggregate of all such service payments received by MIRA shall be sufficient to pay for the net cost of operation of the System as defined in the Service Contract. Under the Service Contract, the Town has no obligation for a minimum tonnage commitment; however it must commit to a “flow control” provision which requires that all solid waste and residential recyclables generated within its borders be directed to the MIRA facility. A disposal fee of \$68.00/ton is in effect through Fiscal Year 2018.

MIRA is required to accept and dispose of solid waste in accordance with the Service Contract and with acceptable business standards. Each municipality retains the responsibility for the collections, disposal and treatment of solid waste that does not meet the requirements of MIRA or that it refuses or is unable to accept under the Service Contract.

Prior to the start of each contract year MIRA estimates (i) the service payments to be paid by each municipality for such contract year and (ii) the annual budget for the System and submits such information to each municipality. Each municipality is then required to make all provisions necessary to pay the service payments on a timely basis. The service payments remain in effect for the contract year with differences between the aggregate of all such service payments and the net cost of operation for each contract year being settled in the following contract year. A municipality is obligated to make service payments only if MIRA accepts solid waste delivered by the municipality.

All municipalities, including the Town, pledge their full faith and credit for the payment of all service payments and any delayed-payment charges and costs and expenses of MIRA and its representatives in collecting overdue service payments. To the extent that a municipality does not make provisions or appropriations necessary to provide for and authorize the payment by such municipality to MIRA 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 May 2010, the Town became a member of the Central Connecticut Solid Waste Authority (“CCSWA”). CCSWA is a regional resource recovery authority established and operated under the provisions of Chapter 103b of the Connecticut General Statutes to jointly manage solid waste and recycling services on behalf of its member municipalities. As of June 2017, there were 15 member municipalities. Following a bidding process for solid waste disposal and recycling services undertaken by the CCSWA, master agreements for the member municipalities, including the Service Contract, were negotiated with MIRA. The Town continues to be a member of CCSWA, which is anticipated to continue its advocacy efforts on solid waste issues for its member municipalities.

Sewer and Water: The Metropolitan District Commission (the “MDC”), a regional water and sewer utility, provides water and sewer facilities for the Town. The Town pays the sewer user charge. The MDC assesses its eight member towns for residential sewer service annually using total tax revenues received in each town averaged over the previous three years in relation to the total of all of the member towns. The Town’s share in Fiscal Year 2017-18 totaled \$3,132,650. This does not include the \$586,900 reserve in order to cover possible non-payment by the City of Hartford. The state has enacted legislation to provide other mechanisms to the MDC to address non-payment by a member town and it is currently believed that an additional payment will not be necessary. The Town comprises approximately 7.5% of the total MDC sewer budget. Water consumers are invoiced directly by the MDC on a quarterly basis.

The member towns of the District have approved two referenda for a total of \$1.6 billion for the financing of improvements to address certain regulatory requirements to curtail sanitary sewer overflows and combined sewer overflows to local waterways and the Connecticut River, as well as excessive nutrient discharges. Specific projects are mandated in accordance with consent orders that have been entered into between the District and the U.S. Department of Justice, the U.S. Environmental Protection Agency and the State of Connecticut Department of Environmental Protection. Such projects are to be completed within 15 years.

Public Health: In 1996, the West Hartford–Bloomfield Health District was formed. The District provides services for reportable diseases, health education, nutritional services, maternal and child health (including a well child clinic), communicable and chronic disease control, environmental health issues and community nursing services. For 2017, the Town has been assessed to fund District services in the annual amount of \$217,865.

Leisure Services: The Town has actively pursued land acquisitions and now has over 1,800 acres of passive and recreational open space. The Leisure Services Department manages three seasonal semesters of recreational programs and maintains outdoor recreation facilities and open spaces, including the Town's Olympic-size municipal pool. Support is also provided to non-profit recreation organizations that are involved in youth athletics and other community programs.

Libraries: The Town operates two libraries with 12 full-time and 22 part-time staff. They provide a full range of adult and children's services.

Principal Public Facilities

Facility	Date Constructed	Additions and Renovations	Type of Construction	Planned Major Improvements
Town Hall	1961	1973, 1995, 2014	Masonry	Boiler Replacement, Roof
Community Center	1959	1967, 1973, 2000	Masonry	Building Replacement
Police Facility	1991	2012	Masonry	-
Town Garage	1966	-	Masonry	Major Renovations & Addition
Prosser Library	1964	-	Masonry	Windows/Roof
Wintonbury Library	1972	2015	Masonry	-
Bloomfield Volunteer Ambulance	1975	1981, 1999, 2012	Masonry	-

Source: Town of Bloomfield, Department of Public Works.

Educational System

The Town provides a kindergarten through grade twelve educational system. An elected seven-member Board of Education has the oversight responsibility for the system. The primary function of the Board is to establish policy, set curriculum, submit budget requests, ensure appropriated funds for education are properly expended, and plan for facilities, including construction and renovations. A full-time Board-appointed Superintendent is responsible for operations.

School Facilities

School	Grades	Date of Construction/ Additions and Renovations	Number of Classrooms	Enrollment 10/1/2016²	Rated Capacity¹
Bloomfield High	9–12	1956 (2009)	55	534	1,012
Global Experience Magnet School	6–12	1987 (2012)	15	218	220
Carmen Arace Middle/ Intermediate School	5–8	1971 (2009)	70	438	1,072
Laurel Elementary	K–2	1963 (2012)	20	362	494
Metacomet Elementary	3–4	1963(2011)	20	256	358
Wintonbury Early Childhood Magnet School	Pre-K–K	2009	18	323	336
Total			198	2,131	3,492

¹ Rated Capacity has been revised to reflect the rating based on the State Department of Education Space Standards.

² Does not include 14 students in an alternative learning program who are not schooled in a Bloomfield facility.

School Enrollments

School Year	Grades Pre-K - 4	Grades 5 - 6	Grades 7 - 8	Grades 9 - 12	Total Enrollment
<u>Historical</u>					
2007-2008	821	348	342	704	2,215
2008-2009	813	313	302	729	2,157
2009-2010	954	294	314	717	2,279
2010-2011	944	305	265	682	2,196
2011-2012	894	263	286	708	2,151
2012-2013	894	250	291	673	2,108
2013-2014	870	250	279	688	2,087
2014-2015	914	243	282	667	2,106
2015-2016	910	251	262	644	2,067
2016-2017	941	272	267	665	2,145
<u>Projected</u>					
2017-2018	945	274	269	664	2,152

Source: Town of Bloomfield, Bloomfield Board of Education.

Municipal Employees

	2016-17	2015-16	2014-15	2013-14	2012-13
General Government	170	170	165	165	164
Board of Education ¹	414	433	447	463	452
Total	584	603	612	628	616

¹ Based upon full-time equivalents.

Source: Town of Bloomfield, Director of Finance / Bloomfield Board of Education.

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Municipal Employees Bargaining Organizations

Employees	Organization	Positions Covered	Contract Expiration Date
General Government			
Police	United Public Service Employees Union	54	6/30/2019
Municipal Employees	Teamsters Local 671	34	6/30/2019
Town Hall Employees	United Public Service Employees Union	27	6/30/2019
Board of Education			
Administrators	Bloomfield Administrators Association	11	6/30/2018
Teachers	Bloomfield Education Association	218	6/30/2018
Custodians, Special Education Drivers, Maintenance and Cafeteria Workers	United Public Service Employees Union Unit 12	61	6/30/2019
Clerical, Secretarial, Paraprofessional	Bloomfield Federation of Educational Personnel	118	6/30/2019
Nurses	Bloomfield School Nurses Association	6	6/30/2018
Technology	United Public Service Employees Union Unit 33 (combined with Unit 12)	3	6/30/2019
Total		532	

Source: Town of Bloomfield, Director of Finance / Bloomfield Board of Education.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the 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.

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SECTION III – ECONOMIC AND DEMOGRAPHIC DATA SECTION

Economic Development

The Town's economic development activity is headed by the Director of Planning. Beginning in June 2014, these efforts have also been aided by Goman & York Property Advisors, LLC. The addition of their resources is an effort to jumpstart the Town's economic development activities as the Town looks to implement the recently adopted Bloomfield Center Plan (described below) and other strategies adopted by the Town. These efforts, which are part of a larger development organization in the Town, work in a collaborative effort with the Town Planning and Zoning Commission and the Economic Development Commission to assist in promoting the stated economic development plan goals and objectives. These efforts include attracting and assisting commercial development, the creation of new jobs and providing technical assistance.

Fiscal year 2017 saw a continuation of robust construction activity in Bloomfield with over \$1.5 million in permit revenues representing a construction value of approximately \$98 million. The Building Department issued 1,199 permits as of May 31, 2017. Major developments that began during fiscal year 2017 include a new 690,000 square foot distribution center for Trader Joe's northeast operations which will be located at the Phoenix Crossing Industrial subdivision. The distribution center is slated for completion in the spring of 2018. When fully operational, the project will add 685 new jobs to the Bloomfield and surrounding Towns' economy. The Seabury Retirement campus continues with a major phased expansion to construct additional living units as well as improved amenities for its residents. The CREC middle school that was under construction is slated to be finished this summer and accepting students starting in September.

Also under construction is a new O'Reillys Auto Parts retail store on Blue Hills Avenue as well as a large Connecticut Self-Storage facility on Old Windsor Road. The past fiscal year also saw McDonalds and Wendy's demolish their existing buildings and put up brand new storefronts with accompanying site renovations. A new Urgent Care Center is also under construction in some of the vacant spaces of a commercial plaza located on Mountain Road in the Town Center. W.B. Meyers is also adding 70,000 square feet to its existing records storage facility which straddles the Windsor/Bloomfield town line.

Commercial and industrial projects approved but not yet started include a 40,000 square foot industrial building on Phoenix Crossing and the construction of a 40,000 square foot construction company headquarters and storage yard at 116 West Dudley Town Road.

The insurance giant CIGNA, which remains headquartered in Bloomfield, has continued to take out permits for extensive upgrades to its existing campus. The previously planned merger of CIGNA with Anthem BC/BS was not approved by regulators and the parties have broken off all talks.

Residential development within Town has continued to grow. Brighton Park is finalizing the construction of 40 units of condominiums and 172 units of apartments. Construction began on Heirloom Flats which is a 212 unit market rate luxury apartment building located in the Town Center. The first units are due to be leased by the fall of 2017 with completion slated for the spring of 2018. This project is expected to provide a boost to the merchants in the Town Center. Heirloom Flats represents Phase 1 of a master-planned project that was approved in July 2014 which will allow for the construction of 407 residential living units in the Town Center within walking distance of existing retail shopping centers. Other projects approved but not yet started include a 138-unit, market-rate elderly apartment complex; a 40-unit subsidized elderly apartment building; and a 38 unit specialty housing project off Cottage Grove Road.

Through all of these efforts, the Town continues to implement the Bloomfield Center Plan which was undertaken to look further into the types of uses which would be considered most beneficial if located in the center of Town. This study recommended that the Town look to promote the 4 "R's" in Bloomfield Center. These include Retail uses, multi-family Residential development, Recreation in the form of arts and entertainment and Restaurant uses. The Town's Economic Development efforts in Bloomfield Center are focused on helping promote varied restaurant options. Bloomfield continues to see resurgence in its local restaurant scene and it is hoped that more and more diners will be drawn to the downtown area. A grocery store specializing in natural foods and gluten-free baked goods is currently being reviewed to go in recently vacated space in the Center. Permits have also been applied for a new breakfast and lunch restaurant that will go into the space recently vacated by Papa John's pizza.

Population Trends and Densities

Year	Actual Population¹	% Increase	Density²
2015 ³	20,679	0.9%	768.7
2010	20,486	4.6%	761.6
2000	19,587	0.5%	728.1
1990	19,483	4.7%	724.3
1980	18,608	1.7%	691.7
1970	18,301	-	680.3

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 26.9 square miles.

³ American Community Survey 2011-2015

Age Distribution of the Population

Age	Town of Bloomfield		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	829	4.0%	191,445	5.3%
5 to 9 years	782	3.8	214,983	6.0%
10 to 14 years	780	3.8	231,075	6.4%
15 to 19 years	851	4.1	255,286	7.1%
20 to 24 years	1,191	5.8	237,578	6.6%
25 to 34 years	2,698	13.0	436,678	12.2%
35 to 44 years	2,173	10.5	448,840	12.5%
45 to 54 years	2,972	14.4	556,454	15.5%
55 to 59 years	1,606	7.8	259,565	7.2%
60 to 64 years	1,734	8.4	219,040	6.1%
65 to 74 years	2,658	12.9	291,955	8.1%
75 to 84 years	1,347	6.5	162,332	4.5%
85 years and over	1,058	5.1	87,991	2.4%
Total.....	20,679	100%	3,593,222	100%

Median Age (Years) 48.7 40.4

Source: American Community Survey 2011-2015

Income Distribution

Income	Town of Bloomfield		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	184	3.6%	30,926	3.5%
10,000 - 14,999.....	42	0.8	18,063	2.0%
15,000 - 24,999.....	87	1.7	46,085	5.1%
25,000 - 34,999.....	238	4.6	55,715	6.2%
35,000 - 49,999.....	485	9.5	83,173	9.3%
50,000 - 74,999.....	1,051	20.5	139,724	15.6%
75,000 - 99,999.....	1,051	20.5	126,557	14.1%
100,000 - 149,999.....	1,270	24.8	183,030	20.4%
150,000 - 199,999.....	363	7.1	94,575	10.6%
200,000 and over.....	354	6.9	117,791	13.2%
Total.....	5,125	100.0%	895,639	100.0%

Source: American Community Survey 2011-2015

Comparative Income Measures

	Town of Bloomfield	State of Connecticut
Per Capita Income, 2015	\$ 39,155	\$ 38,803
Per Capita Income, 2010	\$ 39,738	\$ 36,412
Median Family Income, 2015	\$ 83,826	\$ 89,031
Percent Below Poverty (Families), 2015	4.10%	7.60%

Source: American Community Survey 2011-2015

Educational Attainment (Years of School Completed – Age 25 and Over)

	Town of Bloomfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	387	2.4%	105,725	4.3%
9th to 12th grade.....	956	5.9	144,132	5.9
High School graduate.....	4,919	30.3	673,973	27.4
Some college, no degree.....	3,037	18.7	430,129	17.5
Associate's degree	1,495	9.2	183,289	7.4
Bachelor's degree.....	3,193	19.7	516,001	21.0
Graduate or professional degree.....	2,259	13.9	409,606	16.6
Total.....	16,246	100.0%	2,462,855	100.0%
Total high school graduate or higher (%)....		91.7%		89.9%
Total bachelor's degree or higher (%).....		33.6%		37.6%

Source: American Community Survey 2011-2015

Labor Force Data

<i>Period</i>	<i>Town of Bloomfield</i>		<i>Percentage Unemployed</i>		
	<i>Employed</i>	<i>Unemployed</i>	<i>Town of Bloomfield</i>	<i>Hartford Labor Market</i>	<i>State of Connecticut</i>
May 2017.....	11,038	660	5.6	4.8	4.8
Annual Average					
2016.....	10,814	663	5.8	5.3	5.3
2015.....	10,732	725	6.3	5.6	5.6
2014.....	9,251	785	7.8	6.7	6.7
2013.....	9,067	914	10.1	7.9	7.9
2012.....	9,066	1,007	10.0	8.4	8.3
2011.....	9,231	1,034	10.1	8.9	8.8
2010.....	9,156	1,108	10.8	9.0	9.0
2009.....	9,449	922	8.9	8.3	8.2
2008.....	9,577	670	6.5	5.7	5.7
2007.....	9,515	525	5.2	4.7	4.6

Source: State of Connecticut, Department of Labor.

Industry Classification

<i>Sector</i>	<i>Town of Bloomfield</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Agriculture, forestry, fishing and hunting, and mining.....	26	0.3%	7,214	0.4%
Construction.....	418	4.0	100,593	5.6
Manufacturing.....	750	7.3	191,286	10.7
Wholesale trade.....	151	1.5	44,581	2.5
Retail trade.....	959	9.3	193,799	10.9
Transportation warehousing, and utilities.....	628	6.1	66,850	3.8
Information.....	244	2.4	41,486	2.3
Finance, insurance, real estate, and leasing....	1250	12.1	163,822	9.2
Professional, scientific, management, administrative, and waste management.....	1049	10.1	199,942	11.2
Education, health and social services.....	3,440	33.3	471,587	26.5
Arts, entertainment, recreation, accommodation and food services.....	508	4.9	153,516	8.6
Other services (except public admin.).....	338	3.3	79,998	4.5
Public Administration.....	579	5.6	66,743	3.7
Total Labor Force, Employed.....	10,340	100%	1,781,417	100.0%

Source: American Community Survey 2011-2015

**Major Employers
Full-Time Equivalents
As of June 2017**

Employer	Nature of Business	Approximate Number Employed
CIGNA ¹	Financial Services	3,460
Kaman Corporation	Aerospace/Musical Instruments	924
Metropolitan Life Insurance Co.	Insurance	645
Town of Bloomfield	Municipality	643
Homegoods Distribution Center	Distribution Center	575
Jacobs Vehicle Systems	Manufacturing	475
Seabury	Retirement Community	400
Duncaster	Assisted Living	275
Pepperidge Farms	Food Processing/Distribution Center	260
Coherent Deos	Manufacturing	220

¹ In July 2015 Anthem Inc. and CIGNA agreed to merge in a transaction that valued CIGNA at approximately \$50 billion. The merger did not receive approval from the United States Department of Justice. There is currently ongoing litigation between the two companies.

Source: Town of Bloomfield, Director of Planning.

Number and Value of Building Permits

Fiscal Year Ending 6/30	Residential		Commercial/Industrial		Other Construction		Total	
	No.	Value (000)	No.	Value (000)	No.	Value (000)	No.	Value (000)
2017 ¹	227	\$ 25,678	8	\$ 33,376	964	\$ 39,268	1,199	\$ 98,322
2016	227	65,359	4	31,210	1,747	74,741	1,978	171,310
2015	19	2,609	2	746	509	30,051	530	33,406
2014	87	10,039	-	-	272	7,918	359	17,957
2013	31	5,223	1	237	320	10,882	352	16,342
2012	23	4,024	3	2,049	394	15,725	420	21,798
2011	24	4,428	1	1,610	336	23,444	361	29,482
2010	19	3,377	1	1,182	265	9,822	285	14,381
2009	24	5,191	3	2,775	313	36,504	340	44,470
2008	57	13,476	7	7,594	348	39,173	412	60,243
2007	61	12,279	1	17,605	387	25,898	449	55,782

¹ As of 5/31/2017

Source: Town of Bloomfield, Director of Planning.

