

# FINAL OFFICIAL STATEMENT DATED JANUARY 30, 2020

## NEW ISSUE: Book-Entry-Only

**RATING: S&P Global Ratings: "AAA"**

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; 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 Status" herein.)



## Town of Simsbury, Connecticut \$9,110,000 General Obligation Bonds, Issue of 2020

**Dated: Date of Delivery**

**Due: February 1, 2021 – 2035,  
As shown below:**

The Bonds will be general obligations of the Town of Simsbury, 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.

Interest on the Bonds will be payable on August 1, 2020 and semiannually thereafter on February 1 and August 1 in each year until maturity. 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.

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

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

Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>	Year	Principal	Coupon	Yield	CUSIP <sup>1</sup>
2021	\$ 610,000	5.000%	0.680%	829200RK2	2029*	\$ 605,000	3.000%	1.130%	829200RT3
2022	610,000	5.000%	0.690%	829200RL0	2030*	605,000	3.000%	1.270%	829200RU0
2023	610,000	5.000%	0.690%	829200RM8	2031*	605,000	2.000%	1.600%	829200RV8
2024	610,000	5.000%	0.710%	829200RN6	2032*	605,000	2.000%	1.750%	829200RW6
2025	610,000	5.000%	0.710%	829200RP1	2033*	605,000	2.000%	1.850%	829200RX4
2026	610,000	5.000%	0.760%	829200RQ9	2034*	605,000	2.000%	1.950%	829200RY2
2027	610,000	5.000%	0.830%	829200RR7	2035	605,000	2.000%	2.000%	829200RZ9
2028*	605,000	5.000%	0.900%	829200RS5					

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

## RAYMOND JAMES & ASSOCIATES, INC.

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 February 11, 2020.

<sup>1</sup> 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 Simsbury, 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 – "2019 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 Status" herein), and makes no representation that it has independently verified the same.

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## **Bond Issue Summary**

*The information in this 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.*

<b>Date of Sale:</b>	Thursday, January 30, 2020 at 11:30 am (Eastern Time).
<b>Location of Sale:</b>	Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut 06070.
<b>Issuer:</b>	Town of Simsbury, Connecticut (the "Town").
<b>Issue:</b>	\$9,110,000 General Obligation Bonds, Issue of 2020 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery
<b>Principal Due:</b>	The Bonds are due serially, February 1, 2021 through February 1, 2035, as detailed in this Official Statement.
<b>Interest Due:</b>	August 1, 2020 and semiannually thereafter on February 1 and August 1, in each year until maturity or earlier redemption.
<b>Purpose:</b>	The Bond proceeds will be used to provide funds for a school project. (See "Use of Proceeds" herein)
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. (See "Redemption Provisions" herein)
<b>Security:</b>	The Bonds will be general obligations of the Town of Simsbury, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated "AAA" by S&P Global Ratings ("S&P"). (See "Ratings" herein)
<b>Bond Insurance:</b>	The Town does not expect to purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Status:</b>	See Appendix B - "Opinion of Bond Counsel and Tax Status".
<b>Bank Qualification:</b>	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provision 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.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
<b>Legal Opinion:</b>	Day Pitney LLP, of Hartford, Connecticut.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about February 11, 2020. Delivery of the Bonds will be made against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Amy Meriwether, Director of Finance, Town of Simsbury, 933 Hopmeadow Street, Simsbury, Connecticut 06070. Telephone (860) 658-3282.

## ***I. Bond Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Simsbury, Connecticut (the “Town”), in connection with the issuance and sale of \$9,110,000 General Obligation Bonds, Issue of 2020 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated January 21, 2020 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D for the terms and conditions of the bidding.

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

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 serves as Municipal Advisor to the Town with respect to the issuance of the Bonds (the “Municipal Advisor”). The information in this Official Statement has been prepared by the Town of Simsbury, with the help of 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.

### ***Description of the Bonds***

The Bonds will mature on February 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 August 1, 2020. 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, or the preceding business day if such fifteenth day is not a business day, 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. See “Book-Entry-Only Transfer System”. The Bonds are subject to redemption prior to maturity. (See “Redemption Provisions” herein)

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying 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 Status”.

## ***Redemption Provisions***

The Bonds maturing on or before February 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2028 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after February 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:

<b><i>Redemption Dates</i></b>	<b><i>Redemption Price</i></b>
February 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 Bond 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 Cede & Co., as nominee of the Depository Trust Company ("DTC"), is the registered owner of 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.

## ***Authorization and Purpose***

The Bonds are issued pursuant to the General Statutes of Connecticut and the Charter of the Town of Simsbury. The Board of Selectman, the Board of Education, and, as needed, the voters at referendum have authorized borrowing and in the amounts set forth on the next page.

## ***Use of Proceeds***

The Bonds are being issued to provide financing for the following projects:

<b><i>Project</i></b>	<b><i>Amount Authorized</i></b>	<b><i>This Issue: The Bonds</i></b>
Henry James Middle School Renovation Phase 3.....	\$ 23,965,620	\$ 9,110,000
<b><i>Total</i></b> .....	\$ 23,965,620	\$ 9,110,000

## ***Book-Entry-Only Transfer System***

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

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](http://www.dtcc.com).

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 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 issuer 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, 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 on, and redemption premium, if any, with respect to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town may decide to discontinue use of the system of book-entry-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 Bonds***

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 certificates 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 General statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or 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 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.

***Availability of Continuing Disclosure Information***

The Town of Simsbury prepares a comprehensive annual financial report which is independently audited in accordance with State law. The Town files such annual report with the State Office of Policy and Management. The Town provides and will continue to provide the applicable rating agencies with ongoing disclosure in the form of annual audited financial statements, adopted budgets, and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into 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, (ii) timely notice of the occurrence of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such events, and (iii) timely notice of failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

The Town has previously entered into Continuing Disclosure Agreements for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information, operating data and event notices pursuant to SEC Rule 15c2-12(b)(5). Within the last five years, Simsbury has not defaulted on prior Continuing Disclosure agreements.

***Rating***

The Bonds have been rated “AAA” by S&P Global Ratings (“S&P”). The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the view 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.

***Bond Insurance***

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

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## SECTION II – THE ISSUER



### ***Description of the Town***

Simsbury was incorporated as Connecticut's twenty-first Town in May 1670 and is one of the State's oldest communities. Centrally located in the heart of the New York – Boston corridor twelve miles northwest of Hartford, the Town covers an area of 34.3 square miles and has a population of approximately 24,952. The Town is conveniently located 20 minutes southwest of Bradley International Airport and is bisected by the Farmington River. Simsbury is bound on the north by Granby, on the east by Bloomfield, on the south by Avon, and on the west by Canton.

The Town is traversed by the College Highway (State Route 10 and US Route 202), US Route 44, and State Routes 167, 185, 189, 309, and 315. A former rail bed has been converted to a "Rails-to-Trails" active recreation facility connecting from Plainville in the south through Granby to the Massachusetts border in the north. Freight service is available from various motor common carriers. Intrastate and local commuter buses provide passenger transportation and the Simsbury Airport caters to general private aviation. The Town is located in the Hartford labor market and many of its residents work either locally or commute to Hartford and surrounding communities where they are engaged primarily in professional, technical, managerial, sales, and similar occupations.

The Town completed an updated Plan of Development in 2007 as required by State Statute. The Plan of Development serves as a policy guide for future growth and development in the Town. For example, subdivision regulations require that paved streets, street signs, drainage, storm sewers, public water, and sanitary sewers be installed by the developer. All utilities including gas, electric, and telephone in new subdivisions are underground insuring visually attractive sites.

A wide variety of housing opportunities exist in the Town with over 90 percent of all one-family residences owner-occupied. In addition, the Town has constructed moderate-income efficiency apartments at the Meadows and at Hoskins Crossing, subsidized rental apartments at Willow Arms and housing for elderly residents at the Owens L. Murphy project. The Town's affordable housing project at Eno Farms consists of 50 units on Town-owned land.

Historic sites and structures are integral components of the Town's heritage. Thirteen buildings (many of which are still occupied as homes) have been included in the U.S. National Register of Historic Places. Twenty structures are in the State Register of Historic Places and one historic district enjoys local recognition. Along with notable residential structures, historic status has also been accorded to the Simsbury 1820 House, an inn and restaurant.

## ***Description of Government***

In November, 2016 the town's residents voted to make changes to the charter, including a change in the form of government from a First Selectman/Board of Selectmen to a Town Manager/Board of Selectmen form of government. Other charter modifications included creation of an Economic Development Commission by ordinance with terms and objectives established by the Board of Selectmen; elimination of the Human Relations Commission from the charter; changes to the membership of the Open Space Committee; technical changes to the town budget and appropriations process; and the use of gender neutral language throughout the charter. The charter changes approved in 2016 took effect on December 4, 2017.

### ***Principal Municipal Officials***

<b><i>Office</i></b>	<b><i>Name</i></b>	<b><i>Manner of Selection</i></b>	<b><i>Length Of Service</i></b>	<b><i>Term Expires</i></b>
First Selectman .....	Eric Wellman	Elected	2 years	12/6/2021
Town Manager .....	Maria Capriola	Appointed	2 years	N/A
Deputy Town Manager .....	Melissa Appleby	Appointed	2 years	N/A
Chairman, Board of Finance .....	Robert D. Pomeroy, Jr.	Elected	4 years	12/6/2021
Chairman, Board of Education .....	Susan Salina	Elected	1 month	12/6/2021
Director of Finance .....	Amy Meriwether	Appointed	1 year	N/A
Superintendent of Schools .....	Matthew Curtis	Appointed	7.5 years	6/30/2021

***First Selectman:*** Eric Wellman

Eric Wellman is Simsbury's first First Selectman in the Town's new Town Manager form of government. Eric is a former journalist and radio show host. Currently, Eric works as a Lean Six Sigma consultant in the financial services industry, helping institutions better serve their customers. He is a graduate of the S.I. Newhouse School of Public Communication at Syracuse University and holds an MBA from Case Western Reserve University.

***Town Manager:*** Maria Capriola

Maria Capriola currently serves as Simsbury's Town Manager. She was appointed by the six-member Board of Selectmen on December 4, 2017 and began work as Simsbury's first Town Manager on January 29, 2018. As Town Manager, Maria oversees the day-to-day operations of the municipal organization and by Charter serves as the Personnel Director. She is responsible for implementing policies and initiatives of the Board of Selectmen.

Maria began her local government career working in her hometown of Bennington, Vermont during summer breaks from college. While in graduate school, she worked as the graduate intern for the Town Manager's Office in Mansfield, Connecticut. She was selected as the City of Savannah, Georgia's Management (Intern) Fellow in 2003. She then went on to serve as a Management Analyst for the City's Research and Budget Department for two years. As an analyst, Maria was assigned to the Bureaus of Public Development and Sanitation. In addition to budget and program evaluation work she coordinated the City's ICMA Center for Performance Measurement efforts.

Maria moved back to New England and served the City of Newburyport, Massachusetts in the capacity of Assistant Chief Administrative Officer. In January 2007 she rejoined the Town of Mansfield's staff as their Assistant to the Town Manager. She was promoted to Assistant Town Manager in 2012. Her primary areas of focus in Mansfield included Municipal Management, Human Resources, Risk Management, and Community Development. Maria served the Town of Mansfield in the role of Interim Town Manager from July 2017 until January 2018 when she began work as the first ever Town Manager for the Town of Simsbury.

Maria is a 2001 graduate cum laude of the University of Connecticut with a BA in political science. She began her studies with the UCONN Master of Public Administration (M.P.A.) program through the fast track program, completing her degree in 2003.

***Deputy Town Manager:*** Melissa Appleby

Melissa Appleby has served in administration for the Town of Simsbury since February of 2017. For the first ten months of her tenure, she served in the capacity of Deputy Director of Administrative Services. When the Town transitioned to a Town Manager/Board of Selectmen form of government on December 4, 2017, Melissa was appointed to the position of Deputy Town Manager. In this capacity, she assists the Town Manager with day-to-day operations, and has responsibility for risk management, budget development, communications, and oversight of information technology services. Melissa previously served as a senior management analyst for the Town of Greenwich, Connecticut and as a management analyst for the Town of Lexington, Massachusetts through the ICMA local government management fellowship program. She has a Master in Public Administration (MPA) degree from the University of Connecticut and a Bachelor of Arts (BA) degree in history from Vassar College.

***Chairman, Board of Finance:*** Robert D. Pomeroy, Jr.

Robert D. Pomeroy, Jr. serves as the Chairman of the Board of Finance for the Town of Simsbury. Mr. Pomeroy has been on the Board of Finance for three and a half years and served as Chairman since December 2016. Mr. Pomeroy is the CEO of a public investment company and earned his BS and MBA from UC Berkeley.

***Director of Finance:*** Amy Meriwether

Amy Meriwether currently serves as Simsbury's Director of Finance. She was formally appointed by the six-member Board of Selectmen and began working full time for the town in September 2018. As Director of Finance, Amy oversees the financial management of the town including all functions performed within the tax, assessment and accounting departments.

Amy previously served as the Accounting Manager/Treasurer for the Town of Mansfield. In this role, she provided financial management services to the town, the Mansfield Board of Education, Regional School District #19, the Eastern Highlands Health District, and three non-profit entities. Prior to her tenure in Mansfield, she was an auditor and senior accountant with Blum Shapiro. Amy holds an associate's degree in accounting from Johnson and Wales University and a bachelor's degree in accounting from Rhode Island College.

***Superintendent of Schools:*** Matthew T. Curtis

Mr. Matthew Curtis serves as the Superintendent of Schools in Simsbury, Connecticut. The Simsbury school district has 4,018 students in 5 elementary schools, 1 middle school and 1 high school and is nationally recognized as a top performing school district. The 2019-20 school year marks the fifteenth year that Matt has spent in the Simsbury school district during which he served as Assistant Principal of Squadron Line School, Principal of Squadron Line School, and then Director of Human Resources. Prior to returning to Simsbury in 2012, Matt served as Assistant Superintendent of Administration in Glastonbury, CT. Mr. Curtis worked in the business community prior to moving into the field of education. He received a BA in Philosophy from the University of Hartford, an MA in Elementary Education from Central Connecticut State University and his 6<sup>th</sup> Year in Educational Leadership from the University of Connecticut.

***Summary of Municipal Services***

***Police Department:*** The Police Department consists of 48 full-time personnel, including 38 sworn officers. The Department is a tier 3 State Accredited Law Enforcement Agency and obtained National Accreditation in 2011. All officers have graduated from the State Police Officer Standards & Training Academy; 22 officers have college degrees, and two members of the command staff are graduates of the FBI-NA Program. The Department has 36 Medical Response Technicians and two Emergency Medical Technicians who act as EMS first responders.

***Fire:*** The Simsbury Fire District is coterminous with the Town, but is an independent taxing authority with the power to make appropriations and issue debt. The District currently carries no debt. The Simsbury Fire District currently employs 8 full-time personnel and maintains 17 modern vehicles at six locations strategically positioned throughout the Town. Seventy-six volunteers are members of the Simsbury Volunteer Fire Company. The Simsbury Fire District has a dedicated fire dispatcher on duty 24 hours a day.

***Land Use:*** Volunteer citizen officials serve on Planning, Zoning, Conservation, Beautification, Design Review, Zoning Board of Appeals, and Economic Development boards and commissions. In addition, the Town has organized the land use departments to include a full-time Director of Planning who is responsible for streamlining the land-use process in Simsbury.

**Ambulance:** The Simsbury Volunteer Association provides a 24-hour service Basic Life Support and Advanced Life Support emergency medical services to Simsbury residents. The Association uses two transport vehicles and two paramedic “fly-cars” and is staffed by 50 Emergency Medical Technicians. The Association is funded by insurance billing with additional funding from public and private donations.

**Public Works:** The Department of Public Works is responsible for the maintenance of all Town-owned structures, highways, bridges, sidewalks and disposal facilities. The Town has 164 miles of roads, which are maintained through a pavement management program and a modern fleet of vehicles.

**Sewers:** The Simsbury Sewer system was completed in 1981. The system consists of a sewer plant, four pumping stations, and approximately 75 miles of street laterals and interceptors. The sewer system serves approximately 60% of the Town’s population. In addition, the Town also receives sewerage from the nearby Towns of Avon and Granby. The cost of operating the sewer system is provided through a sewer use charge collected from residential and commercial users as well as the two participating communities.

Following a May 2002 Referendum approval, a \$26,840,000 upgrade and expansion of the Sewer Treatment Plant was completed. This project was funded by the State of Connecticut Clean Water Grants and a 2% Clean Water Loan and was necessary to meet State water quality requirements and increase capacity to meet future commercial/industrial and residential growth.

**Social Services:** The Social Services Department provides for the administration and coordination of social and elderly services. These services include elderly and handicapped transportation, outreach to youth and elderly, counseling, financial aid, and a senior citizen center. The Department is staffed by a full-time Social Service Director as well as a full-time Senior Center Director.

**Service Contract – Solid Waste Disposal:** The Town has a service contract (the “Service Contract”) with the Materials Innovation and Recycling Authority (“MIRA”) for the disposal of solid waste through the Mid-Connecticut System (the “System”). The Service Contract rate is currently \$83 per ton disposal fee through fiscal year 2027.

Each municipality signing a Service Contract, including the Town, has agreed to cause to be delivered to the Mid-Connecticut 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 generated within its borders be directed to the MIRA facility. The tipping fee is paid to MIRA by private haulers contracted by residents for the removal of solid waste.

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.

The Town is 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. There are 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 CCSWA is anticipated to continue its advocacy efforts on solid waste issues for its member municipalities.

**Recreation:** The Recreation Department administers a comprehensive recreational program designed for the year-round activities of all ages. Programs consist of tennis, basketball, hockey, paddle tennis, golf, soccer, dance, aerobics, and many craft classes. The Department has recently added staff to support expanded youth services and programs.

Golfers may play two different courses located in Town, one private and one public. Hopmeadow Country Club, located on 275 acres near the center of Town, opened in 1962. The municipal course is located in the 235-acre Orkil Farms public recreation area known as Simsbury Farms, developed by the Town at a cost of \$2.1 million. In addition to the eighteen-hole golf course, Simsbury Farms also offers an artificial ice rink, four swimming pools, outdoor tennis and paddle tennis courts, amphitheater, and club house with a full-service restaurant.

Other recreational facilities in Town include the Simsbury Performing Arts Center, the War Memorial Pool area with two swimming pools and the International Skating Center of Connecticut. Elsewhere, two large indoor tennis houses, a basketball court, and a gymnastics center are available for residents. Over the years, the Town has acquired numerous tracts of land to protect its wetlands, streams, and environmental properties as open spaces. Open space and vacant land make up over 47% of all property in Simsbury.

## **Educational System**

The Town has five elementary schools serving grades K-6, a middle school serving grades 7-8, and a senior high school. St. Mary's Parochial School provides a private education for grades 1 through 8. The Ethel Walker School for girls (646 acres), the coeducational Westminster School (182 acres), and the coeducational Master's School (151 acres) are private preparatory schools located in Simsbury. The former Belden Elementary School has been converted to a combined Town Office Building to house Town offices, the Police Department, and the Board of Education. The Town's residents are well educated with a total of 94.5% of the adult population having a high school degree or higher.

### **School Enrollments**

<b>School Year</b>	<b>Historical</b>			<b>Total</b>
	<b>K-6</b>	<b>7 - 8</b>	<b>9 - 12</b>	
2010-2011	2,348	805	1,578	4,731
2011-2012	2,235	792	1,620	4,647
2012-2013	2,188	748	1,565	4,501
2013-2014	2,075	727	1,528	4,330
2014-2015	2,048	739	1,467	4,254
2015-2016	1,983	710	1,440	4,133
2016-2017	1,976	690	1,444	4,110
2017-2018	1,976	658	1,405	4,039
2018-2019	1,989	610	1,419	4,018
2019-2020	2,038	633	1,354	4,025
<b>School Year</b>	<b>Projected</b>			<b>Total</b>
	<b>K-6</b>	<b>7 - 8</b>	<b>9 - 12</b>	
2020-2021	2,048	620	1,296	3,964
2021-2022	2,081	603	1,280	3,964
2022-2023	2,164	574	1,220	3,958
2023-2024	2,201	593	1,223	4,017
2024-2025	2,220	653	1,185	4,058

*Source: Town of Simsbury, Superintendent's Office*



## School Facilities

<b>School</b>	<b>Grades</b>	<b>Date of Construction (Additions, Remodeling)</b>	<b>Type of Construction</b>	<b>Number of Classrooms</b>	<b>10/1/2019 Enrollment</b>	<b>Rated Capacity</b>
Central.....	K-6	1911 (49, 90, 97)	Stone/Masonry	20	376	590
Latimer Lane.....	K-6	1963 (89, 92, 94)	Masonry/Frame	27	445	650
Squadron Lane.....	K-6	1970 (91)	Masonry	38	601	890
Tariffville.....	K-6	1925 (57, 84, 90, 09)	Masonry/Frame	15	247	370
Tootin Hills.....	K-6	1953 (58, 91, 94, 97, 99)	Masonry/Frame	29	369	595
Henry James Memorial...	7-8	1957 (60, 99)	Masonry	32	633	920
Simsbury High.....	9-12	1967 (84, 99, 05)	Masonry	119	1,354	1,650
<b>Total.....</b>				280	4,025	5,665

Source: Town of Simsbury, Superintendent's Office

## Municipal Employees

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
General Government.....	167.8	157.9	155.9	161.3	156.5
Board of Education.....	641.9	641.4	653.8	649.7	643.1
<b>Total.....</b>	809.7	799.3	809.7	811.0	799.6

Source: Town of Simsbury

## Municipal Employees Bargaining Organizations

	<b>Positions Covered</b>	<b>Current Contract Expiration Date</b>
<b>General Government</b>		
Police Department – International Brotherhood of Police Officers.....	37.00	6/30/2021
Civilian Dispatchers – Connecticut Independent Labor Union.....	7.00	6/30/2019 <sup>1</sup>
Simsbury Secretarial, Clerical, and Library Town Employees Association.....	38.00	6/30/2019 <sup>1</sup>
Simsbury Administrative and Professional Supervisors Town Employee Association...	8.00	6/30/2019 <sup>1</sup>
Simsbury Administrative and Professional Town Employee Association.....	26.00	6/30/2019 <sup>1</sup>
Simsbury Public Works and Parks Employees Association.....	45.00	6/30/2019 <sup>1</sup>
Organized.....	161.00	
Non-Union.....	12.00	
<b>Sub-Total .....</b>	173.00	
<b>Board of Education</b>		
Simsbury Education Association .....	370.35	6/30/2020
Simsbury Federation of Educational Personnel .....	147.33	6/30/2020
National Association of Municipal Employees, Local R1-260 .....	38.00	6/30/2022
Simsbury School Nurses Association .....	10.67	6/30/2021
Simsbury School Administrators and Supervisors Association .....	17.00	6/30/2020
Organized.....	583.35	
Non-Union.....	58.59	
<b>Sub-Total .....</b>	641.94	
<b>Total .....</b>	814.94	

<sup>1</sup> In negotiations.