Land Use Breakdown

Land Use Category	Total Acreage	% Total
Developed	11,500	57.7
Vacant	3,013	15.1
Open Space	5,413	27.2
Total Area	19,926	100.0

Source: Town of Bloomfield, Director of Planning.

Age Distribution of Housing

Year Built	Town of Bloomfield		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	778	8.8%	331,829	22.2%
1940 to 1969.....	4,196	47.6	536,501	36.0
1970 to 1979.....	1,110	12.6	199,447	13.4
1980 to 1989.....	1,228	13.9	193,595	13.0
1990 to 1999.....	649	7.4	115,076	7.7
2000 or 2009.....	845	9.6	103,911	7.0
2010 or later.....	17	0.2	11,427	0.8
Total Housing Units.....	8,823	100.0%	1,491,786	100.0%

Source: American Community Survey 2011-2015

Housing Units by Type of Structure

Housing Units	Town of Bloomfield		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	5,867	66.5%	882,941	59.2%
1-unit, attached.....	518	5.9	80,636	5.4
2 units.....	245	2.8	121,410	8.1
3 or 4 units.....	577	6.5	132,512	8.9
5 to 9 units.....	620	7.0	82,727	5.5
10 to 19 units.....	410	4.6	55,826	3.7
20 or more units.....	586	6.6	123,561	8.3
Mobile home.....	-	-	11,898	0.8
Boat, RV, van, etc.....	-	-	275	0.0
Total Inventory.....	8,823	100.0%	1,491,786	100.0%

Source: American Community Survey 2011-2015

Owner-Occupied Housing Units

Specified Owner-Occupied Units	Town of Bloomfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	136	2.2%	24,620	2.7%
\$50,000 to \$99,000.....	281	4.5	28,771	3.2
\$100,000 to \$149,999.....	1,005	16.1	78,066	8.6
\$150,000 to \$199,000.....	1,508	24.2	140,544	15.5
\$200,000 to \$299,999.....	1,996	32.0	251,106	27.7
\$300,000 to \$499,999.....	1,047	16.8	235,670	26.0
\$500,000 to \$999,999.....	249	4.0	106,965	11.8
\$1,000,000 or more.....	10	0.2	40,485	4.5
Total.....	6,232	100.0%	906,227	100.0%
Median Value.....	\$207,900		\$270,500	

Source: American Community Survey 2011-2015

SECTION IV – TAX BASE DATA

Property Tax - Assessments

Pursuant to Section 12-62 of the Connecticut General Statutes, as amended, the Town must complete a revaluation every five years and a revaluation by physical inspection every 10 years. The Town of Bloomfield last completed a statistical revaluation on the October 1, 2014 Grand List and a revaluation by physical inspection on the October 1, 2009 Grand List.

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on 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 general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions is then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

Section 206 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 187 of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. This cap may be revised once a state budget is passed. Town tax bills were sent out using the 32 mill rate. If the cap is raised, supplemental bills may be sent. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles set by a borough or district after the effective date of the Act that is less than 37 mills when combined with the motor

vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2016 (the fiscal year ending June 30, 2018) is 32.00 mills.

The Town of Bloomfield has not approved the use of Section 12-124a of the Connecticut General Statutes which permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income.

Tax Levy and Collection

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate tax bills are payable in two installments on July 1 and January 1 following the levy date. Personal property and motor vehicle bills are due in one installment on July 1. Motor vehicle supplemental tax bills are payable on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes ("CGS"), with a minimum charge of \$2. Outstanding real estate tax accounts are automatically lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years when in the opinion of the Tax Collector they are uncollectable, at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with CGS.

As of June 30, 2017, the Town's collection rate was 98.65%, which is consistent with the prior year collection rate of 98.71% and exceeds the budgeted collection rate of 98.40%.

Taxable Grand List (\$ in thousands)

<i>Grand List of 10/1</i>	<i>Residential Real Property (%)</i>	<i>Commercial & Industrial Real Property (%)</i>	<i>Motor Vehicle (%)</i>	<i>Other Personal Property (%)</i>	<i>Gross Taxable Grand List</i>	<i>Less Exemptions</i>	<i>Net Taxable Grand List</i>	<i>% Growth</i>
2016	46.5	29.1	7.2	17.2	\$ 2,179,247	\$ 160,835	\$ 2,018,412	-1.0%
2015	47.0	27.6	7.0	18.4	2,160,579	122,437	2,038,142	0.0
2014 ¹	46.9	27.6	7.0	18.5	2,155,132	121,147	2,033,985	-1.6
2013	54.1	22.1	7.3	16.5	2,177,300	110,143	2,067,157	1.7
2012	52.1	26.0	7.0	14.9	2,135,509	103,800	2,031,709	2.6
2011	56.9	27.8	6.9	9.4	2,082,288	101,687	1,980,601	1.3
2010	58.6	21.7	6.9	12.8	2,050,319	95,487	1,954,832	-1.8
2009 ¹	56.9	25.3	6.0	11.8	2,268,024	277,585	1,990,439	13.5
2008	56.1	26.5	7.5	9.9	1,829,465	75,607	1,753,858	1.8
2007	54.2	24.9	7.8	13.1	1,795,483	72,330	1,723,153	1.6

¹ Revaluation.

Source: Town of Bloomfield, Assessor.

Tax Collections

Grand List of 10/1	Fiscal Year Ending	Net Taxable Grand List	Mill Rate	Tax Levy	Percent of Annual Levy Collected at End of Fiscal Year	Uncollected	
						Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected As of 5/31/17
2016	2018 ²	\$ 2,018,412	37.56	\$ 75,036,478		<i>IN COLLECTION</i>	
2015	2017 ²	2,038,142	36.65	74,364,504	98.65%	1.35%	1.35%
2014 ¹	2016	2,033,985	36.00	73,188,820	98.71%	1.29%	0.62%
2013	2015	2,067,157	34.84	72,246,279	98.60%	1.40%	0.38%
2012	2014	2,031,709	34.85	71,075,964	98.52%	1.48%	0.09%
2011	2013	1,980,601	34.55	68,561,240	98.41%	1.59%	0.06%
2010	2012	1,954,832	33.70	65,281,933	98.66%	1.34%	0.02%
2009 ¹	2011	1,990,439	32.72	63,290,257	98.42%	1.58%	0.02%
2008	2010	1,753,858	35.53	62,068,046	97.76%	2.24%	0.01%
2007	2009	1,723,153	35.29	58,825,307	98.23%	1.77%	0.01%

¹ Revaluation.

² Subject to audit.

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

Major Taxpayers As of 10/1/16

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource	Utility	\$ 89,026,450	4.41%
Connecticut General Life Insurance	Insurance	60,375,030	2.99%
AMCAP Copaco LLC	Shopping Center	40,751,111	2.02%
Metropolitan Life Insurance	Insurance	36,446,490	1.81%
HG Conn Realty Corp.	Commercial Real Estate	35,077,980	1.74%
Duncaster Inc.	Assisted Living	30,718,460	1.52%
WE Hawthorne LLC	Residential Real Estate	26,873,630	1.33%
Church Home of Hartford Inc.	Retirement Facility	18,542,210	0.92%
NIP LLC	Distribution Center	13,748,350	0.68%
Pepperidge Farm Inc.	Distribution Center	12,196,830	0.60%
Total		\$ 363,756,541	18.02%

¹ Based on a 10/1/2016 Net Taxable Grand List of \$2,018,412,000.

Source: Town of Bloomfield, Assessor.

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SECTION V – DEBT SECTION

Debt Summary Pro Forma As of August 3, 2017

Outstanding Bonded Debt ¹

Date	Purpose	Interest Rate %	Original Issue	Outstanding¹	Fiscal Year of Maturity
10/20/10	Schools	1.50–5.00	\$ 25,000,000	\$ 5,000,000	2031
10/20/10	Refunding - General Purpose	1.50–5.00	8,359,700	4,132,100	2023
10/20/10	Refunding - Schools	1.50–5.00	3,180,800	1,514,100	2023
10/20/10	Refunding - Sewer	1.50–5.00	859,500	443,800	2023
11/1/11	Schools	2.00–4.00	15,000,000	750,000	2018
2/12/13	Refunding - Schools	1.50–4.00	10,240,000	8,960,000	2028
10/31/14	Schools	2.00–3.125	5,000,000	4,500,000	2035
11/30/16	Refunding - Schools	2.00–4.00	8,745,000	8,680,000	2028
Total Bonds Outstanding			<u>\$ 76,385,000</u>	<u>\$ 33,980,000</u>	
<u>This Issue</u>					
8/3/17	Refunding - Schools	3.00–5.00	\$ 13,050,000	\$ 13,050,000	2032
Total Bonds This Issue			<u>13,050,000</u>	<u>13,050,000</u>	
Grand Total			<u><u>\$ 89,435,000</u></u>	<u><u>\$ 47,030,000</u></u>	

¹ Excludes capital leases and refunded bonds.

Outstanding Short-Term Debt As of August 3, 2017

The Town does not have any outstanding short-term debt.

Other Commitments

During fiscal year 2015, the Town entered into a \$570,250 15-year lease-purchase agreement with Bank of America to fund equipment and projects through a company called Ameresco. These projects and related equipment are intended to improve energy efficiency in the Town's buildings and ultimately reduce utility costs. The projects have now been completed and the Town will budget for the lease payments through 2030. The related energy improvements have saved the Town approximately \$58,596.

In 1993, the Town of Bloomfield entered into an agreement with the Town of Windsor that defines the terms of closure costs for a joint sanitary landfill stating that the two towns shall contribute equally, on an annual basis, for all costs of closure, post-closure and monitoring expenses until all Federal and State requirements are met. The landfill serves the Towns of Bloomfield and Windsor. The agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all Federal and State requirements are met". The Town of Windsor is responsible for the funding, accounting and financial reporting for the landfill on behalf of both towns. The post closure cost will be covered by the landfill's funds. If those funds run out, and only if they do, then the Town of Windsor and the Town of Bloomfield will split the costs. Should this occur, the current estimate of the Town of Bloomfield's portion of post-closure costs is \$18.2 million. However, it is anticipated that no additional amount will be required from the Towns for closure of the landfill. As of July 1, 2014 the Windsor-Bloomfield landfill was officially closed. All commercial haulers were notified prior to that date to dispose of their waste at other locations. Residents now bring their waste to the Transfer Station at the site. It is estimated that post closure and capping work will continue through Fiscal Year 2018.

***Overlapping Debt
Pro Forma
As of August 3, 2017***

The Town is a member of the Metropolitan District Commission (the “District”), a special district created by the Connecticut General Assembly in 1929 as a quasi-municipal corporation of the State of Connecticut under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended, to provide, as authorized, complete, adequate, and modern systems of water supply, sewerage collection, and disposal facilities for its eight member municipalities. The member municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor. The District also provides sewerage disposal facilities and supplies water under special agreements to certain towns, or areas therein, that are not members of the District.

The member towns of the District have approved two referenda for a total of \$1.6 billion for the financing of improvements to address certain regulatory requirements to curtail sanitary sewer overflows and combined sewer overflows to local waterways and the Connecticut River, as well as excessive nutrient discharges. Specific projects are mandated in accordance with consent orders that have been entered into between the District and the U.S. Department of Justice, the U.S. Environmental Protection Agency and the State of Connecticut Department of Environmental Protection. Such projects are to be completed within 15 years.

***Underlying Debt
Pro Forma
As of August 3, 2017***

Fire protection for the Town is provided by two independent Districts: the Bloomfield Center Fire District, covering the central and northern parts of the Town, and the Blue Hills Fire District, covering eastern and southern sections of the Town. The Districts levy their own taxes and receive no direct funding from the Town. As of June 30, 2017 the Blue Hills Fire District had a total of \$2,107,164 debt outstanding for its new fire house. The Bloomfield Center Fire District has no debt outstanding.

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**Bonded Debt Maturity Schedule
Pro Forma
As of August 3, 2017**

Fiscal Year	Principal	Interest	Total	This Issue: The Bonds	Total Principal	Cumulative Principal Retired
2018	\$ 4,200,000	\$ 1,182,825	\$ 5,382,825	-	\$ 4,200,000	8.9%
2019	3,445,000	1,046,900	4,491,900	485,000	3,930,000	17.3%
2020	3,430,000	926,100	4,356,100	475,000	3,905,000	25.6%
2021	3,425,000	797,600	4,222,600	645,000	4,070,000	34.2%
2022	3,440,000	658,925	4,098,925	650,000	4,090,000	42.9%
2023	2,850,000	531,500	3,381,500	655,000	3,505,000	50.4%
2024	2,310,000	431,300	2,741,300	665,000	2,975,000	56.7%
2025	2,295,000	341,700	2,636,700	675,000	2,970,000	63.0%
2026	2,295,000	252,400	2,547,400	685,000	2,980,000	69.4%
2027	2,275,000	169,500	2,444,500	700,000	2,975,000	75.7%
2028	2,265,000	92,188	2,357,188	710,000	2,975,000	82.0%
2029	250,000	49,375	299,375	1,975,000	2,225,000	86.8%
2030	250,000	41,875	291,875	1,990,000	2,240,000	91.5%
2031	250,000	34,375	284,375	1,995,000	2,245,000	96.3%
2032	250,000	26,875	276,875	745,000	995,000	98.4%
2033	250,000	19,375	269,375	-	250,000	98.9%
2034	250,000	11,719	261,719	-	250,000	99.5%
2035	250,000	3,906	253,906	-	250,000	100.0%
Total	\$ 33,980,000	\$ 6,618,438	\$ 40,598,438	\$ 13,050,000	\$ 47,030,000	

**THE TOWN OF BLOOMFIELD HAS NEVER DEFAULTED IN THE PAYMENT OF ITS
DEBT OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**

**Current Debt Statement ¹
Pro Forma
As of August 3, 2017**

Long-Term Debt Outstanding:

General Purpose	\$ 4,132,100
Schools (Includes This Issue).....	42,454,100
Sewers.....	443,800
Total Long-Term Debt	47,030,000

Short-Term Debt:

Bond Anticipation Notes	-
Total Short-Term Debt	-

Total Direct Debt 47,030,000

Overlapping Debt (Metropolitan District Commission) ² 70,405,780

Underlying Debt (Fire Districts) 2,107,164

Total Overall Debt 119,542,944

Less: State of Connecticut School Grants Receivable (6/30/16) ³ -

Total Overall Net Debt **\$ 119,542,944**

¹ Excludes capital leases.

² \$120,000,000 (Preliminary) MDC BANs scheduled to close August 3, 2017. The Town's percentage share is 7.36%.

³ For school building projects approved prior to July 1, 1996, the State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of outstanding bonds. Amount shown is for principal only. See "School Projects" herein.

Current Debt Ratios
Pro Forma
As of August 3, 2017

Population ¹	20,679
Net Taxable Grand List (10/1/2016)	\$ 2,018,412,000
Estimated Full Value (Net Taxable Grand List/70%)	\$ 2,883,445,714
Equalized Net Taxable Grand List (2014) ²	\$ 2,906,211,229
Income per Capita (2015) ¹	\$ 39,155

	Total Direct Debt \$47,030,000	Total Overall Net Debt \$119,542,944
Debt Per Capita	\$ 2,274.29	\$ 5,780.89
Ratio to Net Taxable Grand List	2.33%	5.92%
Ratio to Estimated Full Value (Net Taxable Grand List/70%)	1.63%	4.15%
Ratio to Equalized Net Taxable Grand List	1.62%	4.11%
Debt per Capita to Income per Capita (2015)	5.81%	14.76%

¹ U.S. Bureau of the Census, 2011-2015 American Community Survey.

² State of Connecticut, Office of Policy and Management.

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Statement of Statutory Debt Limitation
Pro Forma
As of August 3, 2017

Total tax collections for the year ended June 30, 2016 (including interest and lien fees)	\$ 73,581,000
Fire Districts	2,909,000
Reimbursement for revenue loss on:	
Aid to elderly tax relief	-
Base	\$ 76,490,000

Debt Limitation:	General Purposes	Schools	Sewers	Urban Renewal	Unfunded Past Pension
2 1/4 times base	\$ 172,102,500	-	-	-	-
4 1/2 times base	-	\$ 344,205,000	-	-	-
3 3/4 times base	-	-	\$ 286,837,500	-	-
3 1/4 times base	-	-	-	\$ 248,592,500	-
3 times base	-	-	-	-	\$ 229,470,000
Total Debt Limitation	\$ 172,102,500	\$ 344,205,000	\$ 286,837,500	\$ 248,592,500	\$ 229,470,000

Indebtedness¹:

Outstanding Debt:

Bonds Payable	\$ 4,132,100	\$ 29,404,100	\$ 443,800	\$ -	\$ -
Bonds (This Issue).....	-	13,050,000	-	-	-
Notes	-	-	-	-	-
Authorized But Unissued Debt	33,983,000	9,035,753	-	-	-
Total Direct Debt	\$ 38,115,100	\$ 51,489,853	\$ 443,800	\$ -	\$ -

Overlapping Debt:

The Metropolitan District .. ²	-	-	70,405,780	-	-
Underlying Debt (Fire Districts)	2,107,164	-	-	-	-
Total Outstanding Net Debt	40,222,264	51,489,853	70,849,580	-	-

DEBT LIMITATION IN EXCESS

OF INDEBTEDNESS	\$ 131,880,236	\$ 292,715,147	\$ 215,987,920	\$ 248,592,500	\$ 229,470,000
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¹ Excludes capital leases and Refunded Bonds.

² \$120,000,000 (Preliminary) MDC BANs scheduled to close August 3, 2017. The Town's percentage share is 7.36%.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$535,430,000.

Authorized but Unissued Debt

Project	Amount Authorized	Previously Bonded / Paydowns	Grants Received	Original Issue Premium Applied ¹	Authorized but Unissued Debt
School Renovations and Additions	\$ 94,600,000	\$ 60,000,000	\$ 25,479,850	\$ 84,397	\$ 9,035,753
Public Works Complex Renovations/Expansion	11,683,000	-	-	-	11,683,000
Human Services Facility Construction	22,300,000	-	-	-	22,300,000
Total	\$ 128,583,000	\$ 60,000,000	\$ 25,479,850	\$ 84,397	\$ 43,018,753

¹ From \$25,000,000 General Obligation Bonds, 2010 Series A.