Source: Town of Simsbury

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 – DEMOGRAPHIC AND ECONOMIC DATA SECTION**

Early in 1994, the Town hired a full-time professional Economic Development Coordinator who formulated a Strategic Plan to guide the Town's economic development efforts to help stimulate the growth of high quality development. A fiscal impact study was completed in January 1995 to formulate a development strategy for the future. The Town encourages economic development through financial participation in the construction of roads and infrastructure. Economic development efforts have focused on outreach programs, growing home-based businesses, and marketing various commercial and industrial properties to international corporations. An indicator of the Town's success in carrying out its economic development plan was the move of the International Skating Center of Connecticut to town. The Center features a twin ice rink Olympic training facility, a professional dance studio, a fully-equipped weight and fitness center, a state-of-the-art sound system, a pro shop and lounge, and spectator seating for roughly 1,700 people. More recently, an outdoor Performing Arts Center, able to host a full symphony orchestra, with seating area for 10,000 was completed.

The Town supported economic development by constructing the Iron Horse Boulevard, a central downtown street that allows residents and shoppers to move quickly north and south through the Town behind the majority of the Town's retail establishments without cutting off access to those stores.

On the commercial level, the Town's retail centers include the completely rebuilt Simsbury Commons (formally the Farmington Valley Mall), the recently renovated Drake Hill Mall, and the Simsbury Town Shoppes.

Dyno Nobel/Ensign-Bickford Industries, with its related companies, is one of the Town's top five largest taxpayers. The company owns substantial real estate in the Town on which it has developed high quality residential structures and over 235,000 square feet of Class A office and research space. The company's Powder Forest Business Park has approximately 550 acres for development and its strict design and construction standards ensure a high level of aesthetics in harmony with the surrounding land.

The former Hartford Special Machine, Inc. building and its site were purchased by a partnership of developers and is now known as Tower Business Park. The building, originally 68,000 square feet on one floor, was completely renovated and a 51,000 square foot second floor was added for a total of 119,000 square feet of rental office space. A second three-story office building containing 45,000 square feet was added. Currently, both Chubb Executive Risk, Inc., a national insurance company employing about 550 people, and Blue Ridge Insurance, employing about 140, occupy the site.

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## **Population Trends and Densities**

<b>Year</b>	<b>Population <sup>1</sup></b>	<b>% Increase (Decrease)</b>	<b>Density <sup>2</sup></b>
2017 <sup>3</sup>	24,307	3.4%	708.7
2010	23,511	1.2%	685.5
2000	23,234	5.5%	677.4
1990	22,023	4.1%	642.1
1980	21,161	19.8%	616.9
1970	17,658	--	514.8

<sup>1</sup> 1970-2010, U.S. Department of Commerce, Bureau of Census

<sup>2</sup> Per square mile: 34.3 square miles

<sup>3</sup> American Community Survey 2013-2017

## **Age Distribution of the Population**

<b>Age</b>	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	1,046	4.3%	186,188	5.2%
5 to 9 years .....	1,594	6.6	206,536	5.7
10 to 14 years .....	2,003	8.2	225,831	6.3
15 to 19 years .....	1,645	6.8	249,777	6.9
20 to 24 years .....	1,088	4.5	245,849	6.8
25 to 34 years .....	1,956	8.0	439,239	12.2
35 to 44 years .....	2,907	12.0	433,401	12.1
45 to 54 years .....	4,191	17.2	535,611	14.9
55 to 59 years .....	2,133	8.8	266,501	7.4
60 to 64 years .....	1,732	7.1	229,788	6.4
65 to 74 years .....	2,395	9.9	318,515	8.9
75 to 84 years .....	1,064	4.4	167,133	4.6
85 years and over .....	553	2.3	90,109	2.5
<b>Total.....</b>	<b>24,307</b>	<b>100.0%</b>	<b>3,594,478</b>	<b>100.0%</b>

Median Age (Years) 2017... 44.7 40.8

Source: American Community Survey 2013-2017

## **Income Levels**

	<b>Town of Simsbury</b>	<b>State of Connecticut</b>
Per Capita Income, 2017.....	\$56,622	\$41,365
Median Family Income, 2017.....	\$141,201	\$93,800
Median Household Income, 2017.....	\$116,444	\$73,781

Source: American Community Survey 2013-2017

### **Income Distribution**

	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000.....	46	0.7%	27,787	3.1%
\$10,000 to \$14,999.....	40	0.6	16,143	1.8
\$15,000 to \$24,999.....	125	1.8	41,072	4.6
\$25,000 to \$34,999.....	202	2.9	52,218	5.8
\$35,000 to \$49,999.....	265	3.8	82,371	9.2
\$50,000 to \$74,999.....	674	9.7	134,356	15.0
\$75,000 to \$99,999.....	806	11.6	122,244	13.6
\$100,000 to \$149,999...	1,627	23.5	186,352	20.8
\$150,000 to \$199,999...	1,080	15.6	100,359	11.2
\$200,000 or more.....	2,073	29.9	132,765	14.8
<b>Total.....</b>	<b>6,938</b>	<b>100.0%</b>	<b>895,667</b>	<b>100.0%</b>

Source: American Community Survey 2013-2017

### **Educational Attainment**

Years of School Completed – Age 25 and Over

	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	227	4.2%	104,623	4.4%
9th to 12th grade, no diploma.....	301	5.8	137,877	6.1
High School graduate (inc. equivalency).....	1,784	26.7	673,582	27.5
Some college, no degree.....	2,192	18.1	422,535	17.8
Associate degree.....	1,099	8.7	188,481	7.4
Bachelor's degree.....	6,066	20.3	532,055	20.5
Graduate or professional degree.....	5,262	16.3	421,144	16.4
<b>Total.....</b>	<b>16,931</b>	<b>100.0%</b>	<b>2,480,297</b>	<b>100.0%</b>
Percent high school graduate or higher.....		96.9%		90.2%
Percent bachelor's degree or higher.....		66.9%		38.4%

Source: American Community Survey 2013-2017

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**Major Employers  
As of December 2019**

<b>Employer</b>	<b>Type of Business</b>	<b>Approximate Number of Employees</b>
Ensign-Bickford Companies.....	Manufacturer	500-999
Wings Media Group.....	Advertising - Direct Mail	500-999
Everest Gloval Svc.....	Insurance	500-999
McLean Home Care.....	Home Health Service	500-999
Simsbury Board of Education.....	Education	641
Hoffman Auto Group.....	Auto Sales	250-499
Chubb.....	Insurance	250-499
Keller Williams.....	Real Estate	250-499
General Cable.....	Cable	100-249
Robbins Hardwood Flooring.....	Flooring Materials	100-249
Hop Meadow.....	Golf Course	100-249
Beckman Coulter Inc.....	Lab Equipment & Supplies	100-249
Simsbury Veteran's Memorial.....	Veterans' & Military Organization	100-249
Adelbrook Community Service.....	Community Service Organization	100-249
Super Stop & Shop.....	Grocer	100-249
QBE.....	Insurance	100-249
Fitzergald's Foods.....	Grocer	100-249
Veeder-Root Company.....	Manufacturer	100-249
JTL Towers.....	Employee Benefit Consultant	100-249
Governors House Care & Rehab.....	Convescent Home	100-249
Simscoft Sweeping.....	Sweeping Service	100-249
Best Buy.....	Electronic Equipment & Supplies	100-249
Simsbury Inn.....	Hotels & Motels	100-249

Source: Town of Simsbury, Economic Development

**Labor Force Data**

<b>Period</b>	<b>Town of Simsbury</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Town of Simsbury</b>	<b>Hartford Labor Market</b>	<b>State of Connecticut</b>
November 2019 ....	13,643	352	2.5	3.3	3.3
<b>Annual Average</b>					
2018.....	13,356	389	3.5	4.2	4.2
2017.....	12,871	436	3.3	4.8	4.7
2016.....	12,517	463	3.4	5.3	5.3
2015.....	12,414	471	3.7	5.6	5.6
2014.....	11,368	572	4.9	6.7	6.7
2013.....	11,103	658	5.6	7.9	7.9
2012.....	11,316	715	5.9	8.4	8.3
2011.....	11,424	771	6.3	8.9	8.8
2010.....	11,870	783	6.2	9.1	9.0
2009.....	11,540	698	5.7	8.3	8.2

Source: Department of Labor, State of Connecticut

## Industry Classification

<b>Sector</b>	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	38	0.3%	7,166	0.4%
Construction.....	492	3.9	104,122	5.8
Manufacturing.....	1,103	8.8	191,519	10.6
Wholesale trade.....	240	1.9	44,741	2.5
Retail trade.....	998	7.9	193,016	10.7
Transportation warehousing, and utilities....	340	2.7	68,926	3.8
Information.....	390	3.1	42,200	2.3
Finance, insurance, real estate, and leasing..	2,536	20.1	163,810	9.1
Professional, scientific, management, administrative, and waste management.....	1,542	12.2	208,130	11.5
Education, health and social services.....	3,383	26.9	478,083	26.5
Arts, entertainment, recreation, accommodation and food services.....	752	6.0	153,679	8.5
Other services (except public admin.).....	471	3.7	82,538	4.6
Public Administration.....	313	2.5	67,156	3.7
<b>Total Labor Force, Employed.....</b>	<b>12,598</b>	<b>100.0%</b>	<b>1,805,086</b>	<b>100.0%</b>

Source: American Community Survey 2013-2017

## Building Permits

<b>Fiscal Year</b>	<b>Commercial</b>		<b>Residential</b>		<b>Total</b>	
	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
2019	84	\$ 73,185,669	706	\$ 19,354,172	790	\$ 92,539,841
2018	82	48,090,147	704	16,083,129	786	64,173,276
2017	69	11,071,465	650	12,983,772	719	24,055,237
2016	101	46,258,074	776	18,190,088	877	64,448,162
2015	80	20,703,587	781	13,633,464	861	34,337,051
2014	87	25,038,272	589	10,599,504	676	35,637,776
2013	95	17,859,218	583	13,988,886	678	31,848,104
2012	106	22,856,273	672	12,305,412	778	35,161,685
2011	61	3,306,380	512	11,886,231	573	15,192,611
2010	47	6,255,097	435	8,071,278	482	14,326,375

Source: Town of Simsbury, Building Official

## Age Distribution of Housing

<b>Year Built</b>	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	788	8.3%	338,011	22.4%
1940 to 1969.....	3,940	41.5	535,477	35.5
1970 to 1979.....	2,160	22.8	200,217	13.3
1980 to 1989.....	1,399	14.7	191,939	12.7
1990 to 1999.....	504	5.3	114,261	7.6
2000 or 2009.....	434	4.6	105,131	7.0
2010 or later.....	265	2.8	22,675	1.5
<b>Total Housing Units .....</b>	<b>9,490</b>	<b>100.0%</b>	<b>1,507,711</b>	<b>100.0%</b>

Source: American Community Survey 2013-2017

### **Housing Units by Type of Structure**

<b>Housing Units</b>	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	7,499	79.0%	892,621	59.2%
1-unit, attached.....	503	5.3	81,393	5.4
2 units.....	219	2.3	123,040	8.2
3 or 4 units.....	349	3.7	130,914	8.7
5 to 9 units.....	315	3.3	82,787	5.5
10 to 19 units.....	328	3.5	56,540	3.8
20 or more units.....	277	2.9	128,477	8.5
Mobile home.....	-	-	11,564	0.8
Boat, RV, van, etc.....	-	-	375	0.0
<b>Total Inventory.....</b>	<b>9,490</b>	<b>100.0%</b>	<b>1,507,711</b>	<b>100.0%</b>

Source: American Community Survey 2013-2017

### **Owner Occupied Housing Units**

<b>Specified Owner-Occupied Units</b>	<b>Town of Simsbury</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	119	1.6%	24,038	2.7%
\$50,000 to \$99,999.....	71	0.9	29,789	3.3
\$100,000 to \$149,999.....	305	4.1	83,320	9.2
\$150,000 to \$199,999.....	503	6.7	141,024	15.6
\$200,000 to \$299,999.....	2,066	27.5	244,356	26.9
\$300,000 to \$499,999.....	3,333	44.4	236,671	26.1
\$500,000 to \$999,999.....	1,042	13.9	106,192	11.7
\$1,000,000 or more.....	71	0.9	41,408	4.6
<b>Total.....</b>	<b>7,510</b>	<b>100.0%</b>	<b>906,798</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$327,800</b>		<b>\$270,100</b>	

Source: American Community Survey 2013-2017

### **Land Use Summary**

<b>Land</b>	<b>Acres</b>	<b>% of Total</b>
Residential.....	8,483.20	38.7%
Business.....	700.63	3.2%
Open Space.....	7,489.40	34.1%
Institutional .....	880.6	4.0%
Transportation / Water.....	1,530.50	7.0%
<b>Total Developed Land.....</b>	<b>19,084.33</b>	<b>87.0%</b>
Vacant Land.....	2,856.70	13.0%
<b>Total Town Acreage.....</b>	<b>21,941.03</b>	<b>100.0%</b>

Source: New England Geo-System based on Town of Simsbury GIS data (2009), updated by Simsbury Engineering Department 12/12.



## **SECTION IV – TAX BASE DATA**

### **Assessments**

The Town of Simsbury had a general property revaluation for the October 1, 2017 Grand List effective for the fiscal year commencing July 1, 2018. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than ten years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located with the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

The statutory requirements for real property assessments have been revised a number of times over the years. Generally, reassessments are required every five years, and at least every ten years the reassessments must include physical inspections. A 2006 statute permits a municipality, upon approval of its legislative body, to phase-in a real property assessment increase resulting from a revaluation over a period of up to five years.

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

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State Office of Policy and Management and the Assessor of the Town. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following September 30. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

**Motor Vehicle Property Tax Cap:** Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation amended that statute to provide that (1) for the assessment year October 1, 2016 (the fiscal year ending June 30, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps.

For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 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 October 1, 2013 (the fiscal year ending June 30, 2015), and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 39 mills. For the fiscal year ending June 30, 2019, 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 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 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 October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

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

Various State statutes provide for or authorize exemptions, abatements and other adjustments to assessments.

## **Tax Levy**

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. Motor vehicle taxes and real estate and personal property taxes of less than \$100 are due in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are payable in one installment 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 three times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense accounts after two years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense accounts fifteen years after the due date in accordance with state statutes.

The Town adopted a new tax sale policy on July 9, 2018 regarding parameters for conducting tax sales for properties seriously delinquent in their property tax payments, sewer use fees or sewer assessments. Tax sales will only be conducted on seriously delinquent accounts. Accounts will be considered seriously delinquent if:

1. A real estate delinquency on a single parcel is at least three Grand Lists late or \$25,000, whichever is first; or
2. A real estate delinquency on a single parcel which is abandoned or any vacant land and one year delinquent regardless of tax amount due; or
3. A sewer use fee or sewer assessment that is five years delinquent regardless of the amount due.

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## Comparative Assessed Valuations Taxable Grand List

<b>Grand List As Of 10/1</b>	<b>Residential Real Property (%)</b>	<b>Commercial &amp; Industrial Real Property (%)</b>	<b>All Land (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicles (%)</b>	<b>Gross Taxable Grand List</b>	<b>Exemptions, Veterans Relief and Disabled</b>	<b>Net Taxable Grand List</b>	<b>Percent Growth</b>
2018	77.3	10.1	1.1	3.6	7.9	\$ 2,457,269,602	\$14,833,643	\$ 2,442,435,959	1.1%
2017 <sup>1</sup>	77.3	9.8	1.4	3.6	7.9	2,433,323,147	17,321,858	2,416,001,289	6.9%
2016	76.8	9.8	1.2	3.7	8.4	2,277,854,449	17,212,863	2,260,641,586	-0.5%
2015	75.5	11.0	1.1	4.2	8.1	2,292,414,936	20,244,953	2,272,169,983	1.1%
2014	75.6	11.4	0.7	4.2	8.1	2,268,971,299	21,022,792	2,247,948,507	0.8%
2013	75.9	11.5	0.7	3.8	8.1	2,251,625,275	21,350,836	2,230,274,439	0.9%
2012 <sup>1</sup>	76.0	11.7	0.8	3.6	8.0	2,234,667,295	23,570,229	2,211,097,066	-14.1%
2011	77.4	11.6	0.8	3.2	7.0	2,599,467,918	24,886,433	2,574,581,485	-0.2%
2010	77.3	11.6	0.8	3.7	6.6	2,599,506,658	20,216,595	2,579,290,063	-0.1%
2009	77.2	11.5	0.9	4.1	6.4	2,599,461,854	17,594,737	2,581,867,117	0.0%

<sup>1</sup> Revaluation.

Source: Town of Simsbury, Assessor's Office.

Connecticut General Statutes Sections 12-81 (72) and 12-81 (74), provide, respectively for the total exemption of certain newly-acquired manufacturing machinery and equipment and for trucks for hire or exceeding 55,000 gross carrying weight, in each case for a period of five years. The State of Connecticut reimburses the town for 64% of the foregone taxes.

Beginning with the list of October 1, 2006, Connecticut General Statutes Section 12-94f provides for the phased-in exemption of manufacturing machinery and equipment as defined under Connecticut General Statutes Section 12-81 (72), and which was acquired more than five years before the applicable assessment date, as follows: 20% exemption on the list of October 1, 2006; 40% exemption on the list of October 1, 2007; 60% exemption on the list of October 1, 2008; 80% exemption on the list of October 1, 2009; and 100% exemption on the list of October 1, 2010. The State of Connecticut will reimburse the town for 100% of the foregone taxes. Beginning with the fiscal year ending June 30, 2013, the State of Connecticut will reimburse the town at its then mill rate for 100% of the tax that would have been paid on the list of October 1, 2011 but for the provisions of this section, and that grant shall continue at that amount indefinitely, and no qualifying manufacturing equipment shall be liable to property tax thereafter.

## Major Taxpayers

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Taxable Valuation</b>	<b>Percent of Net Taxable Grand List <sup>1</sup></b>
Eversource (Connecticut Light & Power)....	Public Utility	\$ 35,679,280	1.46%
E and A/I and G Simsbury Commons LP.....	Shopping Center	25,952,630	1.06%
Simsbury Developers LLC.....	Apartment Property	21,774,600	0.89%
Dorset Crossing Apartments LLC.....	Apartment Property	19,524,220	0.80%
Executive Risk Indemnity Inc. ....	Real Estate Holdings	16,473,460	0.67%
Highcroft Simsbury LLC.....	Apartment Property	15,265,680	0.63%
BW Mill Commons LLC.....	Apartment Property	12,270,910	0.50%
Hoffman Enterprises Limited Partnership....	Real Estate Holdings	11,075,400	0.45%
SL Simsbury LLC.....	Real Estate Holdings	10,143,920	0.42%
Simsbury Commons North E A LLC.....	Shopping Center	8,995,000	0.37%
<b>Total.....</b>		<b>\$ 177,155,100</b>	<b>7.25%</b>

<sup>1</sup> Based on the Net Taxable Grand List of October 1, 2018 of \$2,442,435,959.

Source: Town of Simsbury, Assessor's Office.

## Exempt Property

<b>Public</b>	<b>Assessed Value <sup>1</sup></b>
Municipal.....	\$ 217,213,230
Federal / State.....	15,017,870
<b>Sub-Total Public.....</b>	<b>\$ 232,231,100</b>
<b>Private</b>	
Volunteer Fire Companies.....	\$ 7,094,840
Scientific, Educational, Historical, Charitable....	81,065,940
Agricultural & Horticultural.....	124,260
Cemeteries.....	1,936,400
House of Religious Worship.....	30,332,740
Non Profit Organization.....	-
Hospital/Sanatorium.....	-
Recreation.....	234,660
<b>Sub-Total Private.....</b>	<b>120,788,840</b>
<b>Total Exempt Property.....</b>	<b>\$ 353,019,940</b>
Percent Compared to Net Taxable Grand List....	14.5%

<sup>1</sup> Based on the Net Taxable Grand List of October 1, 2018 of \$2,442,435,959.