Principal Amount of Outstanding Debt

	2017	2016	2015	2014	2013
Long-Term Debt					
Bonded Debt ¹	\$ 48,300,000	\$ 52,515,000	\$ 56,695,000	\$ 55,625,000	\$ 61,471,815
Short-Term Debt					
Bond Anticipation Notes ...	-	-	-	5,000,000	5,000,000
Totals	\$ 48,300,000	\$ 52,515,000	\$ 56,695,000	\$ 60,625,000	\$ 66,471,815

¹ Excludes capital leases.

Ratios of Net Long-Term Debt to Valuation, Population and Income

Fiscal Year	Net Assessed Value (000s)	Estimated Full Value (000s)	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to Net Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population	Net Long-Term Debt Per Capita	Ratio of Net Long-Term Debt Per Capita to Per Capita Income
2017	\$ 2,038,142	\$ 2,911,631	\$ 48,300,000	23.70%	16.59%	20,679 ²	\$ 2,335.70	5.97% ³
2016	2,033,985	2,905,693	52,515,000	25.82%	18.07%	20,679	2,539.53	6.49%
2015	2,067,157	2,953,081	56,695,000	27.43%	19.20%	20,679	2,741.67	7.00%
2014	2,031,709	2,902,441	55,625,000	27.38%	19.16%	20,679	2,689.93	6.87%
2013	1,980,601	2,829,430	61,471,815	31.04%	21.73%	20,679	2,972.67	7.59%
2012	1,954,832	2,792,617	63,167,518	32.31%	22.62%	20,679	3,054.67	7.80%

¹ Amounts rounded. Excludes capital leases.

² U.S. Department of Commerce, Bureau of the Census, 2011-2015.

³ U.S. Census Bureau, 2011-2015 American Community Survey. Income per Capita of \$39,155.

Comparison of Annual Debt Service to General Fund Expenditures

Fiscal Year Ended 6/30	Total General Fund Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures
2017 ¹	\$ 6,087,820	\$ 85,178,397	7.15%
2016	6,198,138	88,252,903	7.02%
2015	6,087,159	86,455,317	7.04%
2014	5,955,928	84,685,486	7.03%
2013	6,509,608	80,780,377	8.06%
2012	5,486,120	80,638,489	6.80%
2011	3,142,441	74,931,909	4.19%

¹ Subject to audit.

Authority to Incur Debt

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Council or if in an amount in excess of 1% of the annual budget, the voters of the Town at referendum following approval by the Town Council. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Temporary Financing

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

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

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

Investment Practices

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

SECTION VI – FINANCIAL SECTION

Fiscal Year

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

Basis of Accounting

The Town's accounting policies are summarized in Appendix A – “2016 Financial Statements, Notes to Financial Statements, Note 1.”

Budget Adoption Procedure

No later than the second Monday in March the Town Manager presents to the Town Council a budget consisting of:

- a) a budget message outlining the financial policy of the Town and describing in connection therewith the important features of the budget plan;
- b) estimates of revenue;
- c) itemized estimates of expenditures and the Town Manager's recommendation of the amount to be appropriated for the ensuing fiscal year for all items. The Chairman of the Board of Education has the same duties and follows the same form and procedure with respect to the budget of the Board of Education as provided in the Town Charter for departmental estimates; and
- d) a presentation by the Town Manager of a program for proposed capital projects for the ensuing fiscal year and for the four fiscal years thereafter. The Town Manager recommends to the Town Council those projects to be undertaken during the ensuing fiscal year and the method of financing the same.

The Town Council holds one or more public hearings not later than thirty (30) days before the annual budget meeting at which any elector or taxpayer has the opportunity to be heard regarding appropriations for the ensuing fiscal year. Following the receipt of the estimates from the Town Manager and the Chairman of the Board of Education and the holding of such public hearing or hearings, the Town Council prepares a budget and renders the same to the annual budget meeting of the Town held on the third Tuesday of April. Modifications to the budget are adopted by a majority vote of those attending and entitled to vote. Should the Town Meeting fail to adopt a budget, the budget presented at the third meeting will be the budget deemed finally adopted.

Within ten days after the annual budget meeting, the Town Council fixes the tax rate in mills which is levied on the taxable property in the Town for the ensuing fiscal year. Upon approval of the Town Meeting, the Town Council may levy annually at the same time as the regular annual taxes for Town expenses are levied a tax not to exceed two mills to be assessed upon the taxable property of the Town for the benefit of a “Capital and Non-Recurring Expenditures Fund” to be used solely to pay the cost of capital improvements for which the Town is authorized to issue bonds. The Town Council is empowered to transfer to this fund any portion of the general fund cash surplus not otherwise appropriated. Appropriations for construction or for other permanent improvements, from whatever source derived, do not lapse until the purpose for which the appropriation was made is accomplished or abandoned, provided that any project is deemed to have been abandoned if after three fiscal years, there has been no expenditure from or encumbrance of the appropriation.

Annual Audit

The Town of Bloomfield, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Town Council, is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2016, the financial statements of the various funds of the Town were audited by, Blum Shapiro, LLC.

Five-Year Capital Improvement Plan

The Town prepares a five-year Capital Improvement Plan that includes a schedule of proposed capital expenditures and their sources of financing. A capital item is defined as a non-recurring expense of \$25,000 or more with a useful life of at least 7 years. The Town's five-year "2018-22 Capital Improvement Plan" totals \$79.5 million.

Uses	Fiscal Year					Total
	2018	2019	2020	2021	2022	
Public Works.....	\$ 23,813,702	\$ 16,767,545	\$ 4,052,161	\$ 2,442,056	\$ 3,207,068	\$ 50,282,532
Police Department	-	-	-	-	-	-
Social Services	-	271,883	116,535	121,427	-	509,845
Leisure Services	292,930	1,174,220	750,560	622,400	50,000	2,890,110
Library	-	-	-	16,390,905	-	16,390,905
Finance.....	-	75,000	295,000	-	-	370,000
Information Technology	90,500	156,000	186,000	102,000	157,500	692,000
Engineering	1,200,000	2,395,000	1,725,000	1,860,000	1,175,000	8,355,000
Total.....	\$ 25,397,132	\$ 20,839,648	\$ 7,125,256	\$ 21,538,788	\$ 4,589,568	\$ 79,490,392

Pension Plans

The Town is the administrator of two single-employer, defined benefit, public employee retirement systems: the Town of Bloomfield Retirement Income Plan and the Town of Bloomfield Police Retirement Income Plan.

The Town of Bloomfield Retirement Income Plan covers all full-time employees except participants in the International City Management Association ("ICMA") program, teachers, police officers and non-Board of Education employees hired after June 30, 2003. The plan provides retirement benefits, as well as death and disability benefits. Benefits and contributions are established by contract and may be amended through union negotiation for those covered by a collective bargaining agreement, or by the Town for those not so covered. The Town is required to contribute amounts necessary to fund benefits. The Town's contributions are actuarially determined on an annual basis. The required employee contributions are 5.75% of earnings. The Town has received from its actuarial firm, Hooker & Holcombe, Inc., an actuarial valuation report with respect to the plan. The report determines that as of June 30, 2016, the Town has a total actuarial liability of \$60,448,195, net fiduciary position of \$42,382,948, resulting in a net pension liability of \$18,065,247. The budgeted contribution for the Town of Bloomfield Retirement Income Plan for 2017-18 is \$2,930,717.

Fiscal Year	Actuarially Determined Employer Contribution		Annual Contribution	Percentage of ADEC Contributed	Net Pension Obligation (Asset)
	\$	(ADEC)			
2011	\$	1,590,800	\$ 1,590,800	100.0%	\$ -
2012		1,926,516	1,956,542	101.6	(30,026)
2013		2,152,730	2,168,937	100.8	(16,207)
2014		2,477,043	2,477,045	100.0	(2)
2015		2,629,169	2,629,167	100.0	2
2016		2,571,995	2,572,003	100.0	(8)
2017 ¹		2,597,773	2,597,743	100.0	30

¹ Subject to audit.

The Town of Bloomfield Police Retirement Income Plan covers all full-time police employees hired before January 1, 2002, except those covered by the ICMA program. The plan provides retirement benefits, as well as death and disability benefits. Benefits and contributions are established by contract and may be amended through union negotiation for those covered by a collective bargaining agreement, or by the Town for those not so covered. The Town is required to contribute amounts necessary to fund benefits. The Town's contributions are actuarially determined on an annual basis. The required employee contributions are 6.4% of earnings for the Police Retirement Income Plan. The Town has received from its actuarial firm, Hooker & Holcombe, Inc., an actuarial valuation report with respect to the plan. The report determines that as of June 30, 2016, the Town has a total actuarial liability of \$42,917,280, net fiduciary position of \$25,588,819, resulting in a net pension liability of \$17,328,461. The budgeted contribution for the Town of Bloomfield Police Retirement Income Plan for 2017-18 is \$2,092,998.

Police Retirement Income Plan

Fiscal Year	Actuarially Determined Employer Contribution (ADEC)	Annual Contribution	Percentage of ADEC Contributed	Net Pension Obligation (Asset)
2011	\$ 1,541,815	\$ 1,541,812	100.0%	\$ 3
2012	1,485,520	1,485,522	100.0	(2)
2013	1,671,613	1,671,000	100.0	613
2014	1,882,291	1,882,292	100.0	(1)
2015	2,073,888	2,073,888	100.0	-
2016	2,051,665	2,051,670	100.0	(5)
2017 ¹	2,048,807	2,048,807	100.0	-

¹ Subject to audit.

The Town is the administrator of a single-employer, defined contribution pension plan, the Town of Bloomfield Employee Benefit Plan. The plan covers public safety employees working more than 20 hours a week, hired on or after January 1, 2002, and other Town employees, excluding Board of Education employees working more than 20 hours a week hired on or after July 1, 2003. The employer match is 10% and the employee share is 7%. The Town also provides an optional 457 plan to its employees.

Teachers participate in a contributory defined benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of annual earnings. The Town is not required to and does not contribute to the plan.

Governmental Accounting Standards Board Statement No. 67 ("GASB 67") requires a determination of the Total Pension Liability ("TPL") for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability ("NPL") is then set equal to the TPL minus the plan's Fiduciary Net Position ("FNP") which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate ("SEIR"). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The Town of Bloomfield has received from its actuarial firm Hooker & Holcombe reports prepared as of June 30, 2016 containing information to assist the Town in meeting the requirements of GASB 67. These reports indicated the following results as of June 30, 2016 in accordance with GASB 67:

	<u>Town Retirement Income Program</u>	<u>Police Retirement Income Program</u>
Total Pension Liability	\$60,448,195	\$42,917,280
Fiduciary Net Position	\$42,382,948	\$25,588,819
Net Pension Liability	\$18,065,247	\$17,328,461
Ratio of Fiduciary Net Position to Total Pension Liability	70.11%	59.62%

The report for the Town of Bloomfield Retirement Income Program as of June 30, 2016 used its long term investment rate of 7.25% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would decrease the NPL to \$13,205,447, or increase the NPL to \$23,723,508, respectively. The investment assumption is being decreased to 7% for the new valuation effective for the 2018 fiscal year.

The report for the Town of Bloomfield Police Retirement Income Program as of June 30, 2016 used its long term investment rate of 7.25% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the

future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would decrease the NPL to \$13,757,531, or increase the NPL to \$21,526,701, respectively. The investment assumption is being decreased to 7% for the new valuation effective for the 2018 fiscal year.

Other Post-Employment Benefits

In addition to providing pension benefits, the Town provides certain health care and life insurance benefits (“OPEB”) for retired employees and dependents. Substantially all of the Town’s employees may be eligible for these benefits if they retire from the Town. The Town recognizes the cost of providing these benefits by expensing the annual premiums for retirees 65 years and older and paying the claims through a self-insurance plan for retirees and dependents under 65 years of age.

On September 22, 2014 the Bloomfield Town Council approved the establishment of an OPEB Trust Fund (the Trust). The creation of the Trust fund allows for a 7.50% discount rate which would lower the unfunded liability (based on the 2012 Valuation) from \$94.6 million to approximately \$57.5 million and reduce the estimated annual required contribution to about \$4.4 million per year. As a condition of the Trust, the Town plans to phase-in the fully required annual required contribution over a ten-year period. The Town does deduct from all active public safety and other employees (except for certified teachers and administrators) 1.0% and 1.25%, respectively, of gross earnings towards the cost of these retiree health benefits. Police officers defined benefit members contribute 1%, non-defined benefit members either contribute 2.5% or 3.5% depending on hire date.

The most recent valuation as of July 1, 2016 as completed by the Town’s actuarial firm, Hooker & Holcombe, Inc., determined that the Town had an actuarial accrued liability of \$77,668,534 with respect to the plan and an actuarial value of assets of \$5,043,386 resulting in an unfunded actuarial accrued liability of \$72,625,148. Based on a 7% (down from 7.5%) annual investment return assumption and a 30-year amortization period, using the Projected Unit Credit Actuarial Cost Method, the report determined the Town’s actuarially determined employer contribution payable (“ADEC”) to the plan (after allowing for employee contributions) for fiscal year 2018 as \$9,394,587 of which \$3,875,851 is expected benefit payments (EBP), with the net (ADEC-EBP) of \$5,518,736.

The Net OPEB obligation as of June 30, 2016 is \$49,104,732.

Beginning in fiscal year 2016, the Town and Board of Education implemented a 10-Year ADEC phase-in plan. Due to the resulting size of the contribution and, other budgetary constraints, the phase-in plan was amended in 2017. The Town is now on a 9 year ADEC phase-in plan and budgeted to fund 20% of the ADEC less EBP for fiscal year 2018. At the 20% funding level, a total contribution of \$1,104,000 has been budgeted (in addition to pay-as-you go claims) during fiscal year 2018. This percentage will grow by 10% each year through 2027. The Town will need to re-evaluate the level of funding every year in light of other budgetary constraints.

Also, the Town is attempting to make structural changes in its bargaining unit contracts such as increasing employee share of contributions for new employees. These structural changes are expected to help reduce the OPEB liability. In all three town contracts renegotiated this year, the Town increased the employee share of the retirement contribution.

Schedule of OPEB Funding Status

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2008	\$ -	\$ 83,370,810	\$ 83,370,810	0.00%	\$ 33,361,609	249.90%
7/1/2010	-	82,045,095	82,045,095	0.00%	36,549,683	224.48%
7/1/2012	-	94,592,555	94,592,555	0.00%	34,856,264	271.38%
7/1/2014	2,369,726	64,892,076	62,522,350	3.65%	40,249,105	155.34%
7/1/2016 ¹	5,043,386	77,668,534	72,625,148	6.49%	37,327,296	194.56%

¹ Subject to audit.

Schedule of Employer Contributions

Fiscal Year	Actuarilly Determined Employee Contribution (ADEC)	Actual Contribution	Percentage of OPEB Contributed
2011	\$ 8,726,992	\$ 1,635,647	18.7%
2012	8,889,935	1,668,436	18.8%
2013	9,059,394	1,606,090	17.7%
2014	10,476,981	2,131,871	20.3%
2015	10,681,456	5,175,867	48.5%
2016	8,016,863	3,475,807	43.4%
2017 ¹	8,247,357	2,685,225	32.6%

¹ Subject to audit.

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Comparative Balance Sheets – General Fund

Assets	Actual 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012
Cash and Cash Equivalents.....	\$ 32,802,882	\$ 34,731,433	\$ 24,257,887	\$ 20,579,843	\$ 18,587,283
Receivables:					
Property Taxes Receivable.....	1,467,440	1,713,747	1,692,915	1,805,029	1,431,927
Intergovernmental.....	-	-	-	337,549	361,646
Accounts Receivable.....	220,622	177,628	364,198	100,639	88,536
Due to Other Funds.....	2,210,671	2,139,879	4,931,019	2,079,490	4,246,856
Other Assets.....	-	-	-	-	-
Total Assets.....	\$ 36,701,615	\$ 38,762,687	\$ 31,246,019	\$ 24,902,550	\$ 24,716,248
<u>Liabilities and Fund Balance</u>					
<i>Liabilities</i>					
Accounts Payable.....	\$ 1,323,865	\$ 1,667,899	\$ 1,845,733	\$ 1,842,683	\$ 1,493,718
Accrued Liabilities.....	592,695	1,258,086	908,674	852,698	770,416
Due to Other Funds.....	10,214,275	11,804,718	5,958,215	2,590,802	4,405,695
Unearned Revenue.....	22,824	-	51,300	-	-
Deferred Revenue.....	-	28,675	-	2,177,761	4,962,010
Total Liabilities.....	\$ 12,153,659	\$ 14,759,378	\$ 8,763,922	\$ 7,463,944	\$ 11,631,839
<u>Deferred Inflows of Resources</u>					
Unavailable Revenue - Property Taxes.....	\$ 1,305,432	\$ 1,503,612	\$ 1,455,731	\$ -	\$ -
Advance Property Tax Collections.....	5,091,412	5,335,959	2,820,406	-	-
Total Deferred Inflows of Resources.....	\$ 6,396,844	\$ 6,839,571	\$ 4,276,137	\$ -	\$ -
<u>Fund Balances</u>					
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	-	-	712,937	1,382,150
Committed.....	-	-	-	-	-
Assigned.....	1,551,424	2,054,536	2,315,312	2,122,990	672,501
Unassigned.....	16,599,688	15,109,199	15,890,648	14,602,679	11,029,758
Total Fund Balance.....	\$ 18,151,112	\$ 17,163,735	\$ 18,205,960	\$ 17,438,606	\$ 13,084,409
<u>Total Liabilities, Deferred Inflows of Resources, and Fund Balance.....</u>					
	\$ 36,701,615	\$ 38,762,684	\$ 31,246,019	\$ 24,902,550	\$ 24,716,248
Operating revenues.....	\$ 89,140,280	\$ 85,119,505	\$ 85,402,840	\$ 85,085,106	\$ 80,049,238
Fund balance as percent of operating revenues.....	20.4%	20.2%	21.3%	20.5%	16.3%
Unreserved/unassigned fund balance as percent of operating revenues.....	18.6%	17.8%	18.6%	17.2%	13.8%

General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2013 through 2016 have been derived from audited financial statements. The adopted budget for Fiscal Year 2016–17 and Fiscal Year 2017-18 is provided by the Town. The Town’s independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the Town of Bloomfield’s management (Appendix A – “2016 Financial Statements” was taken from the Comprehensive Annual Financial Report of the Town of Bloomfield for the Fiscal Year ended June 30, 2016).