Source: Town of Simsbury, Assessor's Office

## Property Tax Levies and Collections

<b>Grand List of 10/1</b>	<b>Fiscal Year Ending 6/30</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Adjusted Annual Levy</b>	<b>Percent of Annual Levy Collected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected as of 6/30/2019</b>
2018 <sup>2</sup>	2020	\$2,442,435,959	37.32	\$ 90,810,983	<i>In Collection</i>		
2017 <sup>1,3</sup>	2019	2,416,001,289	36.42	87,148,651	99.4%	0.6%	0.6%
2016	2018	2,260,641,586	38.76	87,222,801	99.4%	0.6%	0.3%
2015	2017	2,272,169,983	37.10	85,586,343	99.4%	0.6%	0.1%
2014	2016	2,247,948,507	37.10	84,224,215	99.5%	0.5%	0.0%
2013	2015	2,230,274,439	37.10	83,625,363	99.6%	0.4%	0.0%
2012 <sup>1</sup>	2014	2,211,097,066	37.30	83,330,743	99.6%	0.4%	0.0%
2011	2013	2,574,581,485	31.40	80,418,210	99.4%	0.6%	0.0%
2010	2012	2,579,290,063	30.90	79,323,653	99.9%	0.1%	0.0%
2009	2011	2,581,867,117	30.60	79,380,893	97.8%	2.2%	0.0%

<sup>1</sup> Revaluation.

<sup>2</sup> Budgeted.

<sup>3</sup> Subject to audit.

Source: Town of Simsbury, Tax Collector

## SECTION V – DEBT SECTION

### Outstanding Bonded Debt Pro Forma As of February 11, 2020

#### Long-Term Debt:

<i>Date</i>	<i>Purpose</i>	<i>Interest Rate %</i>	<i>Original Issue</i>	<i>Amount Outstanding</i>	<i>Fiscal Year of Maturity</i>
3/31/2008	Sewer <sup>1,2</sup> .....	2.00	\$ 21,037,216	\$ 8,985,930	2028
3/19/2013	General Purpose.....	1.50	4,665,000	1,847,520	2023
3/19/2013	Schools.....	1.50	890,000	352,480	2023
6/30/2015	General Purpose.....	2.00-4.00	5,715,000	3,175,000	2025
6/30/2015	General Purpose - Refunding.....	2.00-4.00	2,249,691	478,240	2021
6/30/2015	Schools - Refunding.....	2.00-4.00	1,095,309	11,760	2021
6/29/2017	General Purpose.....	2.00-5.00	7,840,000	6,971,000	2027
6/29/2017	Schools.....	2.00-5.00	3,100,000	2,754,000	2027
6/27/2019	General Purpose.....	4.00-5.00	6,273,057	6,273,057	2029
6/27/2019	Schools.....	4.00-5.00	2,091,943	2,091,943	2029
<b>Total Outstanding Bonded Debt.....</b>			<b>\$ 54,957,216</b>	<b>\$ 32,940,930</b>	
<b>This Issue</b>					
2/11/2020	Schools.....	2.00-5.00	\$ 9,110,000	\$ 9,110,000	2035
<b>Total This Issue.....</b>			<b>\$ 9,110,000</b>	<b>\$ 9,110,000</b>	
<b>Grand Total.....</b>			<b>\$ 64,067,216</b>	<b>\$ 42,050,930</b>	

<sup>1</sup> Debt service on the Clean Water Fund loan will be paid by user fees.

<sup>2</sup> The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion project. The total receivable at June 30, 2019 was approximately \$3,000,000.

### Outstanding Short-term Debt Pro Forma As of February 11, 2020

The Town does not any outstanding short-term debt as of February 11, 2020.

### Overlapping/Underlying Debt Pro Forma As of February 11, 2020

The Town has no overlapping debt. The Simsbury Fire District is the only district coterminous with or completely within the borders of the Town and may issue its own debt. Any such indebtedness would represent underlying debt to, but would not be an obligation of the Town of Simsbury. Currently the Simsbury Fire District has no debt.

#### State of Connecticut Clean Water Fund Program

The Town of Simsbury is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan).

## School Projects

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

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the old program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

### **Bonded Debt Maturity Schedule Pro Forma As of February 11, 2020**

<b>Fiscal Year Ended 6/30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>	<b>This Issue The Bonds</b>	<b>Total Principal</b>	<b>Cumulative Principal Retired %</b>
2020 <sup>1</sup>	\$ 2,540,000	\$ 407,325	\$ 2,947,325	\$ -	\$ 2,540,000	7.7%
2021	3,705,000	825,375	4,530,375	610,000	4,315,000	20.7%
2022	3,225,000	686,050	3,911,050	610,000	3,835,000	32.3%
2023	3,250,000	550,400	3,800,400	610,000	3,860,000	44.0%
2024	2,700,000	413,500	3,113,500	610,000	3,310,000	54.0%
2025	2,700,000	284,850	2,984,850	610,000	3,310,000	64.0%
2026	2,070,000	193,200	2,263,200	610,000	2,680,000	72.1%
2027	2,065,000	126,300	2,191,300	610,000	2,675,000	80.2%
2028	850,000	68,000	918,000	605,000	1,455,000	84.6%
2029	850,000	34,000	884,000	605,000	1,455,000	89.0%
2030	-	-	-	605,000	605,000	90.9%
2031	-	-	-	605,000	605,000	92.7%
2032	-	-	-	605,000	605,000	94.5%
2033	-	-	-	605,000	605,000	96.3%
2034	-	-	-	605,000	605,000	98.2%
2035	-	-	-	605,000	605,000	100.0%
<b>Total.....</b>	<b>\$ 23,955,000</b>	<b>\$ 3,589,000</b>	<b>\$ 27,544,000</b>	<b>\$ 9,110,000</b>	<b>\$ 33,065,000</b>	

<sup>1</sup> Excludes principal payments of \$1,595,000 and interest payments of \$553,508 made between July 1, 2019 and February 11, 2020.

Note: Does not include \$8,985,930 of Clean Water Fund sewer loan outstanding from the State of Connecticut.

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

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**Current Debt Statement  
Pro Forma  
As of February 11, 2020**

**Long-Term Debt Outstanding:**

General Purpose (Includes this issue).....	\$ 18,744,817
Schools (Includes this issue).....	14,320,183
Sewers. <sup>1,2</sup> .....	-
<b>Total Long-Term Debt</b> .....	<b>33,065,000</b>
<b>Short-Term Debt</b> .....	<b>-</b>
<b>Direct Debt</b> .....	<b>33,065,000</b>
<b>Overlapping/Underlying Debt</b> .....	<b>-</b>
<b>Total Overall Debt</b> .....	<b>33,065,000</b>
Less: School Construction Grants Receivable (As of June 30, 2019) .....	-
<b>Total Overall Net Debt</b> .....	<b>\$ 33,065,000</b>

<sup>1</sup> Does not include \$8,985,930 Clean Water Fund sewer loan outstanding from the State of Connecticut.

<sup>2</sup> The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion project. The total receivable at June 30, 2019 was approximately \$3,000,000.

**Current Debt Ratios  
Pro Forma  
As of February 11, 2020**

Population (2017) <sup>1</sup> .....	24,307
Net Taxable Grand List (10/1/18) .....	\$ 2,442,435,959
Estimated Full Value (70%).....	\$ 3,489,194,227
Equalized Grand List (10/1/17) <sup>2</sup> .....	\$ 3,451,701,684
Money Income per Capita (2017) <sup>1</sup> .....	\$ 56,622

	<b>Total Long-Term/ Overall Debt</b>	<b>Total Overall Net Debt</b>
Per Capita.....	\$ 1,360.31	\$ 1,360.31
Ratio to Net Taxable Grand List.....	1.35%	1.35%
Ratio to Estimated Full Value.....	0.95%	0.95%
Ratio to Equalized Grand List.....	0.96%	0.96%
Debt per Capita to Money Income per Capita (2017)....	2.40%	2.40%

<sup>1</sup> American Community Survey 2013-2017

<sup>2</sup> Office of Policy and Management, State of Connecticut.

**Bond Authorization**

Under the current Charter, bonds and notes, except tax anticipation notes, may be authorized by the Board of Selectmen and the Board of Finance. However, any amounts in excess of 1% of the current annual budget are subject to approval at referendum. Effective December 4, 2017, any amounts in excess of 2% of the current annual budget will be subject to approval at referendum, provided the total of supplemental appropriations not approved at referendum in any one year do not exceed 3%.

**Maturities**

General obligation bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments much be substantially equal. The term of the issue may not exceed twenty years except in the case of sewer bonds and certain school bonds which may mature in up to thirty years.

## **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 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes 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 1/15<sup>th</sup> 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).

## **Limitation of Indebtedness**

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

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

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

The Connecticut General Statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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**Statement of Statutory Debt Limitation  
Pro Forma  
As of February 11, 2020**

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2019 .....	\$ 87,206,760
Reimbursement For Revenue Loss (Tax relief for elderly).....	381,653
<b>Base for Debt Limitation Computation.....</b>	<b>\$ 87,588,413</b>

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 <sup>1</sup> / <sub>4</sub> times base.....	\$197,073,929	-	-	-	-
4 <sup>1</sup> / <sub>2</sub> times base.....	-	\$394,147,859	-	-	-
3 <sup>3</sup> / <sub>4</sub> times base.....	-	-	\$328,456,549	-	-
3 <sup>1</sup> / <sub>4</sub> times base.....	-	-	-	\$284,662,342	-
3 times base.....	-	-	-	-	\$ 262,765,239
<b>Total Debt Limitation.....</b>	<b>\$197,073,929</b>	<b>\$394,147,859</b>	<b>\$328,456,549</b>	<b>\$284,662,342</b>	<b>\$ 262,765,239</b>
<b>Indebtedness:</b>					
Bonds Outstanding .....	18,744,817	5,210,183	8,985,930 <sup>1, 2</sup>	-	-
Bonds – This Issue.....	-	9,110,000	-	-	-
Debt Authorized But Unissued.....	1,680,491	21,381,877	-	-	-
<b>Total Indebtedness.....</b>	<b>20,425,308</b>	<b>35,702,060</b>	<b>8,985,930</b>	<b>-</b>	<b>-</b>
Less:					
State School Grants Receivable.....	-	-	-	-	-
<b>Total Net Indebtedness.....</b>	<b>20,425,308</b>	<b>35,702,060</b>	<b>8,985,930</b>	<b>-</b>	<b>-</b>
<b>DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS.....</b>	<b>\$176,648,621</b>	<b>\$358,445,799</b>	<b>\$319,470,619</b>	<b>\$284,662,342</b>	<b>\$ 262,765,239</b>

<sup>1</sup> Clean Water Fund Project Loan Obligation.

<sup>2</sup> The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion project. The total receivable at June 30, 2019 was approximately \$3,000,000.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$613,118,891

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**Authorized but Unissued Debt  
Pro Forma  
As of February 11, 2020**

<b>Project</b>	<b>Amount Authorized</b>	<b>Previously Bonded</b>	<b>Actual/Projected Grants</b>	<b><u>This Issue:</u> <u>The Bonds</u></b>	<b>Authorized but Unissued</b>
<b>2013 Approved</b>					
Squadron Line School Boiler Replacement.....	\$ 850,000	\$ 800,833	\$ -	\$ -	49,167
<b>2014 Approved</b>					
Henry James Middle School Phase 1A.....	775,000	440,000	307,193	-	27,807
<b>2015 Approved</b>					
Central School Roof Replacement.....	770,000	445,000	255,717	-	69,283
<b>2016 Approved</b>					
Climate Control (Phase II).....	950,000	-	-	-	950,000
Henry James Middle School Phase 2.....	1,950,000	1,565,000	-	-	385,000
Multi-Use Connections & Master Plan Updates.....	1,160,000	184,509	305,000	-	670,491
<b>2017 Approved</b>					
Bridge Improvements.....	805,000	400,000	-	-	405,000
<b>2018 Approved</b>					
Boiler Replacement Latimer.....	900,000	-	-	-	900,000
School Security Improvements.....	850,000	-	-	-	850,000
District Network Infrastructure.....	400,000	-	-	-	400,000
Henry James Middle School Renovation Phase 3.....	23,965,620	-	-	9,110,000	14,855,620
<b>2019 Approved</b>					
Highway Pavement Management.....	605,000	-	-	-	605,000
Underground Tank Replacement @ TV and SHS.....	325,000	-	-	-	325,000
School Security Improvements.....	750,000	-	-	-	750,000
SHS Partial Roof Replacement.....	2,600,000	-	780,000	-	1,820,000
<b>Total .....</b>	<b>\$ 37,655,620</b>	<b>\$ 3,835,342</b>	<b>\$ 1,647,910</b>	<b>\$ 9,110,000</b>	<b>\$ 23,062,368</b>

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### Principal Amount Outstanding

	2019	2018	2017	2016	2015
G.O. Bonds .....	\$ 25,550,000	\$ 20,550,000	\$ 24,675,000	\$ 18,885,000	\$ 23,920,000
Short-Term Debt .....	-	-	-	-	-
<b>Grand Total.....</b>	<b>\$ 25,550,000</b>	<b>\$ 20,550,000</b>	<b>\$ 24,675,000</b>	<b>\$ 18,885,000</b>	<b>\$ 23,920,000</b>

Source: Town of Simsbury Audited Financial Reports.

### Ratio of Net Debt to Valuation, Population and Income

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Net Long-Term Debt<sup>1</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value (%)</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income<sup>3</sup></b>
2019	\$2,442,435,959	\$ 3,489,194,227	\$ 25,550,000	1.05%	0.73%	24,307	1,051.14	1.86%
2018	2,416,001,289	3,451,430,413	20,550,000	0.85%	0.60%	24,307	845.44	1.49%
2017	2,260,641,586	3,229,487,980	24,675,000	1.09%	0.76%	24,307	1,015.14	1.79%
2016	2,272,169,983	3,245,957,119	18,885,000	0.83%	0.58%	24,307	776.94	1.37%
2015	2,247,948,507	3,211,355,010	23,920,000	1.06%	0.74%	24,307	984.08	1.74%

<sup>1</sup> Long-Term debt does not include Water debt, compensated absences, or capital lease obligations.

<sup>2</sup> Bureau of Census.

<sup>3</sup> American Community Survey (2013-2017), Money Income Per Capita \$56,622.

Source: Town of Simsbury Audited Financial Reports.

### Ratio of Annual General Fund Debt Service Expenditures to Total General Fund Expenditures

<b>Fiscal Year Ended 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures<sup>1</sup></b>	<b>Ratio of General Fund Debt Service To General Fund Expenditures</b>
2019	\$3,365,000	\$ 698,100	\$ 4,063,100	\$ 104,693,054	3.88%
2018	4,125,000	1,040,376	5,165,376	107,918,202	4.79%
2017	5,150,000	1,019,792	6,169,792	107,185,069	5.76%
2016	5,035,000	501,272	5,536,272	100,249,426	5.52%
2015	5,545,000	621,818	6,166,818	97,603,561	6.32%
2014	5,485,000	799,178	6,284,178	100,415,775	6.26%

<sup>1</sup> Includes transfers out.

Source: Town of Simsbury Finance Department.

## Six-Year Capital Improvement Program

<b>Project</b>	<b>Fiscal 2019-20</b>	<b>Fiscal 2020-21</b>	<b>Fiscal 2021-22</b>	<b>Fiscal 2022-23</b>	<b>Fiscal 2023-24</b>	<b>Fiscal 2024-25</b>	<b>Total</b>
<b>General Government</b>							
Muti-Use Connections & Master Plan Updates.....	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Greenway Improvements.....	100,000	300,000	300,000	300,000	300,000	300,000	1,600,000
Golf Course Irrigation System Replacement .....	-	-	1,800,000	-	-	-	1,800,000
Accounting System.....	350,000	-	-	-	-	-	350,000
Senior/Community Center Construction.....	-	-	-	-	-	8,800,000	8,800,000
Bridge Improvements.....	-	-	950,000	-	-	-	950,000
Highway Pavement Management.....	1,185,000	1,185,000	1,185,000	1,210,000	1,210,000	1,210,000	7,185,000
Town Hall Renovations.....	-	-	-	-	3,100,000	-	3,100,000
Dam Evaluations and Repairs.....	-	-	-	3,150,000	-	-	3,150,000
Sidewalk Reconstruction.....	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Town Facilities Master Plan Implementation.....	-	-	500,000	-	500,000	-	1,000,000
Townwide Bridge / Culvert Inventory and Evauation.....	-	200,000	-	-	-	-	200,000
Townwide Drainage Master Plan Update.....	-	-	300,000	-	-	-	300,000
Eno Entrance Improvements.....	-	340,000	-	-	-	-	340,000
Document Management/Scanning Services.....	-	-	-	-	-	340,000	340,000
Radio System Upgrade/Replacement.....	-	2,500,000	-	-	-	-	2,500,000
Highway Sweeper.....	-	-	-	-	280,000	-	280,000
Public Works Facility Paving & Storm Drainage.....	-	330,000	-	-	-	-	330,000
Flower Bridge Repairs.....	-	-	-	-	750,000	-	750,000
Replace Water Pollution Plant Programmable Logic Controllers....	250,000	-	-	-	-	-	250,000
<b>Sub-Total .....</b>	<b>\$ 2,085,000</b>	<b>\$ 5,655,000</b>	<b>\$ 5,235,000</b>	<b>\$ 4,860,000</b>	<b>\$ 6,340,000</b>	<b>\$ 10,850,000</b>	<b>\$ 35,025,000</b>
<b>Board of Education</b>							
District Network Infrastructure.....	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -	\$ 800,000
Underground Storage Tank Replacement at TV and SHS.....	325,000	-	-	-	-	-	325,000
District Security Improvements.....	750,000	-	250,000	-	-	-	1,000,000
SHS Stadium Facility Renovations Phase I.....	-	980,000	-	-	-	-	980,000
SHS Stadium Facility Renovations Phase II.....	-	-	-	400,000	-	-	400,000
SHS Stadium Bleachers and Press Box Replacement.....	-	725,000	-	-	-	-	725,000
SHS Visitor's Bleachers Replacement.....	-	-	-	-	225,000	-	225,000
SHS Turf Field #2 Construction.....	-	1,550,000	-	-	-	-	1,550,000
SHS Partial Roof Replacement.....	2,600,000	-	-	-	-	-	2,600,000
Latimer Lane Renovation.....	-	-	6,800,000	-	-	-	6,800,000
HJMS Tennis Court Replacement.....	-	500,000	-	-	-	-	500,000
<b>Sub-Total .....</b>	<b>\$ 3,675,000</b>	<b>\$ 4,155,000</b>	<b>\$ 7,050,000</b>	<b>\$ 800,000</b>	<b>\$ 225,000</b>	<b>\$ -</b>	<b>\$ 15,905,000</b>
<b>Total .....</b>	<b>\$ 5,760,000</b>	<b>\$ 9,810,000</b>	<b>\$ 12,285,000</b>	<b>\$ 5,660,000</b>	<b>\$ 6,565,000</b>	<b>\$ 10,850,000</b>	<b>\$ 50,930,000</b>
<b>Funding Sources</b>							
<b>Funding Sources</b>	<b>Fiscal 2019-20</b>	<b>Fiscal 2020-21</b>	<b>Fiscal 2021-22</b>	<b>Fiscal 2022-23</b>	<b>Fiscal 2023-24</b>	<b>Fiscal 2024-25</b>	<b>Total</b>
Debt.....	\$ 3,500,000	\$ 6,960,000	\$ 8,396,720	\$ 3,780,000	\$ 4,980,000	\$ 9,430,000	\$ 37,046,720
State of CT-School Construction.....	780,000	-	2,258,280	-	-	-	3,038,280
Other Grants.....	398,500	155,000	155,000	155,000	435,000	155,000	1,453,500
Other Funding Sources-General Fund/Special Revenue.....	1,081,500	2,695,000	1,475,000	1,725,000	1,150,000	1,265,000	9,391,500
<b>Total Funding Sources.....</b>	<b>\$ 5,760,000</b>	<b>\$ 9,810,000</b>	<b>\$ 12,285,000</b>	<b>\$ 5,660,000</b>	<b>\$ 6,565,000</b>	<b>\$ 10,850,000</b>	<b>\$ 50,930,000</b>

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## **SECTION VI – FINANCIAL SECTION**

### ***Fiscal Year***

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

### ***Annual Audit***

The Town of Simsbury, pursuant to local ordinance and provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2019, the general purpose financial statements of the various funds of the Town were audited by Blum, Shapiro & Company, P.C., CPA's. The auditor's opinion is included in the Town's financial statements in Appendix A. The Town did not seek the consent of the auditor to include the opinion and no subsequent review of the Town's financial condition was undertaken by the auditors.

### ***Accounting System and Reports***

The Town's accounting records for all government funds and expendable trust funds are maintained on a modified accrual basis with revenues recorded when measurable and available and expenditures, other than accrued interest on long-term debt, being recorded when liabilities are incurred. Accounting records for the Town's non-expendable trust funds and pension trust funds are maintained on a full accrual basis. Budgetary control is maintained on an encumbrance system by reserving account balances with purchase orders prior to their release to vendors. Purchase orders which exceed account balances are not released until appropriations are made available. The system provides department heads with up-to-date monthly information on the status of appropriated funds by reporting funds expended and encumbered by account and department code.