	Adopted Budget 2018 ¹	Adopted Budget 2017 ¹	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Revenues:						
Property Taxes	\$ 74,971,896	\$ 73,944,997	\$ 73,563,398	\$ 72,644,940	\$ 71,679,525	\$ 68,752,328
Intergovernmental Revenues	7,743,190	7,661,218	11,091,620	10,539,585	11,640,999	14,348,379
Charges for Services	2,481,200	1,972,182	4,265,991	1,751,284	1,866,078	1,788,758
Interest Income	90,000	65,000	89,745	48,687	56,004	50,389
Other	135,000	135,000	129,526	135,009	160,234	145,252
Total Revenues	85,421,286	83,778,397	89,140,280	85,119,505	85,402,840	85,085,106
Expenditures:						
Administration	3,360,690	3,309,819	3,082,450	2,975,454	2,824,257	2,748,426
Boards and Agencies	168,042	197,031	138,231	131,693	111,045	148,819
Planning & Development	1,112,925	974,823	978,180	815,003	695,885	750,872
Public Safety	8,057,819	7,898,052	7,471,347	7,318,777	7,092,673	6,715,624
Public Works	3,276,439	3,195,347	2,895,926	3,185,324	3,100,569	2,907,343
Leisure Services	773,991	759,439	730,653	688,923	690,299	666,670
Public Libraries	1,697,241	1,589,426	1,524,108	1,522,952	1,459,802	1,385,092
Human Services	1,591,663	1,532,837	1,427,964	1,391,259	1,340,671	1,292,322
Facilities	1,757,291	1,697,029	1,561,150	1,516,800	1,582,410	1,621,760
Fixed Charges	16,892,419	16,075,570	15,915,492	15,392,282	14,114,184	12,841,982
Miscellaneous	408,000	366,000	170,017	86,098	159,666	127,739
Education	41,338,846	40,244,204	43,740,001	42,712,016	42,708,097	40,980,883
Debt Service	6,087,820	6,087,820	6,198,138	6,087,159	5,955,928	6,509,608
Total Expenditures	86,523,186	83,927,397	85,833,657	83,823,740	81,835,486	78,697,140
Excess (Deficiency) of Revenues						
Over Expenditures	(1,101,900)	(149,000)	3,306,623	1,295,765	3,567,354	6,387,966
Other Financing Sources (Uses):						
Premium on Bond	-	-	-	-	-	-
Premium on BAN	-	-	-	51,299	-	-
Premium on Bond Insurance	-	-	-	117,288	-	-
Issuance of Refunding Bonds	-	-	-	-	-	10,240,000
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(11,336,373)
Premium on Refunding Bond Insurance	-	-	-	-	-	1,145,841
Premium on Bond Insurance	-	-	-	-	-	-
Operating Transfers In	-	-	100,000	125,000	50,000	-
Operating Transfers Out	(885,000)	(1,251,000)	(2,419,246)	(2,631,577)	(2,850,000)	(2,083,237)
Net Other Financing Sources (Uses)	(885,000)	(1,251,000)	(2,319,246)	(2,337,990)	(2,800,000)	(2,033,769)
Excess (Deficiency) of Revenues and						
Other Financing Sources Over						
Exps. and Other Financing Uses	(1,986,900)	(1,400,000)	987,377	(1,042,225)	767,354	4,354,197
Fund Balance, July 1	\$ 16,751,112	\$ 18,151,112	\$ 17,163,735	\$ 18,205,960	\$ 17,438,606	\$ 13,084,409
Residual Equity Transfers	-	-	-	-	-	-
Fund Balance, End of Year	\$ 14,764,212	\$ 16,751,112	\$ 18,151,112	\$ 17,163,735	\$ 18,205,960	\$ 17,438,606

¹ Subject to audit.

Section 207 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 42 of Public Act No. 16-2 (May 2016 Spec. Sess.) and Section 189(h) of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the “Act”) created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State’s municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited

deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Act. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills.

On June 7, 2017, the regular session of the State of Connecticut General Assembly ended without the passage of the fiscal years 2017-2018 and 2018-2019 biennial budget, beginning on July 1, 2017. The State Constitution provides that the General Assembly may not authorize general budget expenditures in excess of estimated revenues. Both the State's Office of Policy and Management and the General Assembly's Office of Fiscal Analysis have estimated that fixed cost growth in the State's General Fund will significantly exceed revenue growth for fiscal year 2017-2018, and will require a reduction in non-fixed costs in order to achieve a balanced budget. The Governor's proposed budget as submitted to the General Assembly's 2017 regular session included reductions in State aid and other grants to municipalities, a requirement that municipalities fund a portion of the annual teacher pension fund contributions currently entirely funded by the State, and other measures that could have had a material adverse effect on the finances of Connecticut municipalities. It is anticipated that the General Assembly will reconvene in one or more special sessions to further consider and adopt the biennial budget for the 2017-2018 and 2018-2019 fiscal years. Proposals similar to those previously made by the Governor, or others impacting municipal budgets, may be incorporated into the adopted biennial budget.

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VII – ADDITIONAL INFORMATION

Litigation

Following consultation with the Town Attorney, and other attorneys providing legal services to the Town, Town officials advise that the Town of Bloomfield, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town that would materially adversely affect its financial position.

Documents Furnished At Delivery

Upon delivery of the Bonds, the Underwriter 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 Town Manager, the Treasurer, and the Director of Finance which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the purchase contract for the Bonds was signed and as of the closing date, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. A copy of the Escrow Agreement pertaining to the Refunded Bonds.
7. Any other documents required by the Contract of Purchase for the Bonds.

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

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Concluding Statement

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

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

TOWN OF BLOOMFIELD, CONNECTICUT

By: *Philip K. Schenck, Jr.*
PHILIP K. SCHENCK, JR., *Town Manager*

By: *Byron R. Lester*
BYRON R. LESTER, *Treasurer*

By: *James Wren, Jr.*
JAMES WREN, JR., *Director of Finance*

Dated: July 25, 2017

Appendix A

2016 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Bloomfield, Connecticut for the fiscal year ended June 30, 2016. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry Bernabe, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110

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Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Members of the Bloomfield Town Council
Town of Bloomfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bloomfield, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Bloomfield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bloomfield, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the budgetary comparison information on pages 59 through 62, the pension schedules on pages 63 through 69, and the OPEB schedule on page 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bloomfield, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Town of Bloomfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bloomfield, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 1, 2016

**TOWN OF BLOOMFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of the Town of Bloomfield, we offer readers of the Town of Bloomfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

Financial Highlights

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

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$60.3 million (*net position*). Of this amount, \$50.5 million was attributable to Governmental Activities and \$9.8 million to Business-Type Activities.
- The Town's total net position increased by \$2.7 million from the prior year. This is due primarily to an increase of \$2.7 million in charges for services revenue caused in large part by a historic increase in building permits issued. This favorable activity is attributable to higher than usual development activity in the Town of Bloomfield; this activity has positively affected both residential and commercial development.
- Net position of our governmental activities increased by \$2.8 million while Business-Type activities decreased slightly by \$82 thousand.
- At the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$28.1 million, an increase of \$400 thousand, in comparison with the prior year. This increase was due to an increase in General Fund Balance driven by higher-than-anticipated revenues primarily in the area of building permits. Increases in the General Fund Balance were partially offset by decreases in Non-recurring Capital Project Fund Balances due to an increase in capital expenditures over the prior year. In addition, in the prior year, the Nonrecurring Capital Projects fund had one-time revenue of \$2.8 million due to the sale of JP Vincent School and bond proceeds of \$5.0 million. There were no bond issuances during the current fiscal year.
- The General Fund had a total fund balance of \$18.1 million, an increase of \$1.0 million over the prior year. Of the \$18.1 million, \$1.5 million was assigned, (which included \$1.4 million assigned as revenue for the 2016-17 fiscal year and \$151 thousand in open encumbrances at June 30, 2016) resulting in an unassigned total of \$16.6 million. The unassigned fund balance increased by \$1.5 million to 19.8% of total 2015-16 General Fund expenditures. There was no committed fund balance in the General Fund at year-end.
- The property tax collection rate as of June 30, 2016 was 98.75%, an increase of .15% from the prior year and one of the highest collection rates in the past 10 years.
- The Town of Bloomfield's outstanding bonded debt at June 30, 2016 is \$52,515,000. No new bonds were issued during the fiscal year. The Town paid down \$4.2 million of principal during the fiscal year.

- The Town's total capital assets, which total \$180.0 million (net of depreciation) increased by \$3.3 million during the current fiscal year with most of the increase showing within the furniture and equipment category. As the Town completed several major school renovation projects, amounts shown as Construction-in-progress in the prior year were moved into active asset categories (primarily Buildings) in 2016.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include administration, planning and development, public safety, public works, leisure services, public libraries, human services and education. The business-type activities of the Town include the operations of the Wintonbury Hills Golf Course.

The government-wide financial statements can be found on Exhibits I and II of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Nonrecurring Capital Projects Fund, and the State and Federal Education Grants Fund, which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget (RSI-1 and RSI-2).

The basic governmental fund financial statements can be found on Exhibits III and IV.

Overview of the Basic Financial Statements (continued)

Proprietary Funds

The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Wintonbury Hills Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses an internal service fund to account for its employees' self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the Wintonbury Hills Golf Course operations, which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on Exhibits V, VI, and VII.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

Notes to The Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town of Bloomfield at June 30, 2016 assets exceeded liabilities by \$60.3 million.

NET POSITION (THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets and other assets	\$ 45,029	\$ 44,489	\$ 442	\$ 494	\$ 45,471	\$ 44,983
Capital assets, net of accumulated depreciation	170,469	167,052	9,519	9,735	179,988	176,787
Total assets	<u>215,498</u>	<u>211,541</u>	<u>9,961</u>	<u>10,229</u>	<u>225,459</u>	<u>221,770</u>
Deferred outflows of resources	<u>8,964</u>	<u>4,526</u>			<u>8,964</u>	<u>4,526</u>
Current liabilities	5,305	4,941	196	382	5,501	5,323
Noncurrent liabilities	162,908	158,053			162,908	158,053
Total liabilities	<u>168,213</u>	<u>162,994</u>	<u>196</u>	<u>382</u>	<u>168,409</u>	<u>163,376</u>
Deferred inflows of resources	<u>5,721</u>	<u>5,336</u>			<u>5,721</u>	<u>5,336</u>
Net Position:						
Net investment in capital assets	115,420	108,253	9,519	9,706	124,939	117,959
Unrestricted	<u>(64,892)</u>	<u>(60,516)</u>	<u>246</u>	<u>141</u>	<u>(64,646)</u>	<u>(60,375)</u>
Total Net Position	<u>\$ 50,528</u>	<u>\$ 47,737</u>	<u>\$ 9,765</u>	<u>\$ 9,847</u>	<u>\$ 60,293</u>	<u>\$ 57,584</u>

By far the largest portion of the Town's net position (\$124.9 million) is its investment in capital assets (e.g., land, construction in progress, buildings, land improvements, furniture and equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$64.6) million.

- The Town's net position total of \$60.3 million increased by \$2.7 million during the current fiscal year. Of the net position total, \$50.5 million is attributable to the government activities category and \$9.8 million for business-type activities.

Governmental Activities

Governmental activities increased the Town's net position by \$2.8 million which was offset by a very small decrease in the net position of business-type activities.

Business-Type Activities

The net position of business-type activities, which is entirely comprised of the operations of the Wintonbury Hills Golf Course, decreased by \$82 thousand.

Revenues

Governmental activities revenues totaled \$104.1 million for fiscal year 2016 which represents an increase of \$2.0 million from the prior year. Property taxes are the largest revenue source for the Town and represent 70.3% of total revenues. Operating grants and contributions total \$21.4 million or 20.5% of revenue of which the major portion is attributable to education grants. Capital grants and contributions totaled \$2.3 million or 2.2% of governmental revenues. Charges for services totaled \$6.5 million, or 6.2% of total revenues.

The most significant variances from the prior year as outlined in the “Changes in Net Position” schedule are as follows:

- Charges for services, which total \$6.5 million, increased by \$2.7 million over the prior year. This was mainly driven by a \$1.7 million increase in building permit revenue due to fees generated from several large commercial and residential projects underway in town. Another contributing factor in this category is real estate conveyance fees which increased by about \$580,000 over the prior year due to several large real estate sales in town.
- Operating grants and contributions, which total \$21.4 million, increased by \$1.2 million. This increase is primarily driven by increases in state funding for education. In particular, there was a large increase in Alliance District Funding due to a carryover grant used for summer school programs. In addition, there was a large increase in the “on-behalf” payment related to the State Teachers’ Retirement Program; this item also impacts the Education expenses and has no net impact to the bottom line results. The increases were partially offset by reductions in other state funding (particularly PILOT programs) as the State of Connecticut deals with its budget deficit.
- Capital grants and contributions, which totals \$2.3 million, increased by \$541 thousand due primarily to increases in the Municipal Grant-in-aid program from the State of Connecticut; these funds must specifically be used for Public Works-type capital projects. Part of the increase was also driven by school construction grants received during the fiscal year.
- Property taxes, which comprises 70.3% of total revenue, or \$73.2 million, increased by \$550 thousand due primarily to the increase in the tax levy for the 2015-16 fiscal year as well as an improved collection rate.
- Grants and contributions (not restricted) decreased by \$202 thousand primarily due to State of Connecticut cutbacks.
- Miscellaneous category decreased by \$2.8 million due and returned to normal levels following the prior year sale of the former JP Vincent School to the Capital Region Education Council (CREC), which generated \$2.8 million in fiscal year 2015.

Expenses

Governmental expenses totaled \$101.3 million for the 2016 fiscal year, an increase of \$3.5 million over the prior year. The largest category of expenses related to Education, which represents \$59.2 million or 58.5% of total expenses, an increase of \$5.2 million from the prior year. The increases in Education are primarily driven by expenses related to major renovation projects at all Bloomfield schools as well as increases in retirement costs as OPEB funding is being phased in over ten years. In addition, defined benefit pension plan costs increased due to changes in the interest rate assumptions. Finally, as mentioned above, there was a large increase in the “on-behalf” payment related to the State Teachers’ Retirement Program. As explained previously, this is offset by a corresponding increase in revenues.

Public safety expenses is the next largest expense category at \$16.7 million or 16.5% of total expenses, an increase of \$2.0 million over the prior year, primarily due to increases in defined benefit pension and OPEB liabilities as well as higher than average overtime costs (due to a higher than average attrition rate in 2016) and payout costs of retiring officers. Public Works is the third largest category of expenses and amounted to \$8.7 million or 8.6% of total expenses, a decrease of \$1.6 million from the prior year due to reductions in overtime and road materials since the winter of 2016 was relatively mild compared to the prior year’s winter. Administration is the next largest category at \$5.8 million or 5.8% of total expenses, a decrease of \$1.0 million from the prior year due to general expense savings and cost reductions. There were minor variances from the prior year in most of the remaining categories.

**CHANGES IN NET POSITION
FOR THE YEARS ENDED June 30, 2016 and 2015
(THOUSANDS)**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 6,471	\$ 3,756	\$ 1,999	\$ 1,837	\$ 8,470	\$ 5,593
Operating grants and contributions	21,393	20,164			21,393	20,164
Capital grants and contributions	2,275	1,734			2,275	1,734
General revenues:						
Property taxes	73,219	72,761			73,219	72,761
Grants and contributions (not restricted)	499	701			499	701
Unrestricted investment earnings	115	50			115	50
Miscellaneous	184	2,995			184	2,995
Total revenues	<u>104,156</u>	<u>102,161</u>	<u>1,999</u>	<u>1,837</u>	<u>106,155</u>	<u>103,998</u>
Expenses:						
Administration	5,842	6,805			5,842	6,805
Planning and development	1,755	1,488			1,755	1,488
Public Safety	16,711	14,766			16,711	14,766
Public Works	8,709	10,371			8,709	10,371
Leisure Services	1,187	1,496			1,187	1,496
Public Libraries	3,021	3,246			3,021	3,246
Human Services	3,002	3,613			3,002	3,613
Education	59,264	54,095			59,264	54,095
Interest Expense	1,874	1,979			1,874	1,979
Wintonbury Hills Golf Course			2,081	1,939	2,081	1,939
	<u>101,365</u>	<u>97,859</u>	<u>2,081</u>	<u>1,939</u>	<u>103,446</u>	<u>99,798</u>
Increase in Net Position	2,791	4,302	(82)	(102)	2,709	4,200
Net Position July 1	<u>47,737</u>	<u>43,435</u>	<u>9,847</u>	<u>9,949</u>	<u>57,584</u>	<u>53,384</u>
Net Position June 30	<u>\$ 50,528</u>	<u>\$ 47,737</u>	<u>\$ 9,765</u>	<u>\$ 9,847</u>	<u>\$ 60,293</u>	<u>\$ 57,584</u>

Business-type activities

Business-type activities, which for the Town is the operation of Wintonbury Hills Golf Course, decreased the Town's net position by \$82 thousand.

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds (as presented in the balance sheet Exhibit III) reported combined ending fund balances of \$28.1 million, an increase of \$400 thousand in comparison with the prior year.

Of the total General Fund balance, \$16.6 million constitutes an unassigned fund balance, while total General Fund balance reached \$18.1 million; the difference between the total fund balance and unassigned fund balance is the assigned fund balance component in the amount of \$1.5 million that it is used for the following specific purposes: \$151 thousand for FY 16 encumbrances and \$1.4 million assigned as revenue to mitigate the mill rate for the 2016-17 fiscal year.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures (budgetary). Unassigned fund balance represents 19.8% of total 2015-16 General Fund expenditures, while total fund balance represents 21.7% of that same amount.

Nonrecurring Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition of major equipment, construction of facilities and infrastructure improvements; this includes the \$94.6 million Town-wide school renovation project begun in 2006. The nonrecurring capital projects fund's fiscal year 2016 expenses exceeded revenues by \$913 thousand. This is because there was no bonding issued during fiscal year 2016. This contrasts with the prior year when \$5 million in bonds were issued and \$2.8 million in revenue was realized from the sale of JP Vincent School. Despite this, the nonrecurring capital projects fund shows a positive fund balance of \$5.1 million.

State and Federal Education Grants Fund

This fund was reclassified to a major fund in fiscal year 2016. This fund accounts for intergovernmental revenues received at the state and federal level to fund education-related programs. In fiscal year 2016, expenses (including transfers to other grant funds of \$124 thousand) exceeded revenues by about \$15 thousand to bring the net deficit to \$96 thousand. This deficit primarily relates to timing differences. It should also be noted that this fund contains \$1.026 million in unearned revenue (i.e. the grants funds were received but revenue recognition is deferred to a future year).

Non-Major Governmental Funds

Non-major governmental funds account for all other grant programs for education, social services, recreation, school cafeteria, public safety that do not fall into a major category and to account for specific revenues restricted to expenditures for specific purposes. There were positive results in this fund during the year with a net increase to fund balance of \$289 thousand which increased the fund balance at June 30, 2016 to a total of \$4.9 million.

Proprietary Funds

The Town has two proprietary funds, a business-type fund to account for the operations of the Wintonbury Hills Golf Course, and an internal service fund used to account for costs related to employee health insurance. In fiscal year 2016, the golf course had an operating loss of \$81 thousand and non-operating expense of \$527 and, therefore, total net position decreased by \$82 thousand to \$9.8 million at June 30, 2016. Its Unrestricted Net position increased by \$105 thousand to \$245,000.

The internal service fund for employee health insurance had operating income of \$428 thousand due to favorable claims experience; together with investment earnings of \$11 thousand, resulting in an increase of \$439 thousand to its total net position, which totaled \$5.6 million at year-end.

General Fund Budgetary Highlights

There were no supplemental appropriations added to the fiscal 2015-16 original budget of \$83,946,071. Actual General Fund revenues, on a budgetary basis, totaled \$84,733,349 which exceeded the original budget by \$2,717,278. The major revenue increases were in the Charges for Services category, up \$2,411,241 due primarily to increases in the building permit account as well as the collection of the real estate conveyance tax; both of these favorable variances relate to strong economic development initiatives in the Town of Bloomfield.

Fiscal year 2015-16 actual expenditures are \$83,720,012 as compared to the original budget of \$83,946,071, leaving a remaining balance of \$226,059. It should be noted that these results were after some leftover funds were transferred, with the permission of the Bloomfield Town Council, to make additional contributions to the OPEB Trust Fund. Therefore, fiscal year 2016 showed very positive results on the expenditure side. One of the primary drivers of the favorable expenditure levels was the mild winter of 2016, resulting in lower overtime and road maintenance expenditures.

The Board of Education spent its entire appropriation in fiscal year 2016.

Overall, fiscal year 2016 was a very positive year for the Town of Bloomfield due to continued cost savings efforts, increased tax collections ratios, and general conservative fiscal management. All of these efforts were combined with strategic plans to continue to fund capital improvements; fund 100% of the actuarially-recommended defined benefit pension contribution; and implementing a ten-year phase-in plan to address the OPEB liability.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets (net of depreciation) for its governmental and business-type activities as of June 30, 2016 amount to \$170.5 million and \$9.5 million, respectively, for a total of \$180.0 million or an increase of \$3.3 million. This investment in capital assets includes land, construction in progress, buildings, land improvements, furniture and equipment, and infrastructure. The majority of the increase over the prior year is in furniture and equipment in governmental activities. Large school projects that were reported as construction-in-progress in the prior year, were reclassified to the Buildings category upon completion in fiscal year 2016. Capital assets for Business-type activities for the Wintonbury Hills Golf Course, decreased by \$216 thousand from the prior year.

CAPITAL ASSETS (Net of Depreciation) (THOUSANDS)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 41,303	\$ 41,303	\$ 1,000	\$ 1,000	\$ 42,303	\$ 42,303
Construction in progress		83,701			-	83,701
Buildings	112,623	29,620	1,225	1,258	113,848	30,878
Land Improvements	2,718	1,452	6,857	7,011	9,575	8,463
Furniture and equipment	6,760	4,293	438	466	7,198	4,759
Infrastructure	7,065	6,683			7,065	6,683
Total	<u>\$ 170,469</u>	<u>\$ 167,052</u>	<u>\$ 9,519</u>	<u>\$ 9,735</u>	<u>\$ 179,988</u>	<u>\$ 176,787</u>

Additional information on the Town's capital assets can be found in Note 3.B.

Debt Administration

Long term debt

At the beginning of the fiscal year, the Town had total debt outstanding of \$56.7 million. During FY 2016, the Town paid down \$4.2 million of principal and no new bonds were issued. Therefore, at June 30, 2016, the Town has \$52.5 million total debt outstanding. All bonded debt is general obligation debt backed by the full faith and credit of the Town.

OUTSTANDING DEBT
June 30, 2016 and 2015
(THOUSANDS)

	Governmental Activities	
	2016	2015
General obligation bonds	\$ 52,515	\$ 56,695
Total	\$ 52,515	\$ 56,695

At June 30, 2016, the Town's outstanding debt was rated "Aa2" by Moody's Investor Service and "AA+" by Standard & Poor's Rating Group.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The Town's debt limitation at June 30, 2016 for the Town is \$535.4 million which is more than four times that of the Town's outstanding general obligation debt (including underlying and overlapping debt).

Additional information on the Town's long-term debt can be found in Note 3.D.

Economic Factors and Next Year's Budgets and Rates

The Town has again successfully managed its budgetary operations through prudent, conservative fiscal management. The 2015-16 results show the Town's General Fund unassigned fund balance at a level of \$16.6 million or approximately 19.8% of the fiscal 2016 budget and 19.5% of the fiscal 2017 budget. The Town is in process of formalizing a fund balance policy, which will set the goal at 15-20% of the budget. Therefore, the Town is at the high end of its goal and is in a very good position compared to other Connecticut municipalities. Over the past 2 years, and also spilling over into fiscal year 2017, Bloomfield has seen unprecedented economic development and, as a result, has attracted many commercial and residential developers to locate their new ventures within the Town and indicates a growing local economy.

The Town's adopted 2016-17 General Fund appropriations totals \$85.2 million, an increase of 1.47% from the 2015-16 original budget. The mill rate was increased by .65 mills from 36.00 to 36.65. Following a decrease in the grand list of 1.3% in the prior year due to state-mandated property revaluation, the 2015 Grand List showed slight growth of about .2%; it is hoped that this trend will continue as new development continues to take place and new businesses come onto the tax rolls and as tax abatement arrangements expire. As of June 30, 2016, the tax collection rate has risen to a level of 98.75%, the highest level since 2012.

Despite all the positive factors, the Town of Bloomfield, like all Connecticut municipalities, faces difficult issues with generating new revenues to offset growing costs. As state statutes allow limited opportunities for Connecticut municipalities to raise revenue, the Town still has a heavy reliance on the property tax which comprises over 70% of the Town's revenue. The State of Connecticut has projected a deficit of approximately \$67 million in fiscal year 2017 and a potential shortfall of over \$1 billion in fiscal year 2018; therefore, the Town expects to see a continued decrease in state funding (\$300,000 in state grants for fiscal year 2017 were eliminated after the passage of the Town's budget and this trend is expected to continue). Fortunately, the Town is not over-reliant on state funding. The Town has been fortunate to have collected unprecedented amounts of building permit revenue for the past few years, but that will not be sustainable forever.

While revenues continue to become more reliant on the property tax, fixed costs including employee and retiree benefits, contractual raises and the Metropolitan District Commission (“MDC”) levy for sewer services continue to increase. On November 8, 2016, voters approved \$33 million in future debt issuance to fund major renovations to the Leisure/Senior/Social Services building and the Town Garage facility. This means, that debt service will continue to rise over the next several years. Compounding that, following a contentious Presidential election in 2016, there is a lot of uncertainty as to where the national economy is headed. Interest rates, which have been at historically low levels for several years, are already rising and it is likely that the Federal Reserve will raise rates in the near future. A rise in interest rates will, of course, contribute to increased debt service costs. Finally, the town’s portion of the MDC ad valorem tax for sewer services will potentially increase even further due to the fiscal issues facing the City of Hartford.

In the midst of increases in fixed costs, the Town of Bloomfield is trying to plan strategically for the future. The Town Council has been dedicated to continuous capital improvement to maintain the Town’s infrastructure. The 2016-17 budget again supported its Capital Improvement Program with a \$1.25 million contribution from the General Fund to support capital. In addition to capital improvements, the Town has maintained its plan to fund 100% of the required actuarial contribution for its defined benefit plans and has developed an OPEB trust and a ten-year phase in plan to fund it. In addition, the Town is trying to strategically manage spiraling healthcare costs by rolling out a high-deductible health plan/health savings account. The first bargaining unit accepted this plan in fiscal year 2017.

The Town will close on a partial refunding of its 2010 bonds on November 30, 2016. This will save an estimated \$403 thousand in debt service costs.

The Town like most municipalities, is facing ongoing challenges in the current economic climate. As of September 2016, the Town’s unemployment rate was 5.8%, above the state-wide average of 5.1% and the Greater Hartford Labor market of 5.1%. It is hoped that these numbers may be lowered with job opportunities related to several new developments in the Town.

The FY 2017 budget incorporates a draw from the Town’s Unassigned General Fund balance of \$1.4 million, a decrease of \$530,000 over the 2015-16 level. The prior year increase was intended to help mitigate the effect of the Town’s 2014 revaluation; all court cases related to the revaluation have now been settled and the Town has returned to a more regular level of unassigned fund balance. Even with this assignment, the Town maintains a very strong level of unassigned General Fund balance. The strong reserves will help to weather the Town through these very difficult fiscal times.

In summary, although the Town continues to face several economic challenges, the Town’s elected officials and leadership continue to work to identify strategic ways to make structural changes that will sustain the Town. As we work through these challenges, the Town must continue to maintain fiscal discipline, expand its economic development activities, exercise cost control and implement operating efficiencies and structural change wherever possible.

Requests for Information

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the Town’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 800 Bloomfield Avenue, Bloomfield, CT 06002.

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Basic Financial Statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 41,266,682	\$ 273,991	\$ 41,540,673
Receivables:			
Property taxes	942,620		942,620
Interest receivable	214,482		214,482
Accounts receivable	332,548		332,548
Intergovernmental	353,961		353,961
Loans	371,125		371,125
Inventory	15,640	82,079	97,719
Other assets		85,201	85,201
Due from trust funds	1,531,953		1,531,953
Capital assets not being depreciated	41,303,302	1,000,000	42,303,302
Capital assets being depreciated, net	129,165,876	8,519,370	137,685,246
Total assets	<u>215,498,189</u>	<u>9,960,641</u>	<u>225,458,830</u>
Deferred Outflows of Resources:			
Changes related to pension actuarial experience	560,830		560,830
Changes in assumptions	1,350,766		1,350,766
Changes in projected investment earnings	5,745,916		5,745,916
Deferred amount on refunding	1,306,171		1,306,171
Total deferred outflows of resources	<u>8,963,683</u>	<u>-</u>	<u>8,963,683</u>
Liabilities:			
Accounts payable	2,090,780	41,866	2,132,646
Accrued liabilities	1,359,870	153,952	1,513,822
Accrued interest payable	375,264		375,264
Due to fiduciary funds	278,001		278,001
Unearned revenue	1,200,624		1,200,624
Noncurrent liabilities, due within one year	5,199,858		5,199,858
Noncurrent liabilities, due in more than one year	157,708,476		157,708,476
Total liabilities	<u>168,212,873</u>	<u>195,818</u>	<u>168,408,691</u>
Deferred Inflows of Resources:			
Changes related to pension actuarial experience	629,467		629,467
Advance property tax collections	5,091,412		5,091,412
Total deferred inflows of resources	<u>5,720,879</u>	<u>-</u>	<u>5,720,879</u>
Net Position:			
Net investment in capital assets	115,419,910	9,519,370	124,939,280
Unrestricted	<u>(64,891,790)</u>	<u>245,453</u>	<u>(64,646,337)</u>
Total Net Position	<u>\$ 50,528,120</u>	<u>\$ 9,764,823</u>	<u>\$ 60,292,943</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 5,841,875	\$ 1,142,893	\$	\$	\$ (4,698,982)	\$	\$ (4,698,982)
Planning and development	1,754,820	2,541,574			786,754		786,754
Public safety	16,710,985	1,170,663	358,775		(15,181,547)		(15,181,547)
Public works	8,708,688	146	344,464	2,039,133	(6,324,945)		(6,324,945)
Leisure services	1,186,716	134,248	7,000		(1,045,468)		(1,045,468)
Public libraries	3,020,733	20,279	6,591		(2,993,863)		(2,993,863)
Human services	3,002,014	74,592	20,199		(2,907,223)		(2,907,223)
Education	59,264,325	1,386,905	20,655,535	236,051	(36,985,834)		(36,985,834)
Interest expense	1,874,093				(1,874,093)		(1,874,093)
Total governmental activities	101,364,249	6,471,300	21,392,564	2,275,184	(71,225,201)	-	(71,225,201)
Business-type activities:							
Wintonbury Hills Golf Course	2,081,401	1,999,618				(81,783)	(81,783)
Total	<u>\$ 103,445,650</u>	<u>\$ 8,470,918</u>	<u>\$ 21,392,564</u>	<u>\$ 2,275,184</u>	<u>(71,225,201)</u>	<u>(81,783)</u>	<u>(71,306,984)</u>
General revenues:							
Property taxes					73,218,681		73,218,681
Grants and contributions not restricted to specific programs					499,101		499,101
Unrestricted investment earnings					114,990		114,990
Miscellaneous					183,867		183,867
Total general revenues					<u>74,016,639</u>	<u>-</u>	<u>74,016,639</u>
Change in net position					2,791,438	(81,783)	2,709,655
Net Position at Beginning of Year					<u>47,736,682</u>	<u>9,846,606</u>	<u>57,583,288</u>
Net Position at End of Year					<u>\$ 50,528,120</u>	<u>\$ 9,764,823</u>	<u>\$ 60,292,943</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General Fund</u>	<u>Nonrecurring Capital Projects</u>	<u>State and Federal Education Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 32,802,882	\$	\$ 1,193,939	\$ 1,138,641	\$ 35,135,462
Receivables:					
Property taxes	1,467,440				1,467,440
Intergovernmental				353,961	353,961
Accounts receivable	220,622		14,687	97,239	332,548
Loans				381,647	381,647
Due from other funds	2,210,671	5,292,107		4,544,217	12,046,995
Other assets				15,640	15,640
Total Assets	<u>\$ 36,701,615</u>	<u>\$ 5,292,107</u>	<u>\$ 1,208,626</u>	<u>\$ 6,531,345</u>	<u>\$ 49,733,693</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,323,865	\$ 232,898	\$ 169,136	\$ 363,702	\$ 2,089,601
Accrued liabilities	592,695			11,003	603,698
Due to other funds	10,214,275		108,891	678,718	11,001,884
Unearned revenue	22,824	500	1,026,237	151,063	1,200,624
Total liabilities	<u>12,153,659</u>	<u>233,398</u>	<u>1,304,264</u>	<u>1,204,486</u>	<u>14,895,807</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	1,305,432				1,305,432
Unavailable revenue - loans receivable				381,647	381,647
Advance property tax collections	5,091,412				5,091,412
Total deferred inflows of resources	<u>6,396,844</u>	<u>-</u>	<u>-</u>	<u>381,647</u>	<u>6,778,491</u>
Fund balances:					
Nonspendable				15,640	15,640
Restricted		5,058,709		3,524,718	8,583,427
Committed				1,505,612	1,505,612
Assigned	1,551,424				1,551,424
Unassigned	16,599,688		(95,638)	(100,758)	16,403,292
Total fund balances	<u>18,151,112</u>	<u>5,058,709</u>	<u>(95,638)</u>	<u>4,945,212</u>	<u>28,059,395</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 36,701,615</u>	<u>\$ 5,292,107</u>	<u>\$ 1,208,626</u>	<u>\$ 6,531,345</u>	<u>\$ 49,733,693</u>

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TOWN OF BLOOMFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$ 28,059,395
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Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds:

Governmental capital assets	\$ 213,475,851	
Less accumulated depreciation	<u>(43,006,673)</u>	
Net capital assets		170,469,178

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

Deferred outflows related to pension actuarial experience	560,830
Deferred outflows related to changes in assumptions	1,350,766
Deferred outflows related to changes in projected investment earnings	5,745,916
Property taxes and assessments receivable greater than 60 days	1,305,432
Loan receivables greater than 60 days	381,647
Interest receivable on property taxes	349,662
Allowance for uncollectible accounts	(670,522)

Internal service funds are used by management to charge the costs of health benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,582,710
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Deferred inflows related to pension actuarial experience	(629,467)
Bonds payable	(52,515,000)
Premium on bonds payable	(3,270,189)
Deferred charge on refunding	1,306,171
Interest payable on bonds	(375,264)
Capital lease obligations	(570,250)
Net OPEB obligation	(49,104,732)
Net pension liability	(35,393,708)
Compensated absences	(3,955,005)
Landfill closure costs	<u>(18,099,450)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 50,528,120</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Nonrecurring Capital Projects	State and Federal Education Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes, interest and lien fees	\$ 73,563,398	\$	\$	\$	\$ 73,563,398
Intergovernmental	11,091,620	236,051	8,708,783	3,854,079	23,890,533
Interest income	89,745		13,761	11	103,517
Charges for services	4,265,991		218,603	1,986,706	6,471,300
Contributions				276,316	276,316
Other	129,526	50,500		29,801	209,827
Total revenues	<u>89,140,280</u>	<u>286,551</u>	<u>8,941,147</u>	<u>6,146,913</u>	<u>104,514,891</u>
Expenditures:					
Current:					
Administration	3,082,450				3,082,450
Boards and agencies	138,231				138,231
Planning and development	978,180				978,180
Public safety	7,471,347			724,405	8,195,752
Public works	2,895,926				2,895,926
Leisure services	730,653			167,392	898,045
Public libraries	1,524,108				1,524,108
Human services	1,427,964			70,688	1,498,652
Facilities	1,561,150				1,561,150
Fixed charges	15,915,492				15,915,492
Miscellaneous	170,017				170,017
Education	43,740,001		8,831,998	2,855,552	55,427,551
Debt service	6,198,138				6,198,138
Capital outlay		3,618,556		2,064,030	5,682,586
Total expenditures	<u>85,833,657</u>	<u>3,618,556</u>	<u>8,831,998</u>	<u>5,882,067</u>	<u>104,166,278</u>
Excess of Revenues over Expenditures	<u>3,306,623</u>	<u>(3,332,005)</u>	<u>109,149</u>	<u>264,846</u>	<u>348,613</u>
Other Financing Sources (Uses):					
Transfers in	100,000	2,419,246		124,223	2,643,469
Transfers out	(2,419,246)		(124,223)	(100,000)	(2,643,469)
Total other financing sources (uses)	<u>(2,319,246)</u>	<u>2,419,246</u>	<u>(124,223)</u>	<u>24,223</u>	<u>-</u>
Net Change in Fund Balances	987,377	(912,759)	(15,074)	289,069	348,613
Fund Balances at Beginning of Year	<u>17,163,735</u>	<u>5,971,468</u>	<u>(80,564)</u>	<u>4,656,143</u>	<u>27,710,782</u>
Fund Balances at End of Year	<u>\$ 18,151,112</u>	<u>\$ 5,058,709</u>	<u>\$ (95,638)</u>	<u>\$ 4,945,212</u>	<u>\$ 28,059,395</u>