### ***Budget Procedure***

The annual budget making process is outlined in Chapter IV of the Simsbury Town Charter, "The Board of Selectmen" and in Chapter VIII, "Finance and Taxation", according to the following schedule:

By January 31     The head of each department, office, or agency of the Town except the Board of Education files with the Director of Finance a detailed estimate of the expenditures to be made by such department, office, or agency and the revenues, other than tax revenue, to be collected thereby in the ensuing fiscal year.

By March 1        The Director of Finance compiles department estimates for the annual budget and under the direction of the Town Manager presents to the Board of Selectmen the completed budget of all boards, offices, and agencies.

By March 15      The Board of Education presents its budget to the Director of Finance, the Board of Finance and the Board of Selectmen.

By March 31      The Board of Selectmen presents to the Board of Finance a budget for all departments, offices, and agencies of the Town, except the Board of Education, consisting of: (a) a budget message; (b) estimates of revenue; and (c) itemized estimates of expenditures. As part of the budget the Town Manager presents a program approved by the Board of Selectmen of proposed capital projects for the ensuing fiscal year and the five (5) fiscal years thereafter.

The Board of Finance holds one or more public hearings the first of which must be held not later than the tenth day of April at which time any Elector or taxpayer has an opportunity to be heard. The Board of Finance, by resolution adopted by an affirmative vote of at least four (4) members after holding the final public hearing, and no more than ten (10) days after the final public hearing, approve a budget and file the same with the Town Clerk for submission to the Automatic Referendum for its adoption. Should the Board of Finance fail to approve a budget no more than ten (10) days after such final public hearing, the budget as transmitted by the Board of Selectmen and by the Board of Education is deemed to have been finally approved by the Board of Finance.

The annual budget becomes effective only after it has been approved by resolution of the Board of Finance and the Board of Selectmen and adopted at an automatic referendum held following the final public hearing by a majority vote at such referendum. The Board of Finance, within five (5) days following the adoption of the budget by referendum,

fixes the tax rate in mills which is levied on all taxable property in the Town for the ensuing fiscal year. Should the budget not be approved at referendum, the Board of Finance, in cooperation with the Town Manager, revises the budget for presentation at a subsequent public hearing and referendum. If the Budget remains unaccepted at the second referendum, the adopted budget for the then current fiscal year becomes the temporary budget on a month-to-month basis until a new budget is adopted.

## ***Pensions***

The Town maintains three single-employer defined benefit pension plans for full-time employees: General Government Plan, Police Plan and Board of Education Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. The plans do not issue stand-alone financial reports.

Oversight of the Town's retirement plans previously rested with the Retirement Plan Sub-Committee, which is comprised of two members of the Board of Selectmen, two members of the Board of Education, two members of the Board of Finance and two members at large. The Sub-Committee is staffed by the Town Treasurer, the Board of Education's Business Manager and the Town's Director of Administrative Services. The Town and the Board of Education have appointed a third party to serve as fiduciary investment advisor. Effective 2013, the Town of Simsbury's Charter was amended to place fiduciary responsibility for the investment of pension funds to the Board of Finance. The Retirement Plan Sub-Committee now serves as an advisory committee to the Board of Finance.

At July 1, 2018, plan membership consisted of the following:

	General Government Plan	Police Plan	Board of Education Plan
Retirees and Beneficiaries Currently			
Receiving Benefits.....	94	37	141
Vested Terminated Employees .....	49	2	87
Active Employees.....	98	32	121
Total Participants .....	241	71	349

## ***Contributions***

### **General Government Plan**

This plan provides for union employee contributions of 2% and for unaffiliated 5% of regular earnings for employees, hired prior to August 12, 2013, and 7% for unaffiliated hired after that date. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$1,031,101 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 13.37% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

### **Police Plan**

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$651,976 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 17.26% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

## Board of Education Plan

This plan provides for employee contributions of 2.5% to 3% of regular earnings, based on the current individual collective bargaining contract. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$1,175,122 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 15.02% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

## Net Pension Liability of the Town

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town at June 30, 2019, were as follows:

	<b>General Government Plan</b>	<b>Police Plan</b>	<b>Board of Education Plan</b>
Total Pension Liability:			
Service Cost.....	\$ 629,377	\$ 543,312	\$ 712,212
Interest.....	2,156,775	1,412,130	2,064,354
Changes of Benefit Terms.....	815,182	578,872	760,097
Differences Between Expected and Actual Experience..	206,134	2,931	135,169
Benefits Payments, Including Refunds			
Member Contributions.....	(1,917,120)	(1,246,539)	(1,335,830)
Net Change in Total Pension Liability.....	1,890,348	1,290,706	2,336,002
Total Pension Liability - Beginning.....	31,124,049	20,242,699	29,435,168
Total Pension Liability - Ending.....	33,014,397	21,533,405	31,771,170
Plan Fiduciary Net Position:			
Contributions - Employer.....	\$ 950,965	\$ 586,956	\$ 1,086,598
Contributions - Member.....	365,409	270,561	293,320
Net Investment Income.....	1,183,630	1,001,959	1,223,623
Benefit Payments.....	(1,917,120)	(1,246,539)	(1,335,830)
Refunds of Member Contributions.....	-	-	-
Administrative Expense.....	(58,623)	(51,487)	(54,326)
Net Change in Plan Fiduciary Net Position.....	524,261	561,450	1,213,385
Plan Fiduciary Net Position - Beginning.....	24,431,309	17,126,638	22,536,332
Plan Fiduciary Net Position - Ending.....	\$ 24,955,570	\$ 17,688,088	\$ 23,749,717
Town's Net Pension Liability - Ending.....	\$ 8,058,827	\$ 3,845,317	\$ 8,021,453
Plan Fiduciary Net Position as a % of the Total Pension Liability.....	75.59%	82.14%	74.75%
Covered Payroll.....	\$ 7,110,117	\$ 3,400,678	\$ 7,235,501
Town's Net Pension Liability as a % of Covered Payroll...	113.34%	113.08%	110.86%

## 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 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
General Government.....	\$ 11,675,039	\$ 8,058,827	\$ 4,983,712
Police.....	6,431,046	3,845,317	1,669,480
Board of Education.....	11,370,630	8,021,453	5,145,906
<b>Total.....</b>	<b>\$ 29,476,715</b>	<b>\$ 19,925,597</b>	<b>\$ 11,799,098</b>

Five-Year Trend Information:

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Covered Payroll</b>
<i>General Government</i>				
6/30/2015	\$ 1,013,590	\$ 1,013,590	100.00%	\$ 6,477,448
6/30/2016	888,277	1,023,393	115.21%	6,476,467
6/30/2017	877,663	877,664	100.00%	6,870,896
6/30/2018	920,889	920,889	100.00%	7,124,309
6/30/2019	950,965	950,965	100.00%	7,110,117
6/30/2020 <sup>1</sup>	1,031,101	1,031,101	100.00%	N/A
<i>Police</i>				
6/30/2015	\$ 632,679	\$ 633,000	100.05%	\$ 2,866,183
6/30/2016	631,023	727,009	115.21%	2,918,053
6/30/2017	677,434	677,434	100.00%	3,143,684
6/30/2018	600,240	600,240	100.00%	3,400,310
6/30/2019	586,956	586,956	100.00%	3,400,678
6/30/2020 <sup>1</sup>	651,976	651,976	100.00%	N/A
<i>Board of Education</i>				
6/30/2015	\$ 1,236,631	\$ 1,236,631	100.00%	\$ 7,916,465
6/30/2016	1,110,353	1,288,982	116.09%	7,864,597
6/30/2017	1,112,035	1,112,035	100.00%	7,766,728
6/30/2018	1,084,561	1,084,561	100.00%	7,614,963
6/30/2019	1,086,598	1,086,598	100.00%	7,235,501
6/30/2020 <sup>1</sup>	1,175,122	1,175,122	100.00%	N/A

<sup>1</sup> Budgeted amounts.

For more information, see Note 4 “Employee Retirement Plan” of “Notes to Financial Statements”, June 30, 2019 and “Required Supplementary Information” following the notes in Appendix A.

**Other Post-Employment Benefits**

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits such as life insurance. Simsbury implemented the provisions of Statement No. 45 beginning with fiscal year ending June 30, 2007, making annual required contributions and additional voluntary contributions since that time. As of July 1, 2017, the total accrued liability was estimated to be approximately \$19.4 million. In fiscal years 2007 through 2019 Simsbury budgeted for and funded its annual required contribution (ARC), the town also funded an additional \$3.0 million dollars which was moved from the Health Insurance Internal Service Fund in 2015, leaving a fund balance of approximately \$1.6 million dollars between the two health insurance funds. At present the OPEB trust fund has an asset value of approximately \$14.0 million, and is approximately 72% funded. The proposed fiscal year 2019 budget reflects the Town funding its annual required contribution (ARC).

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

The following presents the net OPEB liability of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Net OPEB Liability.....	\$ 8,787,242	\$ 6,051,733	\$ 3,733,060



### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	<b>Healthcare Cost</b>		
	<b>1% Decrease</b>	<b>Trend Rates</b>	<b>1% Increase</b>
	<b>(4.28% decreasing</b>	<b>(5.28% decreasing</b>	<b>(6.28% decreasing</b>
	<b>to 3.40%)</b>	<b>to 4.40%)</b>	<b>to 5.40%)</b>
Net OPEB Liability.....	\$ 3,131,300	\$ 6,051,733	\$ 9,634,422

The chart below shows the schedule of OPEB employer contributions:

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially Determined Contribution.....	\$ 1,093,300	\$ 1,182,000	\$ 1,073,307	\$ 1,047,953	\$ 1,880,000
Contributions in Relation to the Actuarially Determined Contribution.....	1,157,219	1,197,000	1,310,930	1,195,883	4,880,000
Contribution Deficiency (Excess).....	\$ (63,919)	\$ (15,000)	\$ (237,623)	\$ (147,930)	\$ (3,000,000)
Covered Payroll.....	\$ 52,352,923	\$ 45,238,019	\$ 45,238,019	\$ 44,570,517	\$ 44,132,000
Contributions as a Percentage of Covered Payroll.....	2.21%	2.65%	2.90%	2.68%	11.06%

### ***Investment Policy***

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

The Town's investment policies and investments related to the Town's retirement and deferred compensation funds are available upon request from the Town's Treasurer. Also see Note 3, "Deposits and Investments" of "Notes to Financial Statements".

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## **Liability Insurance**

The Town carries liability insurance in the amounts and for the coverages listed below:

<b>Commercial General Liability</b>		
General aggregate		\$3,000,000
Products/completed operations aggregate		3,000,000
Per occurrence		1,000,000
Personal and advertising injury		1,000,000
Fire Damage Limit		100,000
Medical payments		10,000
EMT First- Aid liability		Included
Teachers' liability		Included
School board liability (E&O)		Included
Employee benefit liability		Included
<b>Automobile Insurance</b>		
Limit of liability		1,000,000
Hire and no-owned autos		1,000,000
Uninsured motorist		1,000,000
Comprehensive deductible		\$500
Collision deductible		\$500
Personal injury protection		5,000
<b>Public Official's Liability</b>		
Wrongful Act		1,000,000
Aggregate		1,000,000
Deductible		10,000
<b>Law Enforcement Liability</b>		
Wrongful act		1,000,000
Aggregate		1,000,000
Deductible		5,000
<b>Educators Legal Liability</b>		
Wrongful act		1,000,000
Aggregate		1,000,000
Deductible		2,500
Umbrella Liability		10,000,000
(covers commercial general liability, public utility, law enforcement liability)		

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## General Fund Revenues and Expenditures

	<i>Adopted</i> <b>Budget <sup>1</sup></b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues:</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
Property Taxes .....	\$ 91,358,661	\$ 88,687,364	\$ 87,613,101	\$ 85,638,921	\$ 84,535,118	\$ 83,958,850
Intergovernmental .....	6,528,317	11,751,227	20,111,696	20,134,283	13,844,108	12,761,784
Income on Investments.....	400,000	727,158	323,153	45,381	335,773	(22,531)
Local and Other .....	2,076,371	2,147,898	2,340,441	1,418,335	2,202,732	1,518,454
<b>Total Revenues .....</b>	<b>100,363,349</b>	<b>103,313,647</b>	<b>110,388,391</b>	<b>107,236,920</b>	<b>100,917,731</b>	<b>98,216,557</b>
<b>Expenditures:</b>						
General Government .....	2,676,577	2,178,770	2,236,411	2,177,334	2,209,779	2,128,481
Planning and Development .....	653,487	584,322	547,117	541,257	512,953	491,362
Public Safety .....	5,274,762	4,799,775	4,659,219	4,507,777	4,401,081	4,213,975
Facility Management .....	4,390,602	3,997,642	3,842,045	3,919,551	3,776,791	3,911,678
Culture & Recreation .....	2,568,434	2,370,622	2,332,080	2,320,523	2,233,904	2,146,966
Health and Welfare .....	768,426	683,825	628,647	607,609	605,050	587,222
Fringe Benefits and Insurance .....	6,081,460	5,412,531	5,101,590	4,871,466	4,602,175	5,080,534
Education .....	71,427,410	74,482,066	81,917,402	80,381,153	74,054,959	71,510,265
Special Projects .....	-	-	-	-	-	-
Debt Service .....	5,227,284	4,063,100	4,880,219	5,638,175	5,536,272	6,166,818
Capital Outlays .....	-	-	-	-	-	-
<b>Total Expenditures .....</b>	<b>99,068,442</b>	<b>98,572,653</b>	<b>106,144,730</b>	<b>104,964,845</b>	<b>97,932,964</b>	<b>96,237,301</b>
Revenues over (under) expenditures .....	1,294,907	4,740,994	4,243,661	2,272,075	2,984,767	1,979,256
<b>Other Financing Sources Uses:</b>						
Refunding Bonds Issued.....	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent.....	-	-	-	-	-	-
Premium on Bonds.....	-	1,249,778	-	461,686	-	-
Issuance of Capital Leases.....	-	-	-	-	-	-
Operating Transfers In .....	971,483	445,063	108,989	239,095	101,446	444,358
Operating Transfers (Out) .....	(2,266,390)	(6,120,401)	(1,773,472)	(2,220,224)	(2,316,462)	(1,366,260)
<b>Total other Financing Sources (uses) .....</b>	<b>(1,294,907)</b>	<b>(4,425,560)</b>	<b>(1,664,483)</b>	<b>(1,519,443)</b>	<b>(2,215,016)</b>	<b>(921,902)</b>
<b>Revenues and other financing sources over (under) expenditures and other financing (uses) .....</b>	<b>\$ -</b>	<b>\$ 315,434</b>	<b>\$ 2,579,178</b>	<b>\$ 752,632</b>	<b>\$ 769,751</b>	<b>\$ 1,057,354</b>
<b>Fund Balance - Beginning .....</b>	<b>17,109,547</b>	<b>16,794,113</b>	<b>14,214,935</b>	<b>13,462,303</b>	<b>12,692,552</b>	<b>11,635,198</b>
<b>Fund Balance - Ending .....</b>	<b>\$ 17,109,547</b>	<b>\$ 17,109,547</b>	<b>\$ 16,794,113</b>	<b>\$ 14,214,935</b>	<b>\$ 13,462,303</b>	<b>\$ 12,692,552</b>

<sup>1</sup> Budgetary basis, subject to audit.

### 2019 – 2020 Budget

On May 14, 2019, the Town's Board of Finance adopted the FY20 operating budget in the amount of \$101,334,832 reflecting a 4.99% increase over the prior year. Major expenditure drivers included an increase in health insurance expenditures, a decrease in the interest rate assumption for all pension plans (including OPEB), true up of previously under budgeted expenditures, and accounting changes to reflect the full cost of services. Although the accounting changes show an increase to expenditures, there are offsetting revenues to fund the expenditure increases. The net increase to the Town of Simsbury budget is 3.58%. The resulting tax levy increase was proposed to be 2.47%.

**Municipal Budget Expenditures Cap:** Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. For fiscal year ending June 30, 2019, no Connecticut municipality, including the Town will receive a municipal revenue sharing grant.

### **Comparative Balance Sheets – General Fund**

<b>Assets</b>	<b>Actual 6/30/2019</b>	<b>Actual 6/30/2018</b>	<b>Actual 6/30/2017</b>	<b>Actual 6/30/2016</b>	<b>Actual 6/30/2015</b>
Cash and Cash Equivalents.....	\$ 12,681,398	\$ 9,514,209	\$ 6,890,049	\$ 6,685,090	\$ 6,193,992
Investments.....	3,198,359	6,147,266	8,232,129	8,361,156	8,185,895
Receivables.....	1,296,878	1,372,956	1,652,310	1,439,747	1,240,917
Due From Other Funds.....	2,792,657	2,410,249	468,037	252,174	115,870
Other Assets.....	35,789	61,835	14,663	19,325	2,950
<b>Total Assets.....</b>	<b>20,005,081</b>	<b>19,506,515</b>	<b>17,257,188</b>	<b>16,757,492</b>	<b>15,739,624</b>
<b>Liabilities and Fund Balance</b>					
<i>Liabilities</i>					
Accounts Payable.....	1,680,656	1,564,290	1,622,045	1,945,434	1,946,000
Unearned Revenue.....	50,628	22,949	-	-	-
<b>Total Liabilities.....</b>	<b>1,731,284</b>	<b>1,587,239</b>	<b>1,622,045</b>	<b>1,945,434</b>	<b>1,946,000</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue.....	1,164,080	1,125,150	1,301,791	1,172,886	1,012,755
Advance Property Tax Collections.....	170	13	118,417	176,869	88,317
<b>Total Deferred Inflows of Resources.....</b>	<b>1,164,250</b>	<b>1,125,163</b>	<b>1,420,208</b>	<b>1,349,755</b>	<b>1,101,072</b>
<b>Liabilities</b>					
Nonspendable.....	35,789	61,835	14,663	-	-
Restricted.....	-	-	-	-	-
Committed.....	385,000	385,000	385,000	427,598	639,000
Assigned.....	228,239	1,967,056	1,542,894	1,787,133	183,461
Unassigned.....	16,460,519	14,380,222	12,272,378	11,247,572	11,870,091
General Fund balance.....	17,109,547	16,794,113	14,214,935	13,462,303	12,692,552
<b>Total Liabilities &amp; Fund Balance.....</b>	<b>\$ 20,005,081</b>	<b>\$ 19,506,515</b>	<b>\$ 17,257,188</b>	<b>\$ 16,757,492</b>	<b>\$ 15,739,624</b>
Operating revenues.....	\$ 103,313,647	\$ 110,388,391	\$ 107,236,920	\$ 100,917,731	\$ 98,216,557
Fund balance as percent of operating revenues.....	16.6%	15.2%	13.3%	13.3%	12.9%
Unreserved/unassigned fund balance as percent of operating revenues.....	15.9%	13.0%	11.4%	11.1%	12.1%

## **SECTION VII – ADDITIONAL INFORMATION**

### ***Litigation***

The Town, its officers and its employees are defendants in a number of lawsuits. The ultimate disposition and fiscal consequences of these lawsuits are not presently determinable. The Town Attorney has reviewed the status of the pending litigation. It is the opinion of the Town Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town or settlement which would materially adversely affect its financial position.

### ***Documents Furnished at Delivery***

The original purchaser will be furnished the following documents when the Bonds are delivered:

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 and the Director of Finance/Treasurer 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 bids were awarded for the Bonds, 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. A 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. The Town of Simsbury has prepared an Official Statement for the Bonds which is dated January 30, 2020. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder fifty (50) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at the office of the Town's Municipal Advisor no later than seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Bonds. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchaser.

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

### ***Concluding Statement***

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Simsbury, 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.

By /s/ *Maria Capriola*

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Maria Capriola  
Town Manager

By /s/ *Amy Meriwether*

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Amy Meriwether  
Director of Finance/Treasurer

Dated as of January 30, 2020

## ***Appendix A***

### ***2019 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report***

The following includes the General Purpose Financial Statements of the Town of Simsbury, Connecticut for the fiscal year ended June 30, 2019. 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 J. Bernabe, Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

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## **Independent Auditors' Report**

To the Board of Finance  
Town of Simsbury, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Simsbury, 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, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of June 30, 2019 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Simsbury, 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 27, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund budget schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2018 financial statements. The accompanying General Fund budget schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budget schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the Town of Simsbury, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Simsbury, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Simsbury, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 12, 2019

**TOWN OF SIMSBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

The management of the Town of Simsbury, Connecticut (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- At the end of the fiscal year the town's unassigned general fund balance was \$16,460,519 or 16.70% of General Fund expenditures.
- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$109,866,359 for Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$35,124,446, an increase of \$8,271,461 in comparison with the prior year.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

The statement of net position presents information on all of the Town's assets and 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 a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, planning and development, public safety, facility management, culture and recreation, health, insurances, education, special projects and long-term debt.

The government-wide financial statements can be found on pages 14 and 15 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

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

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

The Town maintains 38 individual 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, Sewer Use Fund, BOE Programs Fund and the Capital Project Fund, all of which are considered to be major funds.

Data from the other 34 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 appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

**Proprietary Funds** - The Town maintains a Self-Insurance Fund to account for the self-insurance program for health insurance coverage for the Town and Board of Education employees.

The basic proprietary fund financial statements can be found on pages 20 to 22 of this report.

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

The basic fiduciary fund financial statements can be found on pages 23 to 24 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 70 of this report.

### **Required Supplementary Information**

This report contains certain supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees.

### **Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 88 to 109 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$109,866,359 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net position is its net investment in capital assets (e.g., land, buildings, machinery and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, 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.

### **NET POSITION - GOVERNMENTAL ACTIVITIES**

	<b>Governmental Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current assets	\$ 44,094,205	\$ 35,661,299
Capital assets, net of accumulated depreciation	131,700,179	136,365,558
Noncurrent assets	2,764,411	3,115,238
Total Assets	<u>178,558,795</u>	<u>175,142,095</u>
Deferred Outflow of Resources	<u>3,088,925</u>	<u>1,263,803</u>
Current liabilities	10,926,741	11,261,112
Noncurrent liabilities	59,069,529	51,453,186
Total Liabilities	<u>69,996,270</u>	<u>62,714,298</u>
Deferred Inflow of Resources	<u>1,785,091</u>	<u>2,865,242</u>
Net Position:		
Net investment in capital assets	97,592,854	104,065,426
Unrestricted	<u>12,273,505</u>	<u>6,760,932</u>
Total Net Position	<u>\$ 109,866,359</u>	<u>\$ 110,826,358</u>

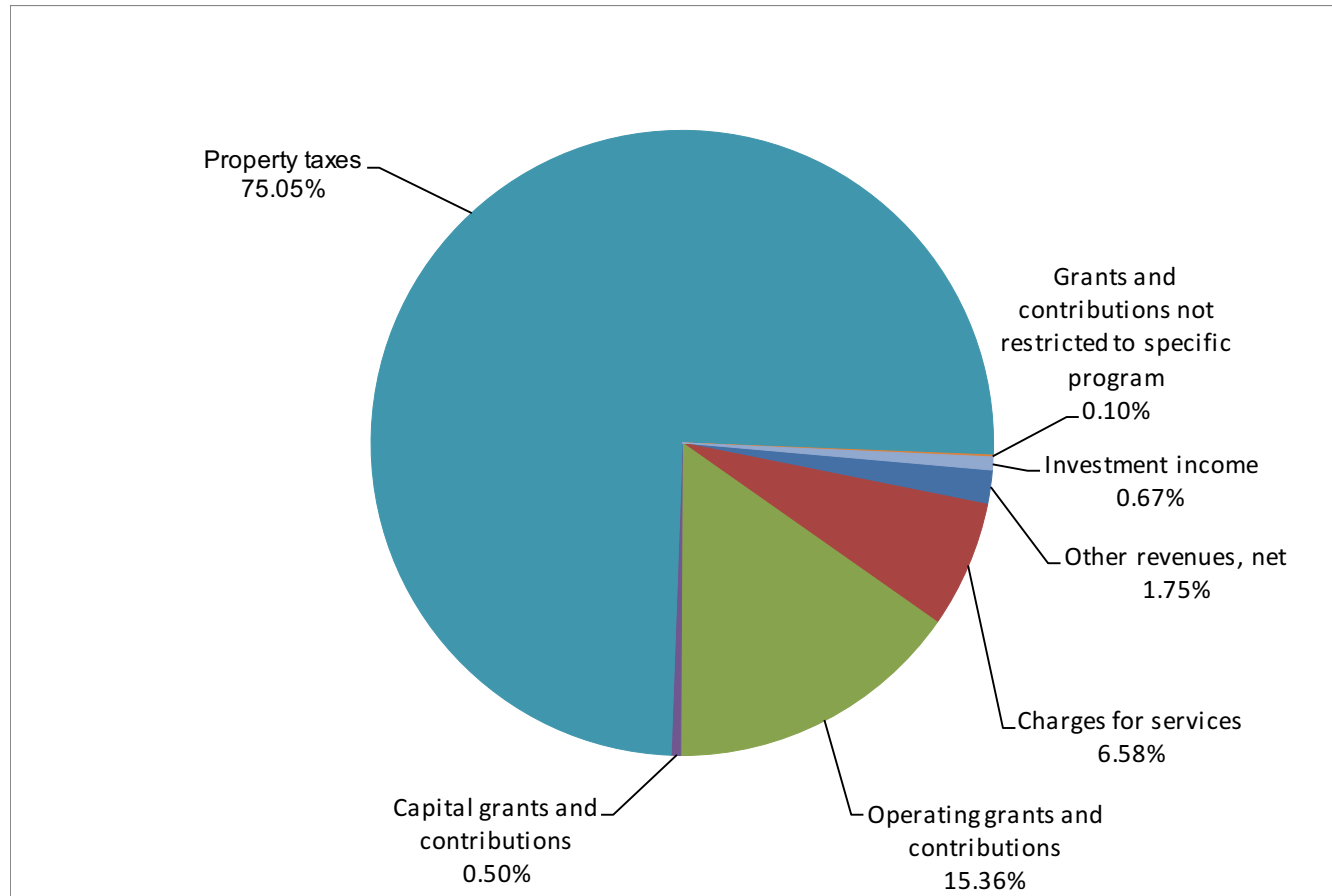
The government's net position decreased by \$959,999 or 0.86% during the current fiscal year from \$110,826,358 at June 30, 2018 to \$109,866,359 at June 30, 2019. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$12,273,505 at the end of this year compared to \$6,760,358 at the end of the prior year for an increase of \$5,512,573.

#### CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,774,076	\$ 8,274,100
Operating grants and contributions	18,159,589	26,413,295
Capital grants and contributions	593,816	781,726
General revenues:		
Property taxes	88,730,412	87,415,877
Grants and contributions not restricted to specific purpose	116,910	187,541
Unrestricted investment earnings	794,773	387,674
Other general revenues, net	2,064,349	1,033,041
Total revenues	<u>118,233,925</u>	<u>124,493,254</u>
Program expenses:		
General government	2,802,078	2,634,618
Planning and development	1,014,484	1,660,834
Public safety	6,058,746	5,559,388
Facility management	9,385,514	8,530,110
Culture and recreation	6,099,059	5,862,399
Health and welfare	965,885	909,646
Education	92,106,333	95,466,144
Interest on long-term debt	761,825	553,117
Total expenses	<u>119,193,924</u>	<u>121,176,256</u>
Change in net position	(959,999)	3,316,998
Net Position - July 1	<u>110,826,358</u>	<u>107,509,360</u>
Net Position - June 30	<u>\$ 109,866,359</u>	<u>\$ 110,826,358</u>

Total revenues were \$118,233,925 and \$124,493,254 for the years ended June 30, 2019 and 2018, respectively. Total cost of all programs and services were \$119,193,924, and \$121,176,256, respectively, for the years ended June 30, 2019 and 2018. Net position decreased by \$959,999 for the year ended June 30, 2019, while net position increased by \$3,316,998 for the year ended June 30, 2018.

## Revenue by Source - Governmental Activities



## Governmental Activities

Major revenue factors during the year include:

- Property taxes collected increased by \$1,314,535 or 1.5%.
- Charges for goods and services decreased by \$500,024 or (6%). Illustrated below is a comparison between 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$ 803,803	\$ 861,158	\$ (57,355)
Planning and development	40	20	20
Public safety	454,809	287,766	167,043
Facility management	4,047,484	4,450,358	(402,874)
Culture and recreation	1,498,999	1,694,672	(195,673)
Health and welfare	1,875	365	1,510
Education	967,066	979,761	(12,695)
	<u>\$ 7,774,076</u>	<u>\$ 8,274,100</u>	<u>\$ (500,024)</u>



- Operating Grants and contributions decreased by \$8,253,706:

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$ 329,563	\$ 586,655	\$ (257,092)
Planning and development	1,308,617	1,083,664	224,953
Public safety	19,263	5,593	13,670
Facility management	76,078	176,232	(100,154)
Culture and recreation	43,307	138,070	(94,763)
Health and welfare	390,954	192,154	198,800
Education	<u>15,991,807</u>	<u>24,230,927</u>	<u>(8,239,120)</u>
	<u>\$ 18,159,589</u>	<u>\$ 26,413,295</u>	<u>\$ (8,253,706)</u>

- Capital grants and contributions decreased by \$187,910. Illustrated below is a breakdown comparison between 2019 and 2018:

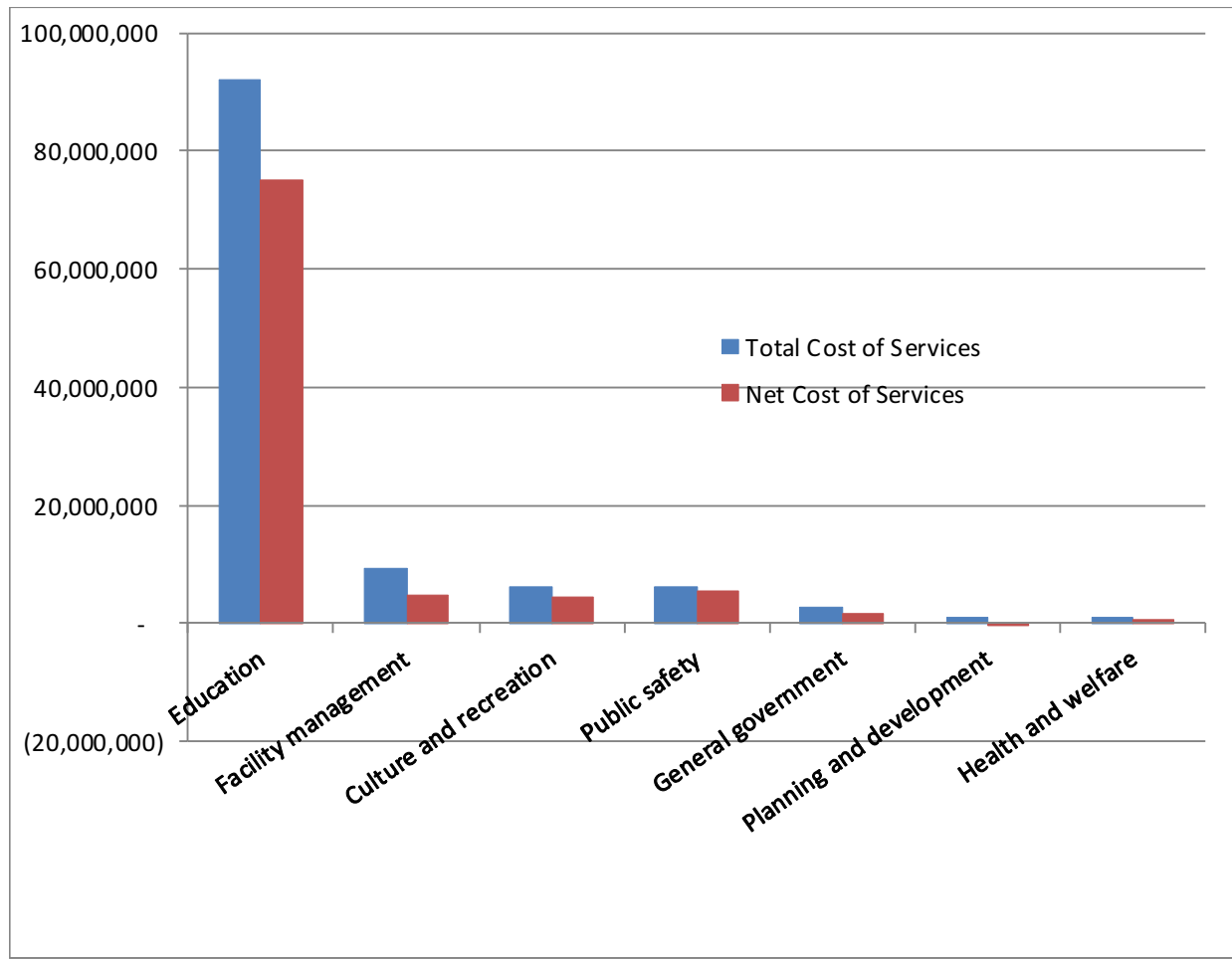
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$	\$	\$ -
Planning and development		30,495	(30,495)
Public safety			-
Facility management	510,734	751,231	(240,497)
Culture and recreation			-
Health and welfare			-
Education	<u>83,082</u>		<u>83,082</u>
	<u>\$ 593,816</u>	<u>\$ 781,726</u>	<u>\$ (187,910)</u>

The following table presents the cost of each of the Town's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**GOVERNMENTAL ACTIVITIES**  
**For the Year Ended June 30, 2019**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 2,802,078	\$ (1,668,712)
Planning and development	1,014,484	294,173
Public safety	6,058,746	(5,584,674)
Facility management	9,385,514	(4,751,218)
Culture and recreation	6,099,059	(4,556,753)
Health and welfare	965,885	(573,056)
Education	<u>92,106,333</u>	<u>(75,064,378)</u>
	<u>\$ 118,432,099</u>	<u>\$ (91,904,618)</u>

## **Expenses and Program Revenue - Governmental Activities**



## **Financial Analysis of the Government'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$35,124,446 representing an increase of \$8,271,461 or 30.8% in comparison with the prior year. Of this total amount, \$163,215 is non-spendable, \$1,478,410 is restricted by governmental grants, \$16,988,434 is committed by the Simsbury Board of Finance (Budget-Making Authority), \$228,239 is assigned and \$16,266,148 is unassigned. The \$16,266,148 unassigned fund balance is available for spending at the Town's discretion. The total unassigned fund balance is based on a positive general fund balance in that amount.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$16,460,519, while total fund balance was \$17,109,547. 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 fund expenditures. Of this total fund balance \$35,789 is non-spendable, \$228,239 is assigned, and \$385,000 is committed, with the balance being unassigned in the amount the \$16,460,519. The total fund balance of the Town's General Fund increased by \$315,434 during the current fiscal year and the unassigned fund balance increased by \$2,080,297.

The Sewer Use Fund has a fund balance of \$6,406,503 at the end of the year, an increase of \$1,468,646 from the prior year. A portion of the fund balance is to be used to help pay the debt service on the Waste Water Treatment Plant \$26.8 million renovation and expansion capital project. This project was funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. This project is completed and payments began on the 20-year, 2% loan program in September 2008. The loan will be repaid by future sewer user charges.

The Capital Project Fund has a fund balance of \$5,476,831 at the end of the year, representing an increase of \$6,133,126 over the prior year negative fund balance of (\$656,295). Fund balance increased as a result of borrowing for capital projects during the 2018/19 fiscal year.

Other nonmajor governmental funds have a total fund balance of \$5,324,664, representing an increase of \$286,710 from the prior year as illustrated.

<b>Nonmajor Governmental Funds</b>	<b>2019</b>	<b>2018</b>	<b>Variance</b>
Residential Rental Properties	\$ 340,995	\$ 303,322	\$ 37,673
Simsbury Farms Fund	73,202	31,826	41,376
General Government Program Fund	125,109	109,832	15,277
Public Safety Program Fund	440,022	357,799	82,223
Planning & Development Program Fund	379,022	366,022	13,000
Facilities Management Program Fund	1,220,450	1,114,151	106,299
Health & Welfare Program Fund	280,713	267,309	13,404
Culture & Recreation Program Fund	111,386	90,409	20,977
Sewer Assessment Fund	1,146,957	1,501,878	(354,921)
Cafeteria	185,170	145,144	40,026
State and Federal Education Grants	42		42
Capital and Nonrecurring Expenditures Fund	1,021,596	750,262	271,334
<b>Total</b>	<b>\$ 5,324,664</b>	<b>\$ 5,037,954</b>	<b>\$ 286,710</b>

### **General Fund Budgetary Highlights**

The original general fund budget including other financing sources and uses of \$96,518,369 was increased by \$2,841,137 to the final budget of \$99,359,506 due to the following:

- \$1,400,000 Transfer to the Health Insurance Fund
- \$1,000,000 Transfer to the Capital Reserve Fund
- \$557,300 Transfer to the following Special Revenue Funds
  - \$516,667 to the Simsbury Farms Fund
  - \$25,298 to the Hartford Charette Fund
  - \$13,000 to the Plan of Conservation & Development Grant Fund
  - \$2,335 to the Hazard Mitigation Fund

- \$250,000 Transfer to the Town Aid Road Fund
- \$120,000 Transfer to the Flower Bridge Capital Project Fund
- (\$89,670) budget savings in the contingency reserve line item
- (\$326,270) budget savings within the Public Works department, mainly related to \$259,209 in paving savings that was paid for by the Town Aid Road Fund
- (\$72,960) budget savings within the Police department, mainly related to salary savings

Overall revenues exceeded expenditures on a budgetary basis by \$565,672. Actual revenues were more than budgetary estimates by \$571,033 mainly related to the following:

- \$830,426 increased tax collections due to a conservative assumed collection rate
- \$829,109 in unexpected State grant funding
- \$552,158 in unexpected investment income
- \$468,463 in increased building department fees related to the early completion of a solar farm project
- \$51,646 received from the Town's insurance carrier as part of a members equity distribution
- \$1,249,778 bond premium revenue
- \$321,358 transfer in from the Capital Projects Fund
- (\$3,821,637) appropriation from fund balance that was not needed

Expenditures were less than budgetary estimates by \$5,341 due to slightly less than anticipated education expenditures.

### **Capital Asset and Debt Administration**

**Capital Assets** - The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2019 amounted to \$131,700,179. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net change in the Town's investment in capital assets for the current fiscal year was a decrease of \$4,665,379.

### **CAPITAL ASSETS (net of depreciation) June 30, 2019**

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Land	\$ 10,175,191
Development rights	11,725,000
Construction in progress	6,531,804
Buildings and improvements	84,646,217
Land improvements	1,393,862
Equipment	5,343,056
Infrastructure	<u>11,885,049</u>
	<u><u>\$ 131,700,179</u></u>

Additional information on the Town's Capital Assets can be found in Note 3C on page 39 of this report.

**Long-term Debt** - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$35,209,077, of which \$5,225,909 is due within one year. All of the debt is backed by the full faith and credit of the Town.

**OUTSTANDING DEBT**  
**June 30, 2019**

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General obligation bonds	\$ 25,550,000
Loan payable - Clean Water Fund	9,614,932
Loan payable - State of Connecticut	<u>44,145</u>
	<u>\$ 35,209,077</u>

The Town's total debt increased during the current fiscal year by \$3,930,595. This increase was the result new debt issued in the current fiscal year.

The Town has an "Aaa" rating from Standard and Poor's and Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$613,118,891 which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3E on pages 42 to 45 of this report.

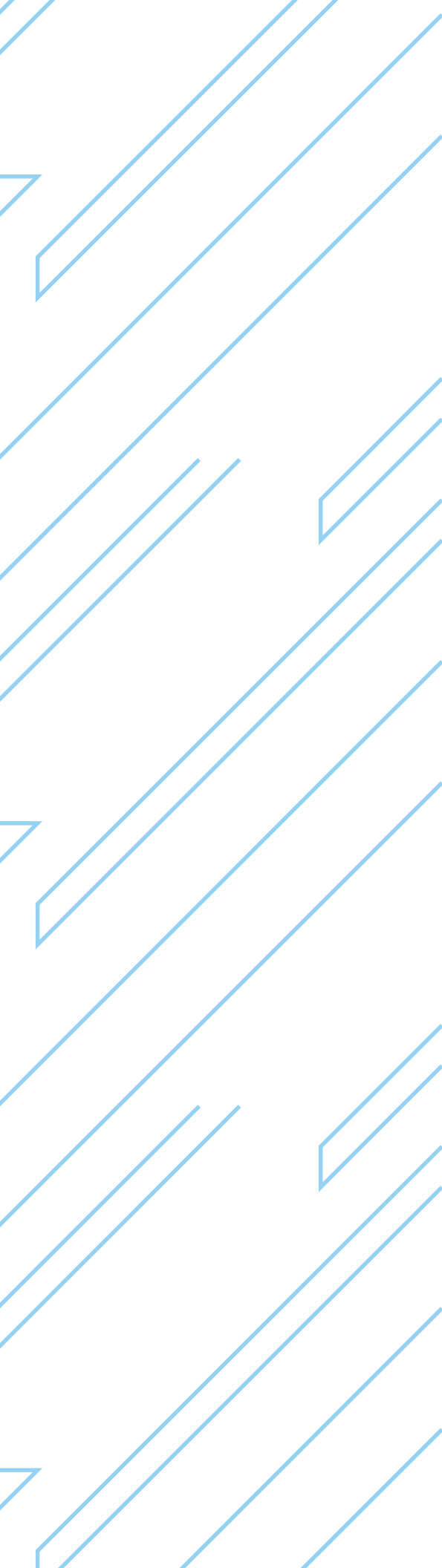
**Economic Factors and Next Year's Budgets and Rates**

The Town's elected Board of Finance considered many factors when setting the fiscal year 2019/20 budget spending guideline and mill rate. Factors included the economy, consumer price index, comparative town data, and the State budget situation. The current unemployment rate for the Town of Simsbury as of October 2019 was 2.5%, which is consistent with the prior year. This compares to the State's average unemployment rate of 3.6% and the national average rate of 3.6%.

**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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance/Treasurer for the Town of Simsbury.