(Continued on next page)

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 348,613
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	6,483,632
Depreciation expense	(2,253,669)
Loss on disposal of capital assets	(812,551)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and assessments collected after 60 days	(198,180)
Interest income on property taxes	(146,537)
Change in deferred outflows related to pension actuarial experience	(127,475)
Change in deferred outflows related to changes in assumptions	1,350,766
Change in deferred outflows related to changes in projected investment earnings	3,360,911
Change in CDBG loan receivable	(25,960)

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

Principal payments on bonds and notes	4,180,000
Amortization of premiums	286,871
Amortization of deferred charge on refunding	(146,754)
Accrued interest on bonds	3,930

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

Change in other post employment benefit liability	(4,373,755)
Change in net pension liability	(5,589,042)
Change in compensated absences	515,267
Landfill closure and postclosure liability	125,000
Change in deferred inflows related to pension actuarial experience	(629,467)

The net expense of certain activities of internal service funds is reported in governmental activities	<u>439,838</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 2,791,438</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Enterprise Fund Wintonbury Hills Golf Course	Governmental Activities Employee Health Insurance
Assets:		
Current assets:		
Cash and cash equivalents	\$ 273,991	\$ 6,131,220
Inventory	82,079	
Prepaid items	85,201	
Due from other funds		208,841
Total current assets	<u>441,271</u>	<u>6,340,061</u>
Noncurrent assets:		
Capital assets not being depreciated	1,000,000	
Capital assets being depreciated, net	<u>8,519,370</u>	
Total noncurrent assets	<u>9,519,370</u>	<u>-</u>
Total assets	<u>9,960,641</u>	<u>6,340,061</u>
Liabilities:		
Current liabilities:		
Accounts payable	41,866	1,179
Accrued liabilities	153,952	
Claims payable		<u>756,172</u>
Total current liabilities	<u>195,818</u>	<u>757,351</u>
Net Position:		
Net investment in capital assets	9,519,370	
Unrestricted	<u>245,453</u>	<u>5,582,710</u>
Total Net Position	<u>\$ 9,764,823</u>	<u>\$ 5,582,710</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Fund Wintonbury Hills Golf Course	Governmental Activities Employee Health Insurance
Operating Revenues:		
Premiums	\$	\$ 9,677,148
Charges for services	1,999,618	
Total operating revenues	<u>1,999,618</u>	<u>9,677,148</u>
Operating Expenses:		
Golf operations	369,210	
Maintenance operations	613,227	
General and administrative	464,222	
Food and beverage operations	315,171	
Marketing	31,321	
Depreciation	287,723	
Claims		8,351,186
Administration		897,597
Total operating expenses	<u>2,080,874</u>	<u>9,248,783</u>
Operating Income (Loss)	<u>(81,256)</u>	<u>428,365</u>
Nonoperating Revenues (Expenses):		
Investment income		11,473
Interest expense	(527)	
Net nonoperating revenues (expenses)	<u>(527)</u>	<u>11,473</u>
Change in Net Position	(81,783)	439,838
Net Position at Beginning of Year	<u>9,846,606</u>	<u>5,142,872</u>
Net Position at End of Year	<u>\$ 9,764,823</u>	<u>\$ 5,582,710</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Fund Wintonbury Hills Golf Course	Governmental Activities Employee Health Insurance
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 1,999,618	\$ 10,607,574
Cash paid to employees	(889,827)	
Cash paid to vendors	(1,055,818)	(897,552)
Cash paid to beneficiaries		(8,211,671)
Net cash provided by (used in) operating activities	<u>53,973</u>	<u>1,498,351</u>
Cash Flows from Capital and Related Financing Activities:		
Additions to capital assets	(71,820)	
Principal paid on capital leases	(29,340)	
Interest paid on capital leases	(527)	
Net cash provided by (used in) capital and related financing activities	<u>(101,687)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Investment income		<u>11,473</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(47,714)	1,509,824
Cash and Cash Equivalents at Beginning of Year	<u>321,705</u>	<u>4,621,396</u>
Cash and Cash Equivalents at End of Year	<u>\$ 273,991</u>	<u>\$ 6,131,220</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (81,256)	\$ 428,365
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	287,723	
(Increase) decrease in inventory	15,552	
(Increase) decrease in prepaid expenses	(10,425)	
(Increase) decrease in due from other funds		930,426
Increase (decrease) in accounts payable	(114,181)	45
Increase (decrease) in accrued liabilities	(43,440)	
Increase (decrease) in claims payable		<u>139,515</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 53,973</u>	<u>\$ 1,498,351</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2016

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 1,106,165	\$ 255,503
Accounts receivable	19,422	
Due from primary government		278,001
Investments - mutual funds, at fair value	73,616,250	
Total assets	<u>74,741,837</u>	<u>533,504</u>
Liabilities:		
Claims payable	194,733	
Due to other funds	1,531,953	
Due to participants		39,863
Due to student groups		208,140
Due to developers		285,501
Total liabilities	<u>1,726,686</u>	<u>533,504</u>
Net Position:		
Restricted for Pension and Other Post Employment Benefits	\$ <u>73,015,151</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BLOOMFIELD, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 8,046,347
Plan members	1,278,603
Total contributions	<u>9,324,950</u>
Investment income:	
Change in fair value of investments	(1,621,194)
Interest and dividends	2,001,959
	<u>380,765</u>
Less investment expenses:	
Investment management fees	63,582
Net investment income	<u>317,183</u>
Total additions	<u>9,642,133</u>
Deductions:	
Benefits	9,808,894
Administration	342,232
Total deductions	<u>10,151,126</u>
Change in Net Position	(508,993)
Net Position - Beginning of Year	<u>73,524,144</u>
Net Position - End of Year	<u>\$ 73,015,151</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Bloomfield, Connecticut (the Town) adopted its first charter on October 5, 1959, effective January 1, 1960. The Charter provides for a Town Council-Town Manager form of government and provides such services as are authorized by the Charter. Among these services are general administrative services, public safety, planning and development, public works, parks and recreation, public libraries, health and social services and education.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations that by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to capital leases, compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Nonrecurring Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. The major sources of revenues in this fund are bonding and grant funding.

The *State and Federal Education Grants Fund* accounts for financial resources obtained through grant funding to be used for education expenditures. The major sources of revenues in this fund are intergovernmental grants.

Additionally, the Town reports the following fund types:

The *Wintonbury Hills Golf Course Fund* is a proprietary (enterprise) fund used to account for the operation and maintenance of the Wintonbury Hills Golf Course, which is owned by the Town and is primarily supported through charges to customers.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the Bloomfield Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the Town's other post-employment benefit coverage, and to accumulate resources for health insurance coverage of retired Town and Board of Education employees.

The *Agency Funds* account for monies held on behalf of employees, students and citizens.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other function of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of United States Department of Agriculture donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 50 percent of outstanding receivable balances and are calculated based on prior collections.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

Assets	Years
Infrastructure:	
Roadways	30
Signage	7
Walkways and paths	30
Land and Buildings:	
Land	-
Buildings	50
Improvements	20
Construction in progress	-
Equipment:	
Computer equipment	5
Contractor's equipment	8-15
Furniture and fixtures	20
Miscellaneous equipment	5-20
Vehicles	3-10

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to pensions in the government-wide statement of net position and advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period with which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from two sources: property taxes and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

I. Net OPEB Obligations

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent liabilities, accordingly, in the government-wide financial statements.

J. Long-Term Obligations

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

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

K. Compensated Absences and Termination Benefits

The Town's personnel policies provide for a carryover of unused vacation days up to twice the employee's current vacation entitlement. In addition, up to 150 days of unused sick leave may be accumulated. Such sick days may be used in the event of sickness and, for employees meeting certain criteria for age and length of service, a vested portion may be taken as leave upon termination of employment or retirement, at the employee's then current salary rate.

The Board of Education's personnel policies allow for non-teachers to accumulate unused sick time up to a maximum number of days stated by individual union contracts. Of the total days accumulated, only a percentage of the total days, as noted in the union contracts, will be paid to employees upon retirement. Under the terms of various union contracts, teachers may be eligible for early retirement benefits.

L. Net Pension Liability

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

M. Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

Restricted net position contains assets subject to restrictions that are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no restricted net position.

Unrestricted Net Position

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

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

Nonspendable Fund Balance

This component represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

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

Committed Fund Balance

This component represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). The Town Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Finance Subcommittee that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

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

The Town does not have a minimum fund balance policy.

N. Property Taxes

The Town’s property tax is levied on the Grand List of October 1 each year and is due and payable in two installments on the following July 1 and January 1.

The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in unavailable revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years’ assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

O. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

General Budget Policies - The Town follows these procedures in establishing the budgetary data reflected in the financial statements of the General Fund, the only fund with a legally adopted annual budget:

- (1) 120 days prior to the fiscal year-end, each department head, with the exception of the Chairman of the Board of Education, submits to the Town Manager itemized estimates of expenditures and nontax revenue for the upcoming fiscal year.
- (2) 90 days prior to the fiscal year-end, the Chairman of the Board of Education submits to the Town Manager itemized estimates of expenditures and nontax revenue for the upcoming fiscal year.
- (3) Not later than 90 days prior to year-end, the Town Manager must submit the budget to the Town Council.
- (4) Not later than 15 days after the Town Manager submits the budget to the Town Council, the Council must hold a public hearing on the proposed budget.
- (5) An annual Town Meeting is held the first Monday in May for public comment. Following the Town Meeting, the budget shall be adopted by a majority vote of all members of the Town Council, no later than the second Monday in May.
- (6) If, within seven days of the adoption of the budget, a petition signed by at least 7.5% of the total number of registered voters in the Town (as verified by the Town Clerk) is submitted, the adopted budget shall be submitted to the eligible electors of the Town for a "yes" or "no" vote to approve the budget.
- (7) The Town Manager may transfer unencumbered funds within a department. The Town Council may transfer unencumbered funds between departments within the last three months of the fiscal year and is authorized to make additional appropriations up to .1% of the total annual budget of the Town. Additional appropriations in excess of .1% of the total annual budget must be presented at a public hearing. There were no additional appropriations approved during the year.
- (8) The legal level of control is at the department level.
- (9) The Board of Education, which is not a separate legal entity, but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have the approval of the Board of Education and Town Council.
- (10) Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

**TOWN OF BLOOMFIELD, CONNECTICUT
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JUNE 30, 2016**

B. Deficit Fund Equity

The following funds had deficit fund balances at year end:

Cafeteria Fund (Non-Major Special Revenue Fund)	\$	85,118
State and Federal Education Grants		95,638

These deficits will be eliminated in future years by charges for services, grants and other revenues.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

TOWN OF BLOOMFIELD, CONNECTICUT
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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$41,263,590 of the Town's bank balance of \$42,773,521 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 36,986,258
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,277,332</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 41,263,590</u>

Cash Equivalents

At June 30, 2016, the Town's cash equivalents amounted to \$879,280. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

Investments

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	<u>June 30, 2016</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ <u>73,616,250</u>	\$ <u>73,616,250</u>	\$ _____	\$ _____
Total Investments by Fair Value Level	\$ <u>73,616,250</u>	\$ <u>73,616,250</u>	\$ <u>-</u>	\$ <u>-</u>

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

Venture capital investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies technique.

TOWN OF BLOOMFIELD, CONNECTICUT
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Interest Rate Risk

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

Credit Risk - Investments

The Town does not have an investment policy that would limit its investment choices due to credit risk, other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2016, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

B. Capital Assets

	Beginning Balance June 30, 2015	Increases	Decreases	Ending Balance June 30, 2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 41,303,302	\$	\$	\$ 41,303,302
Construction in progress	83,700,628		83,700,628	-
Total capital assets not being depreciated	<u>125,003,930</u>	<u>-</u>	<u>83,700,628</u>	<u>41,303,302</u>
Capital assets being depreciated:				
Buildings	47,998,367	84,491,514	7,758,882	124,730,999
Land improvements	5,130,674	1,360,149	11,267	6,479,556
Furniture and equipment	10,831,458	3,438,568	193,972	14,076,054
Infrastructure	25,991,911	894,029		26,885,940
Total capital assets being depreciated	<u>89,952,410</u>	<u>90,184,260</u>	<u>7,964,121</u>	<u>172,172,549</u>
Total capital assets	<u>214,956,340</u>	<u>90,184,260</u>	<u>91,664,749</u>	<u>213,475,851</u>
Less accumulated depreciation for:				
Buildings	18,377,919	702,485	6,972,016	12,108,388
Land improvements	3,679,197	93,971	11,267	3,761,901
Furniture and equipment	6,538,160	945,598	168,287	7,315,471
Infrastructure	19,309,298	511,615		19,820,913
Total accumulated depreciation	<u>47,904,574</u>	<u>2,253,669</u>	<u>7,151,570</u>	<u>43,006,673</u>
Total capital assets being depreciated, net	<u>42,047,836</u>	<u>87,930,591</u>	<u>812,551</u>	<u>129,165,876</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,051,766</u>	<u>\$ 87,930,591</u>	<u>\$ 84,513,179</u>	<u>\$ 170,469,178</u>

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

	Beginning Balance June 30, 2015	Increases	Decreases	Ending Balance June 30, 2016
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,000,000	\$	\$	\$ 1,000,000
Total capital assets not being depreciated	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Capital assets being depreciated:				
Buildings	1,631,210			1,631,210
Land improvements	9,097,858	33,900		9,131,758
Equipment	1,019,068	37,920		1,056,988
Total capital assets being depreciated	<u>11,748,136</u>	<u>71,820</u>	<u>-</u>	<u>11,819,956</u>
Total capital assets	<u>12,748,136</u>	<u>71,820</u>	<u>-</u>	<u>12,819,956</u>
Less accumulated depreciation for:				
Buildings	373,706	32,624		406,330
Land improvements	2,086,422	188,652		2,275,074
Equipment	552,735	66,447		619,182
Total accumulated depreciation	<u>3,012,863</u>	<u>287,723</u>	<u>-</u>	<u>3,300,586</u>
Total capital assets being depreciated, net	<u>8,735,273</u>	<u>(215,903)</u>	<u>-</u>	<u>8,519,370</u>
Business Type Activities Capital Assets, Net	<u>\$ 9,735,273</u>	<u>\$ (215,903)</u>	<u>\$ -</u>	<u>\$ 9,519,370</u>

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

Governmental activities:	
Administration	\$ 52,624
Public safety	313,313
Public works	826,014
Leisure services	30,188
Public libraries	9,939
Human services	44,628
Education	<u>976,963</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,253,669</u>
Business-type activities:	
Wintonbury Hills Golf Course	<u>\$ 287,723</u>

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 678,718
	Trust Funds	1,531,953
		<u>2,210,671</u>
Nonmajor Governmental Funds	State and Federal Education Grants Fund	108,891
Nonrecurring Capital Projects Fund	General Fund	5,292,107
Nonmajor Governmental Funds	General Fund	4,435,326
Internal Service Fund	General Fund	208,841
Agency Funds	General Fund	<u>278,001</u>
Total		<u>\$ 12,533,837</u>

Interfund balances are a result of temporary loans to various funds.

Interfund transfers for the year ended June 30, 2016 are as follows:

<u>Transfers In</u>			
<u>General Fund</u>	<u>Nonrecurring Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:			
General Fund	\$ 2,419,246	\$	\$ 2,419,246
State and Federal Education Grants Fund		124,223	124,223
Nonmajor Governmental Funds	<u>100,000</u>		<u>100,000</u>
Total Transfers In	<u>\$ 100,000</u>	<u>\$ 2,419,246</u>	<u>\$ 124,223</u>
			<u>\$ 2,643,469</u>

Interfund transfers arose from appropriating general fund amounts to the capital nonrecurring fund and various nonmajor governmental funds.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

D. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 56,695,000	\$	\$ 4,180,000	\$ 52,515,000	\$ 4,215,000
Premium	3,557,060		286,871	3,270,189	
Total bonds payable	60,252,060	-	4,466,871	55,785,189	4,215,000
Capital leases	570,250			570,250	13,000
OPEB obligation	44,730,977	4,373,755		49,104,732	
Net pension liability	30,816,764	4,576,944		35,393,708	
Compensated absences	4,470,272	1,019,852	1,535,119	3,955,005	350,408
Landfill	18,224,450		125,000	18,099,450	621,450
 Total Governmental Activities					
Long-Term Liabilities	<u>\$ 159,064,773</u>	<u>\$ 9,970,551</u>	<u>\$ 6,126,990</u>	<u>\$ 162,908,334</u>	<u>\$ 5,199,858</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Capital Leases	\$ 29,340	\$ -	\$ 29,340	\$ -	\$ -

Compensated absences and net OPEB obligations are generally liquidated by the General Fund.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. The Town is liable for all outstanding bonds. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2016</u>
General Obligation Bonds	10/20/2010	25,000,000	1.50%-5.00%	10/15/2030	\$ 1,250,000	\$ 18,750,000
General Obligation Bonds	10/19/2011	15,000,000	2.00%-3.72%	11/1/2030	750,000	12,000,000
General Obligation Refunding Bonds	10/20/2010	12,400,000	1.50%-5.00%	10/15/2022	530,000-1,140,000	7,225,000
General Obligation Refunding Bonds	2/12/2013	10,240,000	1.50%-4.00%	12/15/2027	200,000-830,000	9,790,000
General Obligation Bonds	10/21/2014	5,000,000	2.00%-3.13%	10/15/2034	250,000	<u>4,750,000</u>
Total						<u>\$ 52,515,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 4,215,000	\$ 1,872,813	\$ 6,087,813
2018	4,200,000	1,727,813	5,927,813
2019	4,195,000	1,576,888	5,771,888
2020	4,180,000	1,429,838	5,609,838
2021	4,175,000	1,278,838	5,453,838
2022-2026	16,960,000	4,136,246	21,096,246
2027-2031	12,840,000	1,376,031	14,216,031
Thereafter	<u>1,750,000</u>	<u>75,464</u>	<u>1,825,464</u>
	<u>\$ 52,515,000</u>	<u>\$ 13,473,931</u>	<u>\$ 65,988,931</u>

The total of authorized but unissued bonds at June 30, 2016 is \$34,600,000. All these related to school projects for which the Town authorized the total projected cost of the project. Through June 30, 2016, related school construction grants of \$25,479,850 have been received from the State of Connecticut. Therefore, the net amount of authorized but unissued bonds is \$9,120,150. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The Town's indebtedness does not exceed the legal debt limitation of \$535,429,000 as required by the Connecticut General Statutes.