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# **Basic Financial Statements**

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 36,149,795
Investments	3,734,055
Accounts receivable	3,294,157
Due from fiduciary funds	27,633
Loans receivable	350,827
Inventories	30,291
Other assets	507,447
Total current assets	<u>44,094,205</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	28,431,995
Depreciable, net	103,268,184
Loans receivable	2,764,411
Total noncurrent assets	<u>134,464,590</u>
Total assets	<u>178,558,795</u>
Deferred Outflows of Resources:	
Deferred outflows related to pension	2,963,427
Deferred outflows related to OPEB	86,810
Deferred charge on refunding	38,688
Total deferred outflows of resources	<u>3,088,925</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,192,826
Accrued interest payable	101,902
Unearned revenues	773,599
Bonds and loans payable	5,225,909
Compensated absences	886,413
Claims liability	741,092
Landfill closure	5,000
Total current liabilities	<u>10,926,741</u>
Noncurrent liabilities:	
Bonds and loans payable	32,606,616
Net pension liability	19,925,597
Net OPEB liability	6,051,733
Compensated absences	445,583
Landfill closure	40,000
Total noncurrent liabilities	<u>59,069,529</u>
Total liabilities	<u>69,996,270</u>
Deferred Inflows of Resources:	
Advance property tax collections	170
Advance sewer use collections	14,302
Deferred inflows related to pension	921,798
Deferred inflows related to OPEB	848,821
Total deferred inflows of resources	<u>1,785,091</u>
Net Position:	
Net investment in capital assets	97,592,854
Unrestricted	12,273,505
Total Net Position	<u>\$ 109,866,359</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Function/Program Activities</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Program Revenues</b>		<b>Capital Grants and Contributions</b>	<b>Net Revenues (Expenses) and Changes in Net Position</b>
			<b>Operating Grants and Contributions</b>			<b>Governmental Activities</b>
Primary Government:						
Governmental activities:						
General government	\$ 2,802,078	\$ 803,803	\$ 329,563	\$	\$	(1,668,712)
Planning and development	1,014,484	40	1,308,617			294,173
Public safety	6,058,746	454,809	19,263			(5,584,674)
Facility management	9,385,514	4,047,484	76,078		510,734	(4,751,218)
Culture and recreation	6,099,059	1,498,999	43,307			(4,556,753)
Health and welfare	965,885	1,875	390,954			(573,056)
Education	92,106,333	967,066	15,991,807		83,082	(75,064,378)
Interest on long-term debt	761,825					(761,825)
<b>Total Governmental Activities</b>	<b>\$ 119,193,924</b>	<b>\$ 7,774,076</b>	<b>\$ 18,159,589</b>	<b>\$</b>	<b>593,816</b>	<b>(92,666,443)</b>
General Revenues:						
Property taxes, levied for general purposes						88,730,412
Grants and contributions not restricted to specific programs						116,910
Investment earnings						794,773
Other general revenues						2,064,349
Total general revenues						91,706,444
Change in net position						(959,999)
Net Position at Beginning of Year						110,826,358
Net Position at End of Year						\$ 109,866,359

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General Fund	Sewer Use Fund	BOE Programs Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,681,398	\$ 6,498,353	\$ 2,697,968	\$ 5,794,878	\$ 6,155,179	\$ 33,827,776
Investments	3,198,359		535,696			3,734,055
Receivables, net	1,296,878	29,970	345,644	379,389	1,231,461	3,283,342
Due from other funds	2,792,657		22,633			2,815,290
Inventories					30,291	30,291
Other assets	35,789	2,060		45,523	95,075	178,447
Total Assets	<u>\$ 20,005,081</u>	<u>\$ 6,530,383</u>	<u>\$ 3,601,941</u>	<u>\$ 6,219,790</u>	<u>\$ 7,512,006</u>	<u>\$ 43,869,201</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 1,680,656	\$ 109,578	\$ 7,383	\$ 742,959	\$ 631,497	\$ 3,172,073
Due to other funds			2,787,657			2,787,657
Due to other governments					20,753	20,753
Unearned revenue	50,628				722,971	773,599
Total liabilities	<u>1,731,284</u>	<u>109,578</u>	<u>2,795,040</u>	<u>742,959</u>	<u>1,375,221</u>	<u>6,754,082</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	817,699					817,699
Unavailable revenue - property tax interest	346,381					346,381
Unavailable revenue - sewer assessments					790,382	790,382
Unavailable revenue - loans receivable					21,739	21,739
Advance sewer use collections		14,302				14,302
Advance property tax collections	170					170
Total deferred inflows of resources	<u>1,164,250</u>	<u>14,302</u>	<u>-</u>	<u>-</u>	<u>812,121</u>	<u>1,990,673</u>
Fund Balances:						
Nonspendable	35,789	2,060			125,366	163,215
Restricted			46,626		1,431,784	1,478,410
Committed	385,000	6,404,443	760,275	5,476,831	3,961,885	16,988,434
Assigned	228,239					228,239
Unassigned	16,460,519				(194,371)	16,266,148
Total fund balances	<u>17,109,547</u>	<u>6,406,503</u>	<u>806,901</u>	<u>5,476,831</u>	<u>5,324,664</u>	<u>35,124,446</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,005,081</u>	<u>\$ 6,530,383</u>	<u>\$ 3,601,941</u>	<u>\$ 6,219,790</u>	<u>\$ 7,512,006</u>	<u>\$ 43,869,201</u>

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**TOWN OF SIMSBURY, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

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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)	\$ 35,124,446
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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	\$ 242,147,238	
Less accumulated depreciation	<u>(110,447,059)</u>	
Net capital assets		131,700,179

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

Loans receivable	3,136,977
Property tax receivables greater than 60 days	1,164,080
Sewer assessments receivable	790,382
Interest receivable on sewer use receivable	10,815
Deferred outflows related to pension	2,963,427
Deferred outflows related to OPEB	86,810

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

1,909,927

Long-term liabilities, including deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(25,550,000)
Unamortized bond premium	(2,623,448)
Deferred charge on refunding	38,688
Clean Water Fund 2% loan	(9,614,932)
Notes payable	(44,145)
Interest payable on bonds	(101,902)
Compensated absences	(1,331,996)
Net pension liability	(19,925,597)
Net OPEB liability	(6,051,733)
Deferred inflows related to pension	(921,798)
Deferred inflows related to OPEB	(848,821)
Landfill liability	<u>(45,000)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u>109,866,359</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>BOE Programs Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Fund</u>
Revenues:						
Property taxes	\$ 88,687,364	\$	\$	\$	\$	\$ 88,687,364
Intergovernmental	11,751,227	419,964	361,513	279,869	6,401,628	19,214,201
Investment income (loss)	727,158	15,545	31,210		20,860	794,773
Charges for goods and services	626,542				2,892,059	3,518,601
Licenses and permits	1,310,154					1,310,154
Rental of town-owned property	156,406					156,406
Local revenues	54,796					54,796
Assessments		2,600,259			133,860	2,734,119
Other		1,042,918	280,643	354,729	386,059	2,064,349
Total revenues	<u>103,313,647</u>	<u>4,078,686</u>	<u>673,366</u>	<u>634,598</u>	<u>9,834,466</u>	<u>118,534,763</u>
Expenditures:						
Current:						
General government	2,178,770				45,187	2,223,957
Planning and development	584,322				363,265	947,587
Public safety	4,799,775				320,303	5,120,078
Facility management	3,997,642	1,972,826			282,231	6,252,699
Culture and recreation	2,370,622				2,165,831	4,536,453
Health and welfare	683,825				187,266	871,091
Fringe benefits and insurances	5,412,531					5,412,531
Education	74,482,066		605,821		6,225,011	81,312,898
Capital outlay				5,377,569	984,755	6,362,324
Debt service:						
Principal payments	3,365,000	1,061,375			8,628	4,435,003
Interest and other	698,100	203,832		101,527		1,003,459
Total expenditures	<u>98,572,653</u>	<u>3,238,033</u>	<u>605,821</u>	<u>5,479,096</u>	<u>10,582,477</u>	<u>118,478,080</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,740,994</u>	<u>840,653</u>	<u>67,545</u>	<u>(4,844,498)</u>	<u>(748,011)</u>	<u>56,683</u>
Other Financing Sources (Uses):						
Transfers in	445,063	1,213,097		3,867,754	1,723,101	7,249,015
Transfers out	(6,120,401)	(585,104)		(1,255,130)	(688,380)	(8,649,015)
Premium on bond issuance	1,249,778					1,249,778
Bond issuance				8,365,000		8,365,000
Total other financing sources (uses)	<u>(4,425,560)</u>	<u>627,993</u>	<u>-</u>	<u>10,977,624</u>	<u>1,034,721</u>	<u>8,214,778</u>
Net Change in Fund Balances	315,434	1,468,646	67,545	6,133,126	286,710	8,271,461
Fund Balances at Beginning of Year	<u>16,794,113</u>	<u>4,937,857</u>	<u>739,356</u>	<u>(656,295)</u>	<u>5,037,954</u>	<u>26,852,985</u>
Fund Balances at End of Year	<u>\$ 17,109,547</u>	<u>\$ 6,406,503</u>	<u>\$ 806,901</u>	<u>\$ 5,476,831</u>	<u>\$ 5,324,664</u>	<u>\$ 35,124,446</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

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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)	\$ 8,271,461
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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	3,749,668
Depreciation expense	(5,743,833)
Loss on disposal of capital assets	(2,671,214)

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

Property taxes collected after 60 days	38,930
Sewer assessment revenue	(77,583)
Loans receivable	(343,886)
Sewer use interest receivable	4,118

Deferred outflows related to pension	1,752,981
Deferred outflows related to OPEB	142,501

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

Bond issuance	(8,365,000)
Premium on bonds issued	(1,249,778)
Premium amortization	214,892
Accrued interest	42,009
Principal payments	4,434,405
Pension liability	(3,217,960)
OPEB liability	(90,907)

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

Amortization of deferred charge on refunding	(14,669)
Deferred inflows related to pension	434,320
Deferred inflows related to OPEB	151,575
Change in long-term compensated absences	(80,703)
Other - landfill	5,000

The net profit (loss) of the internal service funds is reported with governmental activities.	<u>1,653,674</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (959,999)</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**

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	<b>Governmental</b> <b>Activities</b> <b>Health</b> <b>Insurance</b> <b>Fund</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,322,019
Prepaid items	<u>329,000</u>
Total current assets	<u>2,651,019</u>
Liabilities:	
Current liabilities:	
Claims incurred but not reported	<u>741,092</u>
Net Position:	
Unrestricted	\$ <u><u>1,909,927</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities Health Insurance Fund</b>
Operating Revenues:	
Charges for services	\$ 13,984,140
Other operating revenue	483,286
Total operating revenues	<u>14,467,426</u>
Operating Expenses:	
Claims incurred	13,235,164
Administration and stop loss insurance fees	978,588
Total operating expenses	<u>14,213,752</u>
Operating Income	253,674
Transfers In	<u>1,400,000</u>
Change in Net Position	1,653,674
Net Position at Beginning of Year	<u>256,253</u>
Net Position at End of Year	<u><u>\$ 1,909,927</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities Health Insurance Fund</b>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 14,467,426
Payments to employees	(15,322,279)
Net cash provided by (used in) operating activities	<u>(854,853)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from (to) other funds	<u>1,400,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	545,147
Cash and Cash Equivalents at Beginning of Year	<u>1,776,872</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,322,019</u></u>
Reconciliation of Operating (Income) Loss to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>253,674</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	40
(Increase) decrease in prepaid items	40,583
Increase (decrease) in accounts payable	(6,245)
Increase (decrease) in claims payable	<u>(1,142,905)</u>
Total adjustments	<u>(1,108,527)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (854,853)</u></u>

The accompanying notes are an integral part of the financial statements



**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 904,961	\$ 1,221,234
Investments, at fair value:		
Mutual funds	78,409,636	
Private equity funds	3,740,304	
Accounts receivable	<u>70,148</u>	
		<u>                    </u>
Total assets	<u>83,125,049</u>	\$ <u><u>1,221,234</u></u>
Liabilities:		
Accounts payable	28,174	\$
Due to student groups and others		1,193,601
Due to other funds	<u>                    </u>	<u>27,633</u>
		<u>                    </u>
Total liabilities	<u>28,174</u>	\$ <u><u>1,221,234</u></u>
Net Position Restricted for Pension and Other Post Employee Benefits	<u><u>\$ 83,096,875</u></u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 3,781,738
Plan members	<u>1,104,062</u>
Total contributions	<u>4,885,800</u>
Investment earnings:	
Change in fair value of investments	2,460,776
Interest	<u>2,009,675</u>
Total investment gain (loss)	<u>4,470,451</u>
Less investment expenses:	
Investment management fees	<u>129,676</u>
Net investment gain (loss)	<u>4,340,775</u>
Total additions	<u>9,226,575</u>
Deductions:	
Benefits	5,468,893
Administrative expense	<u>169,361</u>
Total deductions	<u>5,638,254</u>
Net Change in Net Position	3,588,321
Net Position at Beginning of Year	<u>79,508,554</u>
Net Position at End of Year	<u><u>\$ 83,096,875</u></u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town of Simsbury, Connecticut (the Town) operates under a charter as revised November 8, 2016, effective December 4, 2017. The Town is governed by an elected Board of Selectmen consisting of a first selectman and five other members, an elected eight-member Board of Education, and an elected six-member Board of Finance.

The Board of Selectmen appoints a Town Manager who shall be the chief executive and the administrative official of the Town and shall serve at the pleasure of the Board of Selectmen. The Town Manager is appointed on the basis of executive and administrative qualifications, character, education, training and experience. The Town Manager devotes full working time to the duties of the office.

The Town Manager is responsible to the Board of Selectmen for carrying out all acts and policies of the Board of Selectmen, and all resolutions and ordinances adopted by the Town. The Town Manager is responsible for the administration of the Town consistent with the policies established by the Board of Selectmen and for carrying out such other duties and responsibilities as set forth in the Charter.

The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 61 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) 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 which 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 GAAP as applied to government units. The 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. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated as part of the program expense reported for individual functions and activities and are not eliminated in the process of consolidation. 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. 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. Agency funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

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

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 compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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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 required to be accounted for in another fund.

The *Sewer Use Fund* is the sewer treatment plant primary operating fund. It accounts for all financial resources associated with the operations of the sewer treatment plant. The major sources of revenue for this fund is sewer assessments and use charges.

The *Board of Education Program Fund* accounts for Board of Education programs including district activity for the Kathleen Magowan Revocable Trust, the Farmington Valley Transitional Academy, and other scholarship donations, gifts and distributions of trust income.

The *Capital Project Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Project Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

Additionally, the Town reports the following fund types:

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 Town's defined benefit plans and the Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for pension benefit and other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town on behalf of students.

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 Town's proprietary funds are charges to the Town and its employees for medical insurance premiums. Operating expenses for the fund include the cost of claims and administrative expenses. 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 Town'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 and Prepaid Items**

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

**F. Receivables and Payables**

**Due from/to Other Funds**

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

**Loans Receivable**

Loans receivable in the Planning and Development Program Fund are related to small cities loans. Loans receivable in the governmental activities are due from participating municipalities for their portion of the waste water treatment plant renovation and expansion capital project. Loans receivable are recorded and revenues recognized as earned.

**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 government as assets with an initial individual cost of more than \$10,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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.

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

<b>Assets</b>	<b>Years</b>
Infrastructure:	
Roads	30-50
Sewer Lines and Water Lines	50
Bridge/Large Culverts	30-50
Dams	50
Land and Buildings:	
Land	-
Buildings	50 -75
Construction in progress	-
Vehicles and Equipment:	
Fire Equipment	20-25
Ambulances	5
Construction Equipment	5
Machinery and Equipment	3-10
Vehicles	3-15

#### **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 and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pension and OPEB result from differences between expected and actual experience or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 pension and OPEB in the government-wide statement of net position. The Town also reports advance property tax collections and advance sewer use collections, in the government-wide statement of net position and in the governmental funds balance sheet. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). Advance property tax collections and advance sewer use collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in 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 several sources: property taxes, property tax interest, sewer assessment and loans receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), 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.

#### **J. Net Other Post Employment (OPEB) Liability**

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

#### **K. Long-Term Obligations**

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



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.

#### **L. Compensated Absences and Termination Benefits**

Employees are paid by prescribed formula for absence due to vacation or sickness. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **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**

Restrictions 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 assets under restriction.

##### **Unrestricted Net Position**

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

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

##### **Nonspendable Fund Balance**

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

##### **Restricted Fund Balance**

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

##### **Committed Fund Balance**

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

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**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the finance director or the Board of Finance which have been delegated authority to assign amounts by the Town Charter.

**Unassigned Fund Balance**

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

**N. Property Taxes**

The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach property does not exist until July 1. Real and personal property tax bills in excess of \$100 are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year. Motor vehicle taxes are payable in one installment on July 1.

Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. 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 deferred 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 year's 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 GAAP 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**

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund and Simsbury Farms Fund are authorized annually by the Board of Finance. Annual budgets are not adopted for Special Revenue Funds other than the Sewer Use Fund, Residential Rental Properties Fund and Simsbury Farms Fund.

The annual budget making process is outlined in Chapter IV of the Simsbury Town Charter, "The Board of Selectmen" and in Chapter VIII, "Finance and Taxation", according to the following schedule:

- |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| By January 31 | The head of each department, office, or agency of the Town except the Board of Education files with the Director of Finance a detailed estimate of the expenditures to be made by such department, office, or agency and the revenues, other than tax revenue, to be collected thereby in the ensuing fiscal year.                                                                                                                                                    |
| By March 1    | The Director of Finance compiles department estimates for the annual budget and under the direction of the First Selectman presents to the Board of Selectmen the completed budget of all boards, offices, and agencies, except the Board of Selectmen.                                                                                                                                                                                                               |
| By March 15   | The Board of Education presents its budget to the Director of Finance, the Board of Finance and the Board of Selectmen.                                                                                                                                                                                                                                                                                                                                               |
| By March 31   | The Board of Selectmen presents to the Board of Finance a budget for all departments, offices, and agencies of the Town, except the Board of Education, consisting of: (a) a budget message; (b) estimates of revenue; and (c) itemized estimates of expenditures. As part of the budget the First Selectman presents a program approved by the Board of Selectmen of proposed capital projects for the ensuing fiscal year and the five (5) fiscal years thereafter. |

The Board of Finance holds one or more public hearings the first of which must be held not later than the tenth day of April at which time any Elector or taxpayer has an opportunity to be heard. The Board of Finance, by resolution adopted by an affirmative vote of at least four (4) members after holding the final public hearing, and no more than ten (10) days after the final public hearing, approve a budget and file the same with the Town Clerk for submission to the Automatic Referendum for its adoption. Should the Board of Finance fail to approve a budget no more than ten (10) days after such final public hearing, the budget as transmitted by the Board of Selectmen and by the Board of Education is deemed to have been finally approved by the Board of Finance.

The annual budget becomes effective only after it has been approved by resolution of the Board of Finance and adopted at an automatic referendum held following the final public hearing by a majority vote at such referendum. The Board of Finance, within five (5) days following the adoption of the budget by referendum, fixes the tax rate in mills which is levied on all taxable property in the Town for the ensuing fiscal year. Should the budget not be approved at referendum, the Board of Finance, in cooperation with the First Selectman, revises the budget for presentation at a subsequent public hearing and referendum. If the Budget remains unaccepted at the second referendum, the adopted budget for the then current fiscal year becomes the temporary budget on a month-to-month basis until a new budget is adopted.

**TOWN OF SIMSBURY, CONNECTICUT  
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Upon request of the Board of Selectmen, during the last six months of the fiscal year, the Board of Finance may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another, except for the Board of Education. No transfer shall be made from any appropriation for debt service and other statutory charges.

For management purposes, the Board of Finance is authorized to transfer the legally budgeted amounts between department accounts. In this function, departmental budget accounts serve as the legal level of control for the General Fund. The legal level of budgetary control is at the fund level for the Sewer Use, Residential Rental Properties and Simsbury Farms funds.

All unencumbered appropriations lapse at year end, except those for capital projects and special revenue funds. Appropriations for these expenditures are continued until completion of applicable projects, which often last more than one fiscal year.

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Summarizations of the amended General Fund budgets approved by the Board of Finance for the "budgetary" general and certain special revenue funds are presented in the required supplementary information. During the year there were \$2,841,137 of supplemental budgetary appropriations, of which \$1,019,500 were made from additional revenue and \$1,821,637 were made from General Fund unappropriated and unencumbered surplus.

### **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) and the State Tax Exempt Proceeds Fund (TEPF). 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.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$25,504,135 of the Town's bank balance of \$28,563,117 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 22,919,038
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,585,097</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 25,504,135</u></u>

**Cash Equivalents**

At June 30, 2019, the Town's cash equivalents amounted to \$12,840,571. 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. The pools all have maturities of less than one year.

	<u><b>Standard &amp; Poor's</b></u>
State Short-Term Investment Fund (STIF)	AAAm
Morgan Stanley - Money Market	*

\* Not rated

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Investments**

As of June 30, 2019, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities		
			Less Than 1	1-10	More Than 10
U.S. Government Securities	Aaa	\$ 500,096	\$ 500,096	\$	\$
Certificates of deposit*	N/A	2,698,263	<u>2,448,166</u>	<u>250,097</u>	<u></u>
Other investments:			<u>\$ 2,948,262</u>	<u>\$ 250,097</u>	<u>\$ -</u>
Mutual funds	N/A	78,945,332			
Private Equity Funds	N/A	<u>3,740,304</u>			
Total Investments		<u>\$ 85,883,995</u>			

\*Included in FDIC insurance.