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of building improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Building improvements	\$ <u>570,250</u>
Total	\$ <u><u>570,250</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2017	\$ 29,281
2018	40,766
2019	42,036
2020	43,250
2021	44,406
Thereafter	<u>514,030</u>
Total minimum lease payments	713,769
Less amount representing interest	<u>143,519</u>
Present Value of Minimum Lease Payments	\$ <u><u>570,250</u></u>

Landfill Post-closure Care Costs

In 1973, the Town entered into an agreement with the Town of Windsor for a joint sanitary landfill development. The Town agreed to contribute \$247,400 for one-half of the initial site development costs. The Town has also contributed \$15,000 to \$50,000 a year for replacement of landfill equipment. The Town of Windsor issued bonds for the project.

In February 1988, the Town amended the agreement with the Town of Windsor so that the landfill operation will pay for the debt service costs and equipment replacement contribution through the fees charged for dumping. Thus, the Town does not make a direct contribution for the two purposes but is still contingently liable for them.

TOWN OF BLOOMFIELD, CONNECTICUT
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The Town entered into another agreement dated November 1993 that defines the terms for payment of closure costs, which states that the two towns shall contribute equally, on an annual basis, for all closure, post-closure and monitoring expenses until all federal and state requirements are met. Landfill closure and post-closure care liability, Subtitle D and Subtitle C as of June 30, 2016 was reported at \$13,340,000, \$22,830,000 and \$28,900, respectively. The post-closure care liability was calculated based on two portions of the landfill. Subtitle D of the landfill has estimated monitoring costs for 30 years at \$761,000 per year for a total of \$22,830,000. The post-closure care liability for Subtitle D of the landfill is reported as \$22,830,000 based on the use of 100.0% of the estimated capacity of the landfill. Subtitle C of the landfill is already closed and has estimated monitoring costs for one remaining year for \$28,900. These amounts are based on what it would cost to perform all closure and post-closure care in 2016. The towns closed the landfill in effective July 1, 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Town's portion of the total liability of \$18,099,450 has been included as a liability in the Town's governmental activities.

As indicated above, the landfill serves the towns of Bloomfield and Windsor. An agreement, dated November 19, 1993, exists between the two communities. This agreement establishes the terms and conditions for the payment of closure costs. The agreement states, "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure and monitoring expenses until all Federal and State requirements are met." The contributions made by both towns are reported in the Landfill Fund, a proprietary type fund that is held by the Town of Windsor.

Overlapping Debt

The Town is a member of the Metropolitan District Commission, a regional sewer and water authority. Total outstanding debt of the Metropolitan District Commission at June 30, 2016 was \$914,104,156. The estimated Town's share of the debt at June 30, 2016 was 7.54% or \$68,923,453. The estimated percentage is calculated based upon proration of tax collection from the eight member towns.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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4. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Nonrecurring Capital Projects</u>	<u>State and Federal Education Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 15,640	\$ 15,640
Restricted for:					
Capital projects		5,058,709			5,058,709
Education				163,776	163,776
Youth service				46,869	46,869
Police services				235,978	235,978
Social services				78,354	78,354
Filley house restoration				81,165	81,165
Small cities program				55,788	55,788
Prosser library				103,988	103,988
Municipal aid program grant				2,756,514	2,756,514
Farm viability grant				2,286	2,286
Committed to:					
Police Services				722,887	722,887
Recreation				124,897	124,897
Senior Services				66,226	66,226
Education				591,591	591,591
Saxton Beautification				11	11
Assigned to:					
Leisure services	3,790				3,790
Administration	17,998				17,998
Facilities	10,562				10,562
Public works	2,119				2,119
Public safety	3,584				3,584
Subsequent year's budget	1,400,000				1,400,000
Education	113,371				113,371
Unassigned	16,599,688		(95,638)	(100,758)	16,403,292
Total Fund Balances	\$ 18,151,112	\$ 5,058,709	\$ (95,638)	\$ 4,945,212	\$ 28,059,395

Encumbrances of \$151,424, \$186,345 and \$429,478 at June 30, 2016 are contained in the above table in the assigned categories of the General Fund, the restricted category of the Nonrecurring Capital Projects fund, and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

5. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Funds

The Town of Bloomfield, Connecticut, is the administrator of two single-employer, defined benefit, public employee retirement systems (PERS) - The Town of Bloomfield Retirement Income Plan and The Town of Bloomfield Police Retirement Income Plan. Both plans are considered to be part of the Town of Bloomfield, Connecticut's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Separate, stand-alone financial statements are not issued for these plans.

TOWN OF BLOOMFIELD, CONNECTICUT
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Management of the plans rests with Plan's Administrators, which consists of three members including the Town Manager, Finance Director and Director of Human Resources.

The Town of Bloomfield Retirement Income Plan covers all full-time employees except participants in the International City Management Association (ICMA) program, teachers, police officers and non-Board of Education employees hired after June 30, 2003. The Plan provides retirement benefits as well as death and disability benefits. Employees are eligible to participate in the plan upon attaining the age of 18. All benefits vest after 10 years of service. Employees who retire at or after the point when age plus years of service equals 75 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of final earnings times credited service. Final earnings are the highest of the average of the three highest consecutive calendar year salaries multiplied by years of service. Employees may retire early if they are age 62 with 10 years of service. The benefit is not reduced for early retirement if previous conditions were met. Benefits and contributions are established by contract and may be amended through union negotiation for those employees covered by a collective bargaining agreement, or by the Town for those employees not so covered.

The Town of Bloomfield Police Retirement Income Plan covers all full-time police employees hired before January 1, 2002, except those such employees covered by the ICMA program. The plan provides retirement benefits as well as death and disability benefits. Employees classified as a police officer or dispatcher whose customary employment is 30 hours or more per week hired before January 1, 2002 are eligible to participate. All benefits vest after 10 years of service. Employees who retire after 25 years of credited service as police officers are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of final earnings multiplied by years of credited service (maximum 27 years). Final earnings are the employee's average earnings over the 3 highest consecutive calendar years of employment or the final 36 months of employment. Employees with 10 years of service may retire within 10 years of normal retirement and receive a reduced retirement benefit. Benefits and contributions are established by the Town and may be amended by the Town.

Plan membership consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

	<u>Retirement Income Plan</u>	<u>Police Retirement Income Plan</u>
Retirees, disabled and beneficiaries currently receiving benefits	170	73
Terminated employees entitled to benefits but not yet receiving them	44	-
Active plan members	<u>177</u>	<u>14</u>
Total	<u><u>391</u></u>	<u><u>87</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

The Town of Bloomfield Retirement Income Plan and Police Retirement Income Plan financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

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

Funding Policy and Benefits Provided

Retirement Income Plan

Covered employees are required by statute to contribute 5.75% of earnings to the PERS. If any employee leaves covered employment or dies before 10 years of service, accumulated employee contributions plus interest at a rate specified in the plan are refunded. The Town contributes the remaining amounts necessary to finance the benefits for its employees. The Town has the authority to establish and amend the benefit provisions of the plan through union negotiation for those employees covered by a collective bargaining agreement.

Administrative costs of the plan are financed through investment earnings.

Police Retirement Income Plan

Police employees are required to contribute 6.4% of earnings to the PERS. If any employee leaves covered employment or dies before 10 years of service, accumulated employee contributions plus interest at a rate specified in the plan are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its police employees. The Town has the authority to establish and amend the benefit provisions of the plan through union negotiation.

Administrative costs of the plan are financed through investment earnings.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

The individual plan net position at June 30, 2016 and changes in net position for the year then ended are as follows:

	Pension Trust Funds		
	Retirement Income Plan	Police Retirement Income Plan	Total
Assets:			
Investments, at fair value	\$ 42,382,947	\$ 25,588,818	\$ 67,971,765
Net Position:			
Restricted for Pension Benefits	\$ 42,382,947	\$ 25,588,818	\$ 67,971,765
	Pension Trust Funds		
	Retirement Income Plan	Police Retirement Income Plan	Total
Additions:			
Contributions:			
Employer	\$ 2,572,003	\$ 2,051,670	\$ 4,623,673
Plan members	577,917	109,221	687,138
Total contributions	3,149,920	2,160,891	5,310,811
Investment income:			
Change in fair value of investments	(985,957)	(560,989)	(1,546,946)
Interest and dividends	1,120,100	694,609	1,814,709
	134,143	133,620	267,763
Less investment expenses:			
Investment management fees	38,090	25,492	63,582
Net investment income	96,053	108,128	204,181
Total additions	3,245,973	2,269,019	5,514,992
Deductions:			
Benefits	3,749,386	3,309,655	7,059,041
Administration	20,330	14,265	34,595
Total deductions	3,769,716	3,323,920	7,093,636
Change in Net Position	(523,743)	(1,054,901)	(1,578,644)
Net Position - Beginning of Year	42,906,690	26,643,719	69,550,409
Net Position - End of Year	\$ 42,382,947	\$ 25,588,818	\$ 67,971,765

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Investments

Investment Policy

The pension plan's policy, which was adopted on November 24, 2010, with regard to the allocation of invested assets, may be amended by the Plan's Administrators. Consistent with its investment policy, it pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The allocation of invested assets is reviewed by the Town and its investment advisors annually in order to ensure that the allocation remains consistent with the Town's goals and objectives as well as the plan's investment return assumptions. The following was the Board's adopted asset allocation policy as of June 30, 2016:

Asset Class	Target Allocations	
	Retirement Income Plan	Police Retirement Income Plan
Guaranteed Deposit Fund	12.50 %	12.50 %
Short Term Fixed Income	2.50	2.50
Core Fixed Income	12.50	12.50
High Yield	2.50	2.50
Domestic Large Cap Equity	23.00	23.00
Domestic Small Cap Equity	7.00	7.00
International Equity	30.00	30.00
Real Estate	5.00	5.00
Floating Rate	2.50	2.50
Unconstrained Bond	2.50	2.50
Total	100.00 %	100.00 %

Rate of Return

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.22% and 0.41% for the Retirement Income Plan and the Police Retirement Income Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2016 were as follows:

	Retirement Income Plan	Police Retirement Income Plan	Total
Total pension liability	\$ 60,448,194	\$ 42,917,279	\$ 103,365,473
Plan fiduciary net position	<u>42,382,947</u>	<u>25,588,818</u>	<u>67,971,765</u>
Net Pension Liability	<u>\$ 18,065,247</u>	<u>\$ 17,328,461</u>	<u>\$ 35,393,708</u>
Plan fiduciary net position as a percentage of the total pension liability	70.11%	59.62%	65.76%

Actuarial Assumptions

The total pension liability for both plans was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2016, and are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return			
	Retirement Income Plan		Police Retirement Income Plan	
Guaranteed Deposit Fund	1.00	%	1.00	%
Short Term Fixed Income	0.50		0.50	
Core Fixed Income	1.75		1.75	
High Yield	3.50		3.50	
Domestic Large Cap Equity	5.00		5.00	
Domestic Small Cap Equity	5.35		5.35	
International Equity	5.45		5.45	
Real Estate	4.00		4.00	
Floating Rate	2.25		2.25	
Unconstrained Bond	0.50		0.50	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The discount rate was changed from the previous valuation of 7.50% to 7.25% for the valuation as of January 1, 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Retirement Income Plan - Net Pension Liability	\$ 23,723,508	\$ 18,065,247	\$ 13,205,447
Police Retirement Income Plan - Net Pension Liability	21,526,701	17,328,461	13,757,531

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Changes in the Net Pension Liability

Retirement Income Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2015	\$ 58,322,728	\$ 42,906,690	\$ 15,416,038
Changes for the year:			
Service cost	1,065,982		1,065,982
Interest on total pension liability	4,316,094		4,316,094
Differences between expected and actual experience	(846,524)		(846,524)
Changes in assumptions	1,339,300		1,339,300
Employer contributions		2,572,003	(2,572,003)
Member contributions		577,917	(577,917)
Net investment income		96,053	(96,053)
Benefit payments, including refund to employee contributions	(3,749,386)	(3,749,386)	-
Administrative expenses		(20,330)	20,330
Net changes	2,125,466	(523,743)	2,649,209
Balances as of June 30, 2016	\$ 60,448,194	\$ 42,382,947	\$ 18,065,247

Police Retirement Income Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2015	\$ 41,032,349	\$ 26,643,719	\$ 14,388,630
Changes for the year:			
Service cost	418,531		418,531
Interest on total pension liability	2,986,948		2,986,948
Differences between expected and actual experience	842,770		842,770
Changes in assumptions	946,336		946,336
Employer contributions		2,051,670	(2,051,670)
Member contributions		109,221	(109,221)
Net investment income		108,128	(108,128)
Benefit payments, including refund to employee contributions	(3,309,655)	(3,309,655)	-
Administrative expenses		(14,265)	14,265
Net changes	1,884,930	(1,054,901)	2,939,831
Balances as of June 30, 2016	\$ 42,917,279	\$ 25,588,818	\$ 17,328,461

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

For the year ended June 30, 2016, the Town recognized pension expense of \$6,257,978. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Retirement Income Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 244,791	\$ 629,467
Changes of assumptions	995,890	
Net difference between projected and actual earning on pension plan investments	<u>3,580,834</u>	<u></u>
Total	<u>\$ 4,821,515</u>	<u>\$ 629,467</u>

	Police Retirement Income Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 316,039	\$
Changes of assumptions	354,876	
Net difference between projected and actual earning on pension plan investments	<u>2,165,082</u>	<u></u>
Total	<u>\$ 2,835,997</u>	<u>\$ -</u>

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

Year Ended June 30,

2017	\$ 2,627,601
2018	1,711,895
2019	1,699,256
2020	989,293

B. Teachers Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

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

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>51,248,617</u>
Total	\$ <u>51,248,617</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$4,106,305 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (Non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Other Information

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

6. OTHER POST EMPLOYMENT BENEFITS PLAN

The Town administers one single-employer, post retirement healthcare plan for the Town, Police and Board of Education, the Town of Bloomfield Other Post Employment Benefits (OPEB) Plan. The Town does not currently have an OPEB Trust; as such, the plan does not issue stand-alone reports.

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

Funding Policy

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contribution was \$3,475,807.

Retiree contributions are dependent on the covered group. There are no employee contributions for the Town, Police or Board of Education employees. Teachers are required to pay 100% of the costs.

Annual OPEB Cost and Net OPEB Obligations

The Town's annual OPEB cost and net OPEB obligation to the OPEB plan for the year ended June 30, 2016 was as follows:

	OPEB Trust
Annual required contribution (ARC)	\$ 8,016,863
Interest on net OPEB obligation	3,354,823
Adjustment to annual required contribution	<u>(3,522,124)</u>
Annual OPEB cost	7,849,562
Contributions made	<u>3,475,807</u>
Change in net OPEB obligation	4,373,755
Net OPEB Obligation, beginning of year	<u>44,730,977</u>
Net OPEB Obligation, End of Year	<u><u>\$ 49,104,732</u></u>

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

The following is a summary of certain significant actuarial assumptions and other plan information:

	OPEB Trust
Actuarial valuation date	7/1/2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Closed
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.50%
Healthcare inflation rate:	
Initial*	9.00%
Ultimate*	5.00%
*Includes inflation at	2.50%
Dental inflation rate	5.00%

Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contributions	Percentage of AOC Contributed	Net OPEB Obligation
June 30, 2014	\$ 9,977,189	\$ 2,131,871	21%	\$ 39,847,704
June 30, 2015	10,059,140	5,175,867	51%	44,730,977
June 30, 2016	7,849,562	3,475,807	44%	49,104,732

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarially Accrued Liability (AAL) Projected Unit Credit	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/(Under) Funded AAL as A Percentage of Covered Payroll
7/1/2010	\$ -	\$ 82,045,095	\$ (82,045,095)	0%	\$ 36,549,683	(225)%
7/1/2012	-	94,592,555	(94,592,555)	0%	34,856,264	(271)%
7/1/2014	2,369,726	64,892,076	(62,522,350)	4%	40,249,105	(155)%

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contributions	Percentage Contributed
June 30, 2011	\$ 3,978,149	\$ 1,340,861	34%
June 30, 2012	8,889,935	1,668,436	19%
June 30, 2013	9,059,394	1,606,090	18%
June 30, 2014	10,476,981	2,131,871	20%
June 30, 2015	10,681,456	5,175,867	48%
June 30, 2016	8,016,863	3,475,807	43%

7. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2016.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the employees' health insurance plan. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. Additionally, the Town has chosen to establish an OPEB Trust Fund for risks associated with the retiree health insurance plan. This fund is accounted for as a Trust Fund where assets are set aside for claim settlement and to accumulate resources for health insurance coverage of retired Town and Board of Education employees. A premium is charged to each fund that accounts for full or part-time employees. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator.

A third party administers the medial insurance plans for which the Town pays a fee. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$200,000.

TOWN OF BLOOMFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. The entire liability is considered to be a current liability because the Town has determined through past experience that materially all of the claims outstanding at year end are liquidated within the subsequent fiscal year. Changes in the claims liability for the past two years are as follows:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Employee Health Insurance Fund:				
2014-15	\$ 503,433	\$ 8,407,789	\$ 8,294,565	\$ 616,657
2015-16	616,657	8,351,186	8,211,671	756,172
OPEB Trust Fund:				
2014-15	\$ 115,654	\$ 2,262,704	\$ 2,246,791	\$ 131,567
2015-16	131,567	2,749,853	2,686,687	194,733

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a nonprofit association of Connecticut Municipalities, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, law enforcement liability, automobile liability, employee benefit liability, and public officials/school leader's liability, cyber liability and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automotive-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in a coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

B. Contingent Liabilities and Commitments

Contingent Liabilities

Litigation and Unasserted Claims

Claims for which preliminary judgment has been rendered against the Town have been recorded as a liability in the government-wide financial statements. There are various suits and claims pending against the Town, involving, but not limited to, breach of contract and alleged age, sexual and racial discrimination in the terms and conditions of employment.

The final outcome of these suits and claims and their impact on the Town's financial position cannot be determined at this time.

Federal and State Assistance Programs - Compliance Audits

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

Rebate Penalties

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

Required Supplementary Information

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**TOWN OF BLOOMFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL REVENUES -
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Property Taxes:				
Current levy	\$ 71,333,195	\$ 71,333,195	\$ 71,615,195	\$ 282,000
Interest and liens	475,000	475,000	475,078	78
Prior years collection	675,000	675,000	783,037	108,037
Supplemental motor vehicle	485,000	485,000	628,095	143,095
Telephone line tax	72,000	72,000	61,993	(10,007)
Total Property Taxes	<u>73,040,195</u>	<u>73,040,195</u>	<u>73,563,398</u>	<u>523,203</u>
Interest on Investments	<u>55,000</u>	<u>55,000</u>	<u>89,745</u>	<u>34,745</u>
Intergovernmental:				
Educational Assistance Grants:				
ECS grant	5,410,345	5,410,345	5,402,974	(7,371)
School transportation	138,297	138,297	128,054	(10,243)
Nonpublic school health	49,600	49,600	42,323	(7,277)
Total Educational Assistance Grants	<u>5,598,242</u>	<u>5,598,242</u>	<u>5,573,351</u>	<u>(24,891)</u>
Town Assistance Grants:				
Tax abatement - interfaith	49,000	49,000		(49,000)
PILOT - State property	118,744	118,744	11,324	(107,420)
Mashantucket Pequot fund grant	159,250	159,250	159,786	536
PILOT - elderly taxes	141,641	141,641	127,650	(13,991)
Tax relief - disabled	1,595	1,595	1,189	(406)
PILOT - colleges and hospitals	188,292	188,292	188,271	(21)
PILOT - veterans' exemption	9,977	9,977	10,881	904
State grants - Town	5,000	5,000		(5,000)
Miscellaneous grants	17,480	17,480	13,113	(4,367)
Town road aid	337,075	337,075	335,425	(1,650)
Police grants	90,000	90,000	98,258	8,258
Town clerk recording grant	12,000	12,000	9,039	(2,961)
Total Town Assistance Grants	<u>1,130,054</u>	<u>1,130,054</u>	<u>954,936</u>	<u>(175,118)</u>
Total Intergovernmental	<u>6,728,296</u>	<u>6,728,296</u>	<u>6,528,287</u>	<u>(200,009)</u>

(Continued on next page)

TOWN OF BLOOMFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL REVENUES -
BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Charges for Services:				
Tower rent	\$ 54,150	\$ 54,150	\$ 64,215	\$ 10,065
10 Lisa Lane Rent	3,000	3,000	3,000	-
Service charges:				
Police permits	10,000	10,000	11,594	1,594
Right of way permits	1,000	1,000	1,180	180
Blueprints	600	600	343	(257)
Building/demolition permits	800,000	800,000	2,541,574	1,741,574
Dog licenses	3,500	3,500	2,442	(1,058)
Hunting/fishing licenses	250	250	93	(157)
Inland/wetland permits	2,000	2,000	15,759	13,759
Zoning commission	8,000	8,000	30,668	22,668
Zoning Board of Appeals	900	900	1,080	180
State/FBI background checks			459	459
Ambulance service	475,000	475,000	480,104	5,104
Library receipts	17,000	17,000	17,279	279
Town clerk fees	105,000	105,000	118,159	13,159
Real estate trans tax	315,000	315,000	894,360	579,360
Summer program	7,000	7,000	24,196	17,196
School year	4,200	4,200	4,920	720
Swimming pool	14,000	14,000	19,280	5,280
Mini bus passes	8,000	8,000	9,795	1,795
Accident reports	5,500	5,500	5,625	125
Zoning violation	2,000	2,000	2,077	77
Postcards / Stickers	150	150	146	(4)
Parking fines	17,000	17,000	17,243	243
Animal control	1,500	1,500	400	(1,100)
Total Charges for Services	<u>1,854,750</u>	<u>1,854,750</u>	<u>4,265,991</u>	<u>2,411,241</u>
Other Revenues:				
Miscellaneous income	<u>145,000</u>	<u>145,000</u>	<u>133,094</u>	<u>(11,906)</u>
Total Revenues	<u>81,823,241</u>	<u>81,823,241</u>	<u>84,580,515</u>	<u>2,757,274</u>
Other Financing Sources:				
Premium from Bond Sale	52,830	52,830	52,834	4
Transfers in*	<u>140,000</u>	<u>140,000</u>	<u>100,000</u>	<u>(40,000)</u>
Total Other Financing Sources	<u>192,830</u>	<u>192,830</u>	<u>152,834</u>	<u>(39,996)</u>
Total Revenues and Other Financing Sources	<u>\$ 82,016,071</u>	<u>\$ 82,016,071</u>	<u>84,733,349</u>	<u>\$ 2,717,278</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	4,106,305
Cancellation of prior year encumbrances are recognized as budgetary revenue	(3,568)
Some grants are budgeted net of their expenditures, and are reported gross under GAAP	457,028
Timing different on debt premium recognition	<u>(52,834)</u>

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

\$ 89,240,280

* \$140,000 of original budget, final budget, and actual were originally part of the Charges for Services budget, and represent amounts transferred from the Police Extra Duty Fund.

TOWN OF BLOOMFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration:				
Town council	\$ 186,319	\$ 175,899	\$ 175,179	\$ 720
Town manager	373,735	358,135	357,225	910
Town clerk	364,686	364,686	355,362	9,324
Administration	138,435	135,264	135,194	70
Assessor	356,667	291,147	290,143	1,004
Tax collector	274,760	275,630	274,783	847
Central Office	64,655	56,556	56,534	22
Human resources	480,138	437,413	436,516	897
Information systems	552,495	549,595	546,854	2,741
Accounting	257,657	258,525	258,525	-
Town attorney	213,136	213,136	201,393	11,743
Town treasurer	10,430	10,430	10,430	-
Total Administration	<u>3,273,113</u>	<u>3,126,416</u>	<u>3,098,138</u>	<u>28,278</u>
Boards and Agencies:				
Town planning & zoning	7,135	4,335	3,768	567
Zoning board of appeals	2,992	1,492	1,010	482
Board of tax review	4,506	1,206	823	383
Registrar of Voters	114,143	99,633	98,798	835
Elections	31,300	20,290	20,166	124
Inland/wetland	3,930	3,530	3,272	258
Economic development committee	1,455	1,455	911	544
Commission on aging	3,390	3,390	3,316	74
Youth adult council	3,000	3,000	2,951	49
Advisory committee on handicapped	1,000			-
Conservation, energy and environment committee	2,400	400	105	295
Beautification committee	3,400	3,150	3,103	47
Fair rent commission	1,000	100	8	92
Ethics commission	500			-
Total Boards and Agencies	<u>180,151</u>	<u>141,981</u>	<u>138,231</u>	<u>3,750</u>
Planning & Development*	<u>887,069</u>	<u>978,214</u>	<u>978,180</u>	<u>34</u>
Public Safety	<u>7,707,212</u>	<u>7,477,292</u>	<u>7,458,216</u>	<u>19,076</u>
Public Works	<u>3,178,482</u>	<u>2,975,757</u>	<u>2,898,045</u>	<u>77,712</u>
Leisure Services	<u>749,714</u>	<u>735,564</u>	<u>734,443</u>	<u>1,121</u>
Public Libraries	<u>1,560,396</u>	<u>1,535,396</u>	<u>1,524,108</u>	<u>11,288</u>

(Continued on next page)

TOWN OF BLOOMFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS - BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Human Services:				
Health services	\$ 194,100	\$ 194,100	\$ 194,094	\$ 6
Social services	606,199	577,949	567,170	10,779
Senior services	690,241	685,991	677,262	8,729
Total Human Services	<u>1,490,540</u>	<u>1,458,040</u>	<u>1,438,526</u>	<u>19,514</u>
Facilities Maintenance	<u>1,680,767</u>	<u>1,602,826</u>	<u>1,561,150</u>	<u>41,676</u>
Fixed Charges	<u>15,394,405</u>	<u>15,937,717</u>	<u>15,915,492</u>	<u>22,225</u>
Miscellaneous Charges	<u>313,000</u>	<u>171,400</u>	<u>170,017</u>	<u>1,383</u>
Education *	<u>39,188,082</u>	<u>39,188,082</u>	<u>39,188,082</u>	<u>-</u>
Debt Service	<u>6,198,140</u>	<u>6,198,140</u>	<u>6,198,138</u>	<u>2</u>
Total Expenditures	<u>81,801,071</u>	<u>81,526,825</u>	<u>81,300,766</u>	<u>226,059</u>
Other Financing Uses:				
Transfer out *	<u>2,145,000</u>	<u>2,419,246</u>	<u>2,419,246</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 83,946,071</u>	<u>\$ 83,946,071</u>	83,720,012	<u>\$ 226,059</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			4,106,305	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial report purposes.			(30,442)	
Some grants are budgeted net of their expenditures, and are reported gross under GAAP.			<u>457,028</u>	
Total Expenditures and Other Financing Uses as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 88,252,903</u>	

* \$80,000 of original budget, final budget, and actual were originally part of the Board of Education budget, and represent amounts transferred to the CNR fund.

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RETIREMENT INCOME PLAN
LAST THREE FISCAL YEARS*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 1,065,982	\$ 1,029,935	\$ 1,008,317
Interest	4,316,094	4,143,122	4,026,413
Changes of benefit terms			
Differences between expected and actual experience	(846,524)	734,371	
Changes of assumptions	1,339,300		
Benefit payments, including refunds of member contributions	(3,749,386)	(3,528,979)	(3,472,507)
Net change in total pension liability	2,125,466	2,378,449	1,562,223
Total pension liability - beginning	58,322,728	55,944,279	54,382,056
Total pension liability - ending	60,448,194	58,322,728	55,944,279
Plan fiduciary net position:			
Contributions - employer	2,572,003	2,629,167	2,477,045
Contributions - member	577,917	560,042	552,671
Net investment income	96,053	1,353,957	5,961,312
Benefit payments, including refunds of member contributions	(3,749,386)	(3,528,979)	(3,472,507)
Administrative expense	(20,330)	(79,399)	(51,099)
Net change in plan fiduciary net position	(523,743)	934,788	5,467,422
Plan fiduciary net position - beginning	42,906,690	41,971,902	36,504,480
Plan fiduciary net position - ending	42,382,947	42,906,690	41,971,902
Net Pension Liability - Ending	\$ <u>18,065,247</u>	\$ <u>15,416,038</u>	\$ <u>13,972,377</u>
Plan fiduciary net position as a percentage of the total pension liability	70.11%	73.57%	75.02%
Covered-employee payroll	\$ 9,157,561	\$ 9,333,616	\$ 9,417,217
Net pension liability as a percentage of covered-employee payroll	197.27%	165.17%	148.37%

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

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE RETIREMENT INCOME PLAN
LAST THREE FISCAL YEARS*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 418,531	\$ 404,379	\$ 416,093
Interest	2,986,948	2,923,044	2,896,006
Differences between expected and actual experience	842,770	695,533	
Changes of assumptions	946,336		
Benefit payments, including refunds of member contributions	<u>(3,309,655)</u>	<u>(3,064,901)</u>	<u>(2,819,289)</u>
Net change in total pension liability	1,884,930	958,055	492,810
Total pension liability - beginning	<u>41,032,349</u>	<u>40,074,294</u>	<u>39,581,484</u>
Total pension liability - ending	<u>42,917,279</u>	<u>41,032,349</u>	<u>40,074,294</u>
Plan fiduciary net position:			
Contributions - employer	2,051,670	2,073,888	1,882,292
Contributions - member	109,221	129,128	147,642
Net investment income	108,128	859,608	3,737,496
Benefit payments, including refunds of member contributions	<u>(3,309,655)</u>	<u>(3,064,901)</u>	<u>(2,819,289)</u>
Administrative expense	<u>(14,265)</u>	<u>(51,764)</u>	<u>(33,175)</u>
Net change in plan fiduciary net position	<u>(1,054,901)</u>	<u>(54,041)</u>	<u>2,914,966</u>
Plan fiduciary net position - beginning	<u>26,643,719</u>	<u>26,697,760</u>	<u>23,782,794</u>
Plan fiduciary net position - ending	<u>25,588,818</u>	<u>26,643,719</u>	<u>26,697,760</u>
Net Pension Liability - Ending	<u>\$ 17,328,461</u>	<u>\$ 14,388,630</u>	<u>\$ 13,376,534</u>
Plan fiduciary net position as a percentage of the total pension liability	59.62%	64.93%	66.62%
Covered-employee payroll	\$ 1,768,489	\$ 2,378,489	\$ 2,456,234
Net pension liability as a percentage of covered-employee payroll	979.85%	604.95%	544.60%

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

**TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREMENT INCOME PLAN
LAST TEN FISCAL YEARS**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 1,347,202	\$ 1,544,162	\$ 1,470,158	\$ 1,468,017	\$ 1,590,800	\$ 1,926,516	\$ 2,152,730	\$ 2,477,043	\$ 2,629,169	\$ 2,571,995
Contributions in relation to the actuarial determined contribution	<u>1,347,202</u>	<u>1,544,163</u>	<u>1,470,158</u>	<u>1,468,017</u>	<u>1,590,800</u>	<u>1,956,542</u>	<u>2,152,293</u>	<u>2,477,045</u>	<u>2,629,167</u>	<u>2,572,003</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(30,026)</u>	\$ <u>437</u>	\$ <u>(2)</u>	\$ <u>2</u>	\$ <u>(8)</u>
Covered-employee payroll	\$ 8,670,574	\$ 9,040,542	\$ 9,185,617	\$ 9,429,411	\$ 10,225,097	\$ 9,580,867	\$ 9,033,986	\$ 9,417,217	\$ 9,333,616	\$ 9,157,561
Contributions as a percentage of covered-employee payroll	15.54%	17.08%	16.00%	15.57%	15.56%	20.42%	23.82%	26.30%	28.17%	28.09%

Notes to Schedule

Valuation Date: January 1, 2015

Measurement Date: June 30, 2016

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Projected Unit Credit Actuarial Cost Method

Amortization method

The January 1, 2010 unfunded actuarial liability was established as a separate base, and will be amortized to completion over 25 years. Future changes in the unfunded actuarial liability will be amortized separately. These bases will be accumulated into a single base every 5 years and again amortized over a set 25-year period. In the interim years, the payment on these bases will be calculated assuming a fresh 25-year amortization each year.

Remaining amortization period

25 years

Asset valuation method

Capital appreciation is recognized over a five-year period at 20% per year for assets held in equity accounts. The fixed income account is carried at book value.

Inflation

3.00%

Salary increases

3.50%

Investment rate of return

7.25%

Retirement age

Board of Education: 100% Rule of 75

Town: 33-1/3% Rule of 75

33-1/3% Age 62 with 10 years of service

33-1/3% Age 65 with 10 years of service

Mortality

RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

**TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE RETIREMENT INCOME PLAN
LAST TEN FISCAL YEARS**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 1,112,012	\$ 1,316,908	\$ 1,277,751	\$ 1,188,459	\$ 1,541,815	\$ 1,485,520	\$ 1,671,613	\$ 1,882,291	\$ 2,073,888	\$ 2,051,665
Contributions in relation to the actuarial determined contribution	1,112,012	1,316,908	1,277,751	1,188,459	1,541,812	1,485,522	1,671,000	1,882,292	2,073,888	2,051,670
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ (2)	\$ 613	\$ (1)	\$ -	\$ (5)
Covered-employee payroll	\$ 3,190,810	\$ 3,290,955	\$ 3,259,837	\$ 3,679,774	\$ 3,443,451	\$ 3,374,774	\$ 2,854,880	\$ 2,456,234	\$ 2,378,489	\$ 1,768,489
Contributions as a percentage of covered-employee payroll	34.85%	40.02%	39.20%	32.30%	44.78%	44.02%	58.53%	76.63%	87.19%	116.01%

Notes to Schedule

Valuation Date: January 1, 2015

Measurement Date: June 30, 2016

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Projected Unit Credit Actuarial Cost Method

Amortization method

The January 1, 2010 unfunded actuarial liability was established as a separate base, and will be amortized to completion over 25 years. Future changes in the unfunded actuarial liability will be amortized separately. These bases will be accumulated into a single base every 5 years and again amortized over a set 25-year period. In the interim years, the payment on these bases will be calculated assuming a fresh 25-year amortization each year.

Remaining amortization period

25 years

Asset valuation method

Capital appreciation is recognized over a five-year period at 20% per year for assets held in equity accounts.

The fixed income account is carried at book value.

Inflation

3.00%

Salary increases

3.50%

Investment rate of return

7.25%

Retirement age

Average cost obtained from two assumed retirement ages:

25 years of service, but at least age 55

20 years of service, with no age requirement

Mortality

RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

**TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
RETIREMENT INCOME PLAN
LAST THREE FISCAL YEARS***

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	0.22%	3.08%	16.32%

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

**TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE RETIREMENT INCOME PLAN
LAST THREE FISCAL YEARS***

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	0.41%	3.11%	15.90%

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

TOWN OF BLOOMFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS*

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>51,248,617</u>	<u>47,307,730</u>
Total	<u>\$ 51,248,617</u>	<u>\$ 47,307,730</u>
Town's covered-employee payroll	\$ 17,536,393	\$ 18,081,818
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

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

**TOWN OF BLOOMFIELD, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BLOOMFIELD OTHER POST EMPLOYMENT BENEFIT PLAN**

Year Ended June 30,	Actual Contribution	Annual Required Contribution	Percentage Contributed
2014	\$ 2,131,871	\$ 10,476,981	20%
2015	5,175,867	10,681,456	48%
2016	3,475,807	8,016,863	43%

Appendix B

Opinion of Bond Counsel and Tax Exemption

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APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the initial purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the initial purchaser.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Bloomfield
Bloomfield, Connecticut

We have represented the Town of Bloomfield, Connecticut as Bond Counsel in connection with the issuance by the Town of \$13,050,000 General Obligation Refunding Bonds, Issue of 2017, dated as of August 3, 2017.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Bloomfield is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on

individuals, trusts and estates; and (2) interest on the Bonds 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.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and an alternative minimum tax on corporations. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

The Code provides, however, that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds will **not** be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. 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 OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds 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.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a 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 in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce 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. Owners of the Bonds having original issue premium, and especially any owner who is not

an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such 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 or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, 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 tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the Town 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 Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of August 3, 2017 by the Town of Bloomfield, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$13,050,000 General Obligation Refunding Bonds, Issue of 2017, dated as of August 3, 2017 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated July 25, 2017 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2017) as follows:

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

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

- (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,

- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

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

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

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

Section 3. Notice of Certain Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;

- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Town Manager, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Town Manager is Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, Connecticut 06002-0337.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that

no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

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

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

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

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF BLOOMFIELD

By _____
Philip K. Schenck, Jr.
Town Manager

By _____
Byron R. Lester
Treasurer

By _____
James Wren, Jr.
Director of Finance