**Investment Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The State of Connecticut STIF Investments are 2a-7 like pools.

**Credit Risk**

The Town's investment policy limits its investments to those in conformance with State Statutes governing qualified public depositories.

**Concentration of Credit Risk**

Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least 10% of the portfolio shall be invested in overnight instruments or in marketable securities, which can be sold to raise cash in one day's notice.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Fair Value**

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, 2019:

	<u>June 30, 2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 500,096	\$ 500,096	\$	\$
Mutual Funds	<u>78,945,332</u>	<u>78,945,332</u>		
Total investments measured at fair value	79,445,428	<u>\$ 79,445,428</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Cornerstone Patriot Fund LP	3,740,304			
Investments not included above:				
Certificates of deposit	<u>2,698,263</u>			
Total Investments	<u>\$ 85,883,995</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.

Private equity funds - international are valued as described in the following schedule.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Cornerstone Patriot Fund LP	\$ 3,740,304	\$ -	Quarterly	60 days

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Interest Rate Risk**

The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Except for CNR and Risk Management Funds, funds of the Town shall be invested in instruments whose maturities do not exceed 270 days at the time of purchase, unless a temporary extension of maturities is approved by the Board of Finance.

The Pension Trust Funds are also authorized to invest in corporate bonds, domestic common stocks and domestic equity real estate. The investments of this fund are held in Trust by a Trustee Bank, which executes investment transactions under the direction of the Pension Plans' investment manager.

**B. Receivables**

Receivables at year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer Use Fund</u>	<u>BOE Programs Fund</u>	<u>Capital Projects Fund</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 162,367	\$ 5,400		\$ 1,278	\$ 165,656	\$ 334,701
Property taxes	853,130					853,130
Interest receivable	346,381					346,381
Special assessments		24,570			790,382	814,952
Due from other governments			345,644	378,111	345,571	1,069,326
Gross receivables	<u>1,361,878</u>	<u>29,970</u>	<u>345,644</u>	<u>379,389</u>	<u>1,301,609</u>	<u>3,418,490</u>
Less allowance for uncollectibles	<u>65,000</u>					<u>65,000</u>
Total Net Receivables*	<u>\$ 1,296,878</u>	<u>\$ 29,970</u>	<u>\$ 345,644</u>	<u>\$ 379,389</u>	<u>\$ 1,301,609</u>	<u>\$ 3,353,490</u>

\* Sewer interest of \$10,815 is recorded in the government-wide statements.



**TOWN OF SIMSBURY, CONNECTICUT**  
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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,175,191	\$	\$	\$ 10,175,191
Development rights	11,725,000			11,725,000
Construction in progress	6,546,189	4,017,583	4,031,968	6,531,804
Total capital assets not being depreciated	<u>28,446,380</u>	<u>4,017,583</u>	<u>4,031,968</u>	<u>28,431,995</u>
Capital assets being depreciated:				
Buildings and improvements	144,705,139	152,897	116,747	144,741,289
Land improvements	7,583,887	400,283	204,734	7,779,436
Equipment	20,933,443	1,911,299	1,980,691	20,864,051
Infrastructure	44,928,619	1,299,574	5,897,726	40,330,467
Total capital assets being depreciated	<u>218,151,088</u>	<u>3,764,053</u>	<u>8,199,898</u>	<u>213,715,243</u>
Less accumulated depreciation for:				
Buildings and improvements	56,630,905	3,495,218	31,051	60,095,072
Land improvements	6,275,358	190,259	80,043	6,385,574
Equipment	15,868,287	1,217,958	1,565,250	15,520,995
Infrastructure	31,457,360	840,398	3,852,340	28,445,418
Total accumulated depreciation	<u>110,231,910</u>	<u>5,743,833</u>	<u>5,528,684</u>	<u>110,447,059</u>
Total capital assets being depreciated, net	<u>107,919,178</u>	<u>(1,979,780)</u>	<u>2,671,214</u>	<u>103,268,184</u>
Governmental Activities Capital Assets, Net	<u>\$ 136,365,558</u>	<u>\$ 2,037,803</u>	<u>\$ 6,703,182</u>	<u>\$ 131,700,179</u>

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

Governmental activities:	
General government	\$ 313,799
Education	2,468,271
Public safety	127,026
Facility management	2,062,392
Culture and recreation	720,624
Health and welfare	<u>51,721</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,743,833</u>

The capitalization policy was changed effective for the year ended June 30, 2019 which raised the threshold for asset capitalization to \$10,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure. Assets under the threshold amounts were written off for the year ended June 30, 2019.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Construction Commitments**

The government has active construction projects as of June 30, 2019. The following is a summary of capital projects as of June 30, 2019:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
<u>Sewer Extension Projects:</u>		
Project 2010	\$ 260,000	\$ 238,810
Sewer Main Extensions	371,000	269,463
Hopmeadow/Center Area Sewer repairs	135,000	-
Portable Generator	80,000	35,813
Hopmeadow/Center Area Sewer Repairs	100,000	-
36 Drake Hill Rd Dike Analysis	75,000	-
Phosphorus Removal Analysis	150,000	-
Tariffville Area Sewer	100,000	-
WPC Plan update	100,000	-
Jet/Flush Truck	175,000	-
Tariffville Sewer	100,000	-
Primary Clarifier	75,000	-
Plant H2O Sys Rehab	80,000	-
<u>Town Projects:</u>		
Town Security Measures	77,600	46,384
Open Space - Betty Hudson Property	275,000	247,816
Senior/Community Center Design	321,699	163,596
Bridge Improvements (Design-FY15)	115,000	67,393
Technology Infrastructure	635,395	495,359
Weatogue Planning Route 10 and Code Prep	57,000	-
Town Hall Site and Safety Improvements	45,000	13,620
Portable Generator / Generator Infrastructure	80,000	79,418
Project Planning Fund	28,000	9,800
Multi-Use Connections & Master Plan Updates	1,160,000	129,328
Open Space Planning Improvements	705,410	110,819
Street Lighting Purchase / Lighting Improvements	937,322	875,790
Dam Evaluations and Repairs	220,000	108,105
Public Works Complex Infrastructure Improvements	700,000	184,093
Town Hall Site and Safety Improvements	385,000	4,673
Portable Generator Infrastructure	175,000	74,773
Land Use Studies	92,500	19,246
Storage Building	65,000	-
Street Lighting Purchase / Lighting Improvements	400,000	4,855
Finance Security Upgrades	230,000	76,643
Eno Memorial Hall Renovations	300,000	261,348
Cold Storage Facility	380,000	4,612
Town Facilities Master Plan	400,000	13,495
Library Interior/Parking Renovations	584,500	125,106
Library Lower Level Improvements	906,048	683,139
Zoning Regulation Update	65,000	5,000
Bridge Improvements	805,000	28,991
Sidewalk Resurface	250,000	24,542
Multi-Use Trail	1,020,000	-
Highway Pavement Management	845,000	816,820
Greenway Improvements	275,000	26,538
Fencing at Bandshell (PAC)	100,000	-

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Education Projects:

HJMS Phase 1A	1,255,000	1,168,300
SHS Turf Field Replacement	910,000	862,911
Squadron Line Main Office Project	1,050,000	868,830
Climate Control Phases 1 (FY16) & 2 (FY17)	3,100,000	2,248,988
Central School Roof Replacement	770,000	620,603
HJMS Renovation - Phase 2	1,950,000	1,751,859
SHS Tennis Court Replacement	740,000	565,214
Boiler Replacement Latimer	900,000	-
School Security Improvements	850,000	480,155
School Facility Master Plan	200,000	43,647
District Network Infrastructure	400,000	150,657
HJMS Renovation - Phase 3	23,965,620	1,437,414

Capital Nonrecurring Projects:

Ceiling/Floor Replacement	120,000	140,698
Communications Equipment	20,000	17,848
Consultant	40,000	39,796
DWW Expenses	25,000	44,027
HVAC Modifications	35,000	9,571
Machinery & Equipment	126,400	114,627
Plumbing Modifications	45,000	33,235
Mowers	103,000	98,232
Park Improvements	40,000	4,832
Police Vehicles	293,000	304,348
Renovations - Exterior	233,000	163,094
Renovations - Interior	327,700	72,463
Road Improvements	601,261	477,375
School Buses	1,096,000	739,057
Tech & Program Equipment	43,850	18,373
Trucks	454,250	456,394

Total	\$ 54,130,555	\$ 18,177,936
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The commitments are being financed with general obligation bonds, state and federal grants, and general fund transfers.

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	BOE Programs Fund	\$ 2,787,657
General Fund	Agency Funds	5,000
BOE Programs Fund	Agency Funds	22,633
		<u>\$ 2,815,290</u>

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

**TOWN OF SIMSBURY, CONNECTICUT**  
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Interfund transfers:

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Transfers Out</u>
Transfer out:						
General Fund	\$	\$	\$ 2,997,300	\$ 1,723,101	\$ 1,400,000	\$ 6,120,401
Sewer Use Fund	110,917		474,187			585,104
Capital Project Fund	215,213	691,760	348,157			1,255,130
Nonmajor Governmental Funds	118,933	521,337	48,110			688,380
Total Transfers In	<u>\$ 445,063</u>	<u>\$ 1,213,097</u>	<u>\$ 3,867,754</u>	<u>\$ 1,723,101</u>	<u>\$ 1,400,000</u>	<u>\$ 8,649,015</u>

Interfund transfers arose from transferring monies to fund operating activities.

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2019 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 and loans payable:					
General obligation bonds	\$ 20,550,000	\$ 8,365,000	\$ 3,365,000	\$ 25,550,000	\$ 4,135,000
Premium on bonds issued	1,588,562	1,249,778	214,892	2,623,448	
Loans payable - Clean Water Fund	10,676,307		1,061,375	9,614,932	1,082,798
Loan payable - State of Connecticut	52,175		8,030	44,145	8,111
Total bonds and loans payable	32,867,044	9,614,778	4,649,297	37,832,525	5,225,909
Pension liability	16,707,637	3,217,960		19,925,597	
OPEB liability	5,960,826	90,907		6,051,733	
Compensated absences	1,251,293	1,024,912	944,209	1,331,996	886,413
Landfill closure	50,000		5,000	45,000	5,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 56,836,800</u>	<u>\$ 13,948,557</u>	<u>\$ 5,598,506</u>	<u>\$ 65,186,851</u>	<u>\$ 6,117,322</u>

Compensated absences and other long-term liabilities are generally liquidated by the General Fund.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**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. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2019</u>
Bonds payable:						
General Bonds	3/19/2013	5,555,000	1.50%	3/1/2023	550,000-560,000	\$ 2,200,000
General Bonds	6/30/2015	9,060,000	2.00-4.00%	7/15/2025	635,000-1,595,000	5,260,000
General Bonds	6/29/2017	10,940,000	2.00-5.00%	6/15/2027	1,215,000-1,220,000	9,725,000
General Bonds	6/27/2019	8,365,000	4.00-5.00%	6/15/2029	775,000-850,000	<u>8,365,000</u>
Total Bonds Payable						<u>\$ 25,550,000</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>
2020	\$ 4,135,000	\$ 960,833	\$ 5,095,833
2021	3,705,000	825,375	4,530,375
2022	3,225,000	686,050	3,911,050
2023	3,250,000	550,400	3,800,400
2024	2,700,000	413,500	3,113,500
2025-2028	<u>8,535,000</u>	<u>706,250</u>	<u>9,241,250</u>
	<u>\$ 25,550,000</u>	<u>\$ 4,142,408</u>	<u>\$ 29,692,408</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Clean Water Fund Loan**

The Town's Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project was funded by the State of Connecticut Clean Water Fund 2% Loan and Grant program. The loan will be repaid by future sewer user charges.

Annual debt service requirements to maturity for the Clean Water Fund loan are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,082,798	\$ 182,409	\$ 1,265,207
2021	1,104,654	160,553	1,265,207
2022	1,126,951	138,256	1,265,207
2023	1,149,698	115,510	1,265,208
2024	1,172,903	92,304	1,265,207
2025-2028	<u>3,977,928</u>	<u>133,996</u>	<u>4,111,924</u>
	<u>\$ 9,614,932</u>	<u>\$ 823,028</u>	<u>\$ 10,437,960</u>

The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion capital project. The total loan receivable at June 30, 2019 was \$3,115,238. Current year principal payments received by the Town totaled \$343,886.

**Project Loan**

The project loan obligation was issued by the State of Connecticut Department of Housing. The loan proceeds financed the Eno Farmhouse Renovation Project. The original loan balance was \$220,638 on June 10, 1994, with an interest rate of 1%. The obligation will be paid from future taxation.

Project loan obligations payable to the State of Connecticut mature as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 8,111	\$ 411	\$ 8,522
2021	8,192	330	8,522
2022	8,275	247	8,522
2023	8,358	164	8,522
2024	8,441	81	8,522
2025-2028	<u>2,768</u>	<u>9</u>	<u>2,777</u>
	<u>\$ 44,145</u>	<u>\$ 1,242</u>	<u>\$ 45,387</u>

**Authorized But Unissued Bonds**

The total of authorized but unissued bonds (net of projected grants) at June 30, 2019 is \$30,652,168.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Debt Limitation**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 197,073,929	\$ 21,713,475	\$ 175,360,454
Schools	394,147,859	34,532,838	359,615,021
Sewers	328,456,549	9,614,932	318,841,617
Urban Renewal	284,662,342		284,662,342

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$613,118,891.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding.

**F. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
		<u>Sewer Use Fund</u>	<u>BOE Programs Fund</u>		
Fund balances:					
Nonspendable:					
Inventory	\$ 35,789	\$ 2,060		\$ 30,291	\$ 30,291
Prepaid expenditures				95,075	132,924
Restricted for:					
Education trusts			46,626		46,626
Facilities management trusts				1,350,598	1,350,598
Health and welfare trusts				81,144	81,144
Education grants				42	42
Committed to:					
Sewer use		6,404,443			6,404,443
Sewer assessment			760,275	1,146,957	1,907,232
Education	385,000			154,879	539,879
General government				466,104	466,104
Public safety				440,022	440,022
Recreation				160,537	160,537
Planning and development				379,022	379,022
Health and welfare				199,569	199,569
Capital projects			5,476,831	1,014,795	6,491,626
Assigned to:					
Education	124,425				124,425
Culture and recreation	5,240				5,240
Public safety	10,653				10,653
General Government	35,320				35,320
Facilities management	52,601				52,601
Unassigned	16,460,519			(194,371)	16,266,148
<b>Total Fund Balances</b>	<b>\$ 17,109,547</b>	<b>\$ 6,406,503</b>	<b>\$ 806,901</b>	<b>\$ 5,324,664</b>	<b>\$ 35,124,446</b>

**TOWN OF SIMSBURY, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Significant encumbrances at June 30, 2019 contained in the above table in the assigned and committed categories are as follows:

	<u>Assigned</u>	<u>Committed</u>
General Fund	\$ 228,239	\$
Capital Projects Fund		109,520
Capital Nonrecurring Fund	<u>                    </u>	<u>                    </u>
	<u>\$ 228,239</u>	<u>\$ 109,520</u>

#### **4. EMPLOYEE RETIREMENT PLAN**

##### **A. Pension Trust Fund**

The Town maintains three single-employer defined benefit pension plans for full-time employees: General Government Plan, Police Plan and Board of Education Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. The plans do not issue stand-alone financial reports.

Oversight of the Town's retirement plans rests with the Retirement Plan Sub-Committee, which is comprised of two members of the Board of Selectmen, two members of the Board of Education, two members of the Board of Finance and two members at large. The Sub-Committee is staffed by the Town Treasurer, the Board of Education's Business Manager and the Town Manager. The Town and the Board of Education have appointed a third party to serve as fiduciary investment advisor. Effective 2013, the Town of Simsbury's Charter was amended to place fiduciary responsibility for the investment of pension funds to the Board of Finance.

##### **Plan Description and Benefits Provided**

###### **General Government Pension Plan**

All full-time employees, except police and Board of Education employees, are eligible to participate in the General Government Pension Plan. Effective January 3, 2017, any Police Dispatcher Employee who is first hired on or after January 3, 2017 is not eligible to participate in the Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for normal retirement for plan participants are based on the average monthly compensation during the highest five consecutive years of service out of the last ten years of the participants' active employment. The plan permits early retirement for participants at age 55 with 5 years of credited service. Benefits for early retirement are based on credited service and final average earnings to date of actual retirement reduced by 1/3 of 1% for each month by which the participant's retirement date precedes his normal retirement date. The participants' annual benefit is 2% of final average earnings times credited service for union employees, and 2½% of final average earnings times credited service for unaffiliated employees. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.



**Police Pension Plan**

All regular full-time employees of the Simsbury Police Department are eligible to participate in the Police Retirement Fund. The Plan provides retirement benefits as well as death benefits under two separate divisions. Division 000 participants are defined as those individuals who entered the plan on or after January 18, 1990, whereas Division 001 participants entered the plan prior to January 18, 1990. Pension benefits for normal retirement under the plan are based on average monthly compensation during the highest five consecutive years out of the last ten years. The participants' annual benefit is 2½% of final average earnings times credited service for Division 000, and 2% of final average earnings times credited service for Division 001. The Plan permits early retirement for participants at the earlier of 5 years early with 10 years of service or 20 years of credited service for Division 000, and at five years early with 10 years of credited service for Division 001. Benefits are based on credited service and final average earnings to date of actual retirement actuarially reduced for each month by which the participant's retirement date precedes his normal retirement date. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

**Board of Education Pension Plan**

All regular full-time employees of the Board of Education, other than individuals covered by the State Teachers Retirement System or those who participate in the defined contribution plan, are eligible to participate in the Plan. The Plan provides retirement benefits as well as disability benefits. Pension benefits for normal retirement under the Plan are based on the average earnings received in the last three July 1's before retirement for the National Association of Government Employees (NAGE); the average earnings received the last three completed years of employment for the Simsbury Federation of Educational Personnel (SFEP), and the highest average earnings received in any three consecutive July 1's during the last ten years before retirement for unaffiliated employees and the Simsbury School Nurses Association (SSNA). The participants' annual benefit shall be equal to 1½% of final average earnings times credited service through July 1, 1996, plus 2% of final average earnings times credited service after July 1, 1996. The plan permits early retirement for participants eligible five years early with ten years of credited service. Benefits are based on credited service and final average earnings to date and actual retirement reduced by 4% for each year by which the participant's retirement date precedes his normal retirement date. There is no reduction for NAGE employees after age 62 and 29 years of service or for unaffiliated employees after age 62 and 25 years of service. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town of Simsbury Board of Education.

**TOWN OF SIMSBURY, CONNECTICUT  
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At July 1, 2018, plan membership consisted of the following:

	<b>General Government Plan</b>	<b>Police Plan</b>	<b>Board of Education Plan</b>
Retirees and beneficiaries currently receiving benefits	98	32	121
Vested terminated employees	49	2	87
Active employees	94	37	141
Total Participants	<u>241</u>	<u>71</u>	<u>349</u>

## **Summary of Significant Accounting Policies**

### **Basis of Accounting**

Pension plan financial statements are prepared using the accrual basis of accounting. Employee 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 plans.

### **Method Used to Value Investments**

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

## **Contributions**

### **General Government Plan**

This plan provides for union employee contributions of 2% and for unaffiliated 5% of regular earnings for employees, hired prior to August 12, 2013, and 7% for unaffiliated hired after that date. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$950,965, were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 13.37% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

### **Police Plan**

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$586,956 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 17.26% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Board of Education Plan**

This plan provides for employee contributions of 4% to 4.5% of regular earnings, based on the current individual collective bargaining contract. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$1,086,598 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 15.02% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee by a majority vote of its members. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2019:

<u>Asset Class</u>	<u>Target</u>
U.S. Core Fixed Income	28.00 %
U.S. Equity Market	29.50
Foreign Developed Equity	22.50
Hedge FOF Diversified	10.00
Private Real Estate Property	5.00
Commodities	<u>5.00</u>
Total	<u><u>100.00 %</u></u>

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

General Government	4.84%
Police	5.88%
Board of Education	5.32%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2019 were as follows:

	<u>General Government</u>	<u>Police</u>	<u>Board of Education</u>	<u>Total</u>
Total pension liability	\$ 33,014,397	\$ 21,533,405	\$ 31,771,170	\$ 86,318,972
Plan fiduciary net position	<u>24,955,570</u>	<u>17,688,088</u>	<u>23,749,717</u>	<u>66,393,375</u>
Net Pension Liability	<u>\$ 8,058,827</u>	<u>\$ 3,845,317</u>	<u>\$ 8,021,453</u>	<u>\$ 19,925,597</u>
Plan fiduciary net position as a percentage of the total liability	75.59 %	82.14 %	74.75 %	76.92 %

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>General Government</u>	<u>Police</u>	<u>Board of Education</u>
Inflation	2.75%	2.75%	2.75%
Salary increases	3.5%	8.25%, for first 7 years and 3.00% thereafter	3.5%
Investment rate of return	6.75%, net of pension plan investment expense	6.75%, net of pension plan investment expense	6.75%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - July 1, 2012.

**TOWN OF SIMSBURY, CONNECTICUT**  
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Real Rate of Return</u></b>
U.S. Core Fixed Income	2.40 %
U.S. Equity Market	4.61
Foreign Developed Equity	5.55
Hedge FOF Diversified	1.97
Private Real Estate Property	3.85
Commodities	3.07

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Changes in the Net Pension Liability**

*General Government*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 31,124,049	\$ 24,431,309	\$ 6,692,740
Changes for the year:			
Service cost	629,377		629,377
Interest on total pension liability	2,156,775		2,156,775
Effect of economic/demographic gains or losses	206,134		206,134
Effect of assumptions changes or inputs	815,182		815,182
Benefit payments	(1,917,120)	(1,917,120)	-
Employer contributions		950,965	(950,965)
Member contributions		365,409	(365,409)
Net investment income		1,183,630	(1,183,630)
Administrative expenses		(58,623)	58,623
Balances as of June 30, 2019	<u>\$ 33,014,397</u>	<u>\$ 24,955,570</u>	<u>\$ 8,058,827</u>

*Police*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 20,242,699	\$ 17,126,638	\$ 3,116,061
Changes for the year:			
Service cost	543,312		543,312
Interest on total pension liability	1,412,130		1,412,130
Effect of economic/demographic gains or losses	2,931		2,931
Effect of assumptions changes or inputs	578,872		578,872
Benefit payments	(1,246,539)	(1,246,539)	-
Employer contributions		586,956	(586,956)
Member contributions		270,561	(270,561)
Net investment income		1,001,959	(1,001,959)
Administrative expenses		(51,487)	51,487
Balances as of June 30, 2019	<u>\$ 21,533,405</u>	<u>\$ 17,688,088</u>	<u>\$ 3,845,317</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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*Board of Education*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 29,435,168	\$ 22,536,332	\$ 6,898,836
Changes for the year:			
Service cost	712,212		712,212
Interest on total pension liability	2,064,354		2,064,354
Effect of economic/demographic gains or losses	135,169		135,169
Effect of assumptions changes or inputs	760,097		760,097
Benefit payments	(1,335,830)	(1,335,830)	-
Employer contributions		1,086,598	(1,086,598)
Member contributions		293,320	(293,320)
Net investment income		1,223,623	(1,223,623)
Administrative expenses		(54,326)	54,326
Balances as of June 30, 2019	<u>\$ 31,771,170</u>	<u>\$ 23,749,717</u>	<u>\$ 8,021,453</u>

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

	<b>1% Decrease (5.75%)</b>	<b>Current (6.75%)</b>	<b>1% Increase (7.75%)</b>
General Government	\$ 11,675,039	\$ 8,058,827	\$ 4,983,712
Police	6,431,046	3,845,317	1,669,480
Board of Education	11,370,630	8,021,453	5,145,906
Total	<u>\$ 29,476,715</u>	<u>\$ 19,925,597</u>	<u>\$ 11,799,098</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the Town recognized pension expense of \$3,655,178. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<b>Deferred Outflows of Resources</b>				
	<b>General Government</b>	<b>Board of Education</b>	<b>Police</b>	<b>Totals</b>
Differences between expected and actual experience	\$ 528,652	\$ 88,559	\$ 68,015	\$ 685,226
Changes of assumptions	645,352	497,995	502,705	1,646,052
Net difference between projected and actual earning on pension plan investments	<u>329,420</u>	<u>198,745</u>	<u>103,984</u>	<u>632,149</u>
Total	<u>\$ 1,503,424</u>	<u>\$ 785,299</u>	<u>\$ 674,704</u>	<u>\$ 2,963,427</u>

<b>Deferred Inflows of Resources</b>				
	<b>General Government</b>	<b>Board of Education</b>	<b>Police</b>	<b>Totals</b>
Differences between expected and actual experience	\$ 51,877	\$ 106,191	\$ 763,730	\$ 921,798
Changes of assumptions				-
Net difference between projected and actual earning on pension plan investments	<u></u>	<u></u>	<u></u>	<u>-</u>
Total	<u>\$ 51,877</u>	<u>\$ 106,191</u>	<u>\$ 763,730</u>	<u>\$ 921,798</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows for each year ending June 30:

<b>General Government</b>	<b>Police</b>	<b>Board of Education</b>
\$ 512,708	\$ 49,102	\$ 355,913
275,048	(155,739)	158,863
392,809	1,258	93,572
270,982	(13,101)	70,760
	(64,367)	
	<u>93,821</u>	
<u>\$ 1,451,547</u>	<u>\$ (89,026)</u>	<u>\$ 679,108</u>



## **B. Connecticut Teachers Retirement System - Pension**

### **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](http://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 three 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.

**TOWN OF SIMSBURY, CONNECTICUT  
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*Employees*

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

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

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

At June 30, 2019, 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>111,002,388</u>
Total	\$ <u>111,002,388</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$12,458,057 in Exhibit II.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

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

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

### **Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. 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.

### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

### **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.

## **C. Post Employment Healthcare Plan - Retiree Health Plan**

### **Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

#### **Plan Description**

The RHP is a single-employer defined benefit healthcare plan administered by the Town of Simsbury. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

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Management of the post employment benefits plan is vested with the Town Manager and Director of Finance/Treasurer. Policy oversight is provided by the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee, which consists of eight members. The Board of Finance has engaged the services of an investment consultant to assist in the development and periodic review of the Investment Policy Statement for the Other Post Employment Benefits Trust.

At July 1, 2017, plan membership consisted of the following:

	<b>Retiree Health Plan</b>
Retired members	218
Spouses of retired members	27
Active plan members	<u>717</u>
Total Participants	<u><u>962</u></u>

### **Funding Policy**

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

#### **Town Employees**

Retired town employees under the age of 65 receiving coverage under CIGNA contribute between \$139 and \$558 per month for retiree only coverage and between \$697 and \$1,116 per month for retiree and spouse coverage to age 65. Retired town employees under the age of 65 receiving coverage under CIGNA contribute between \$204 and \$816 per month for retiree only coverage and between \$1,020 and \$1,632 per month for retiree and spouse coverage to age 65. Eligible Town employees over age 65 have the option of joining the Town's fully-insured Anthem Medicare Supplement Plan. Retirees typically contribute 25% of the premium (\$124) per month for individual coverage and 100% of the premium (\$497) for spouse coverage.

#### **Board of Education Employees**

Retired Board of Education employees under 65 or not eligible for Medicare, can receive coverage through the same CIGNA plans available to active employees. Retiree monthly contributions for retiree only plans and retiree and spouse plans are between \$508 and \$794 and \$1,017 and \$1,584, respectively. Retired BOE employees over 65 and eligible for Medicare Part A and B may participate in the Board's fully insured Anthem Medicare Supplement Plan with a monthly contribution of \$470.

For the year ended June 30, 2019, plan members contributed \$174,772 for their share of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$1,157,219 were made in accordance with actuarially determined requirements.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Investments**

**Investment Policy**

The Investment Policy Statement of the Other Post Employment Benefits Trust outlines the goals and investment objectives for the Trust and is intended to provide guidelines for managing the Trust and to outline specific investment policies that will govern how these goals will be achieved. The Investment Policy Statement is established and may be amended by a majority vote of the members of the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes. The Investment Policy Statement 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 current recommended asset allocation outlined in the Investment Policy Statement is weighted toward domestic equities and fixed income, with a slightly lower weight placed on international equities and real estate funds. The Investment Policy Statement was last updated in May 2017.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

The Town's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	\$ 22,755,233
Plan fiduciary net position	<u>16,703,500</u>
Net OPEB Liability	<u>\$ 6,051,733</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.41%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	8.25% for first 7 years and 3.00% thereafter for Police, 3.50% for all others
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.28% for 2017, decreasing 4.40% per year to over 71 years

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

**TOWN OF SIMSBURY, CONNECTICUT**  
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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed income	22.50 %	2.40 %
U.S. Inflation-Indexed Bonds	22.50	1.42
U.S. Large Caps	22.50	4.33
U.S. Small Caps	2.50	5.56
U.S. Mid Caps	5.00	4.86
Foreign Developed Equity	15.00	5.55
Emerging Markets Equity	5.00	7.88
U.S. REITs	2.50	5.07
Non-U.S. REITS	2.50	6.20

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Changes in the Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 21,375,101	\$ 15,414,275	\$ 5,960,826
Changes for the year:			
Service cost	828,630		828,630
Interest on total OPEB liability	1,520,906		1,520,906
Benefit payments	(969,404)	(969,404)	-
Employer contributions		1,157,219	(1,157,219)
Member contributions		174,772	(174,772)
Net investment income		931,563	(931,563)
Administrative expenses		(4,925)	4,925
Balances as of June 30, 2019	<u>\$ 22,755,233</u>	<u>\$ 16,703,500</u>	<u>\$ 6,051,733</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Net OPEB Liability	\$ 8,787,242	\$ 6,051,733	\$ 3,733,060

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	<b>1% Decrease (4.28% decreasing to 3.40%)</b>	<b>Healthcare Cost Trend Rates (5.28% decreasing to 4.40%)</b>	<b>1% Increase (6.28% decreasing to 5.40%)</b>
Net OPEB Liability	\$ 3,131,300	\$ 6,051,733	\$ 9,634,422



**TOWN OF SIMSBURY, CONNECTICUT**  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$954,050. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 848,446	\$
Changes of assumptions	375	
Net difference between projected and actual earning on pension plan investments	<u>                    </u>	<u>86,810</u>
Total	<u>\$ 848,821</u>	<u>\$ 86,810</u>

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

**Year Ending June 30,**

2019	\$ (133,354)
2020	(133,354)
2021	(133,353)
2022	(119,429)
2023	(151,575)
Thereafter	<u>(90,946)</u>
	<u>\$ (762,011)</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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The combining Statement of Net Position and the Combining Statement of Revenues, Expenses and Changes in Net Position for the Pension and Other Employee Benefit Trust Funds are as follows:

**Combining Statement of Net Position**

	<b>General Government Pension Fund</b>	<b>Police Pension Fund</b>	<b>Board of Education Pension Fund</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Trust Funds Total</b>
Assets:					
Cash	\$ 240,470	\$ 88,521	\$ 176,224	\$ 399,746	\$ 904,961
Investments	24,699,355	17,587,107	23,550,458	16,313,020	82,149,940
Due from other funds					
Accounts receivable	25,099	21,684	23,365		70,148
Total assets	<u>24,964,924</u>	<u>17,697,312</u>	<u>23,750,047</u>	<u>16,712,766</u>	<u>83,125,049</u>
Liabilities:					
Accounts payable	9,354	9,224	330	9,266	28,174
Due to other funds					
Total liabilities	<u>9,354</u>	<u>9,224</u>	<u>330</u>	<u>9,266</u>	<u>28,174</u>
Net Position of Pension and Other Post Employment Benefits	<u>\$ 24,955,570</u>	<u>\$ 17,688,088</u>	<u>\$ 23,749,717</u>	<u>\$ 16,703,500</u>	<u>\$ 83,096,875</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Combining Statement of Revenues, Expenses and Changes in Net Position**

	<b>General Government Pension Fund</b>	<b>Police Pension Fund</b>	<b>Board of Education Pension Fund</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Trust Funds Total</b>
Additions:					
Contributions:					
Employer	\$ 950,965	\$ 586,956	\$ 1,086,598	\$ 1,157,219	\$ 3,781,738
Employee	365,409	270,561	293,320	174,772	1,104,062
Total contributions	<u>1,316,374</u>	<u>857,517</u>	<u>1,379,918</u>	<u>1,331,991</u>	<u>4,885,800</u>
Investment income:					
Change in fair value of investments	614,388	607,394	689,436	549,558	2,460,776
Interest and dividends	<u>603,717</u>	<u>425,961</u>	<u>566,351</u>	<u>413,646</u>	<u>2,009,675</u>
Total investment income	1,218,105	1,033,355	1,255,787	963,204	4,470,451
Less investment expenses:					
Custodian fees	<u>(34,475)</u>	<u>(31,396)</u>	<u>(32,164)</u>	<u>(31,641)</u>	<u>(129,676)</u>
Net investment gain	<u>1,183,630</u>	<u>1,001,959</u>	<u>1,223,623</u>	<u>931,563</u>	<u>4,340,775</u>
Total additions	<u>2,500,004</u>	<u>1,859,476</u>	<u>2,603,541</u>	<u>2,263,554</u>	<u>9,226,575</u>
Deductions:					
Benefits	1,917,120	1,246,539	1,335,830	969,404	5,468,893
Administration	<u>58,623</u>	<u>51,487</u>	<u>54,326</u>	<u>4,925</u>	<u>169,361</u>
Total deductions	<u>1,975,743</u>	<u>1,298,026</u>	<u>1,390,156</u>	<u>974,329</u>	<u>5,638,254</u>
Change in Net Position	524,261	561,450	1,213,385	1,289,225	3,588,321
Net Position at Beginning of Year	<u>24,431,309</u>	<u>17,126,638</u>	<u>22,536,332</u>	<u>15,414,275</u>	<u>79,508,554</u>
Net Position at End of Year	<u>\$ 24,955,570</u>	<u>\$ 17,688,088</u>	<u>\$ 23,749,717</u>	<u>\$ 16,703,500</u>	<u>\$ 83,096,875</u>

**D. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan**

**Plan Description**

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

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

## **Benefit Provisions**

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

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

## **Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

## **Eligibility**

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

## **Credited Service**

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

## **Normal Retirement**

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

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**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of credited service

**Disability Retirement**

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>22,190,058</u>
Total	\$ <u><u>22,190,058</u></u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$(7,371,524) in Exhibit II.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	5.95% decreasing to 4.75% by 2025
Salary increases	5.00% decreasing to 4.75% by 2028
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

**Other Information**

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

**5. 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, 2019.

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees. The Town retains the risk of up to a maximum of \$250,000 per claim. Commercial insurance covers any individual claim in excess of \$10,000. During 2019, total claims expense of \$13,235,164 was incurred, which represent claims processed and an estimate for claims incurred but not reported as of June 30, 2019.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2019 of \$741,092.

Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the General Fund.

A schedule of changes in the claims liability for the years ended June 30, 2019 and 2018 is presented below:

		<b>Liability</b>	<b>Current Year</b>	<b>Claim</b>	<b>Liability</b>
		<b>July 1,</b>	<b>Claims and</b>	<b>Payments</b>	<b>June 30,</b>
			<b>Changes in</b>		
			<b>Estimates</b>		
2017-18	\$	1,035,514	\$ 13,659,834	\$ 12,811,351	\$ 1,883,997
2018-19		1,883,997	13,235,164	14,378,069	741,092

**B. Contingent Liabilities**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

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.

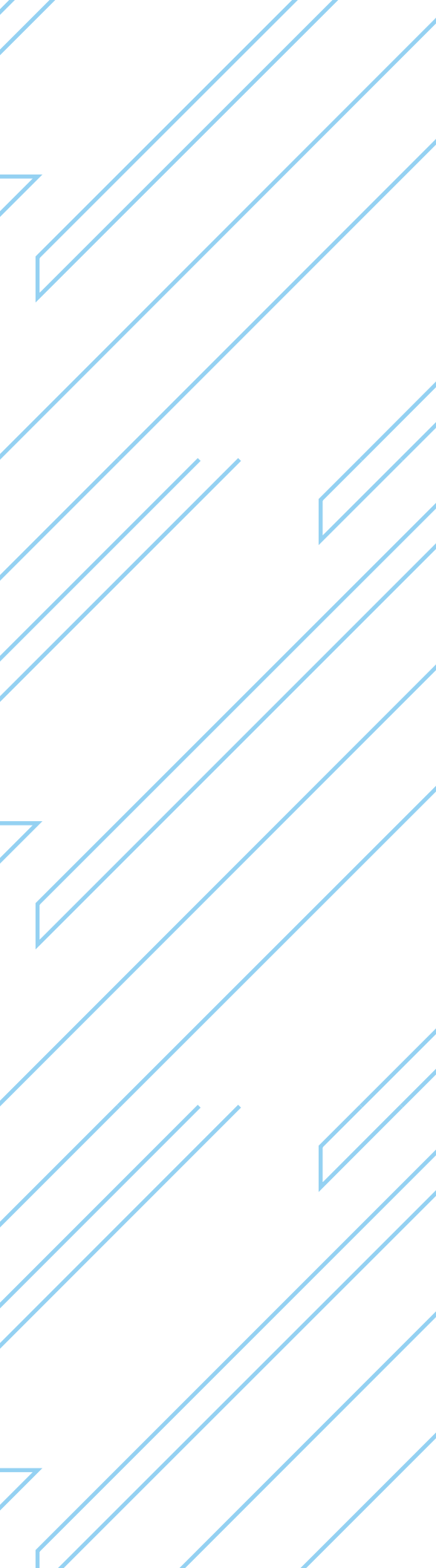
The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**C. Landfill Postclosure Care Costs**

The Simsbury landfill stopped accepting solid waste in 1988. The landfill has been capped and tested by the Department of Environmental Protection prior to October 1, 1993 and, as such, the U.S. EPA adopted regulations 40 CFR, Part 258 (Subtitle D), do not apply. However, the Simsbury landfill is still required to monitor its postclosure functions under an approved plan with the State of Connecticut Department of Environmental Protection.

The landfill closing costs of \$50,000 reported as a liability in the government-wide financial statements represent an estimate of the postclosure costs to be incurred by the Town over the next 10 fiscal years for mandatory ground water testing based on a study conducted by an independent consultant. It is estimated that the Town will incur a \$5,000 annual cost over the next 10 fiscal years. This estimate is subject to changes that may result from inflation, technological changes or regulatory changes.





## **Required Supplementary Information**

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**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
Property Taxes:						
Current year taxes	\$ 87,148,651	\$ 87,148,651	\$ 87,779,866	\$ 631,215	\$	86,747,432
Prior year's taxes	401,547	401,547	600,758	199,211		479,313
Interest and lien fees	250,000	250,000	306,740	56,740		386,356
Total property taxes	87,800,198	87,800,198	88,687,364	887,166		87,613,101
Intergovernmental Revenues:						
State of Connecticut:						
Office of Policy and Management:						
Property tax relief:						
Disabled	1,400	1,400	1,411	11		1,386
Additional veterans	5,800	5,800	5,087	(713)		5,785
Department of Education:						
Education equalization grant	5,402,105	5,402,105	6,028,199	626,094		5,290,146
Adult education	12,349	12,349	14,752	2,403		13,154
School building grants			83,082	83,082		
Nonpublic schools - transportation			16,319	16,319		15,213
Department of Justice:						
JAG grant		6,000	6,000	-		
Miscellaneous:						
State-owned property	2,339	2,339	35,655	33,316		2,339
Telephone access line grant	55,000	55,000	43,544	(11,456)		44,656
Pequot casino revenue				-		28,478
Municipal revenue sharing				-		202,098
Municipal grant in aid	77,648	77,648	197,581	119,933		77,648
Library grant				-		4,000
Elderly/Handicapped transportation	6,000	6,000	6,672	672		4,740
Other				-		8,990
Housing Authority in lieu of taxes	24,000	24,000	25,871	1,871		23,555
Board of Education tuition regular	35,000	35,000	78,521	43,521		50,514
PILOT - Westminster School	120,000	120,000	122,000	2,000		120,000
Total intergovernmental revenues	5,741,641	5,747,641	6,664,694	917,053		5,892,702
Investment income	175,000	175,000	727,158	552,158		323,153
Charges for Goods and Services:						
Central administration miscellaneous				-		
Conveyance tax receipts	400,000	400,000	367,304	(32,696)		445,166
Town clerk recording fees	120,000	120,000	103,317	(16,683)		109,553
Town clerk farmland preservation fees	5,500	5,500	2,425	(3,075)		2,598
Town clerk miscellaneous	60,000	60,000	63,008	3,008		57,365
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-		6,500
Building department shared position	48,000	48,000	42,561	(5,439)		
Police department - emergency reporting	36,563	36,563	38,924	2,361		37,318
Police department miscellaneous	4,000	4,000	5,297	1,297		8,142
Engineering department fees	350	350	231	(119)		375
Library fines and fees	44,000	44,000	26,609	(17,391)		39,803
Library miscellaneous				-		45
War Memorial pool	1,500	1,500	1,875	375		1,560
Board of Education miscellaneous	7,500	7,500	11,045	3,545		70,906
Community gardens	2,500	2,500	2,425	(75)		2,675
Total charges for goods and services	736,413	736,413	671,521	(64,892)		782,006

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
Fines and Forfeitures:						
Library fines and fees	\$ 2,000	\$ 2,000	\$ 2,899	\$ 899	\$	2,037
Court fees	1,000	1,000		(1,000)		
False alarms fines	10,000	10,000	5,130	(4,870)		6,295
Traffic tickets	4,000	4,000	4,536	536		4,036
Animal control fines	500	500	375	(125)		760
Total fines and forfeitures	<u>17,500</u>	<u>17,500</u>	<u>12,940</u>	<u>(4,560)</u>		<u>13,128</u>
Rental of Town-Owned Property:						
Eno Memorial Hall	2,500	2,500	15,750	13,250		11,310
Education - school rentals	45,000	45,000	55,956	10,956		48,402
Simsbury performing arts center			2,500	2,500		2,500
Library administration	3,000	3,000	2,200	(800)		2,350
World skate	80,000	80,000	80,000	-		80,000
Total rental of town-owned property	<u>130,500</u>	<u>130,500</u>	<u>156,406</u>	<u>25,906</u>		<u>144,562</u>
Licenses and Permits:						
Sporting licenses	200	200	153	(47)		142
Dog licenses	13,000	13,000	14,990	1,990		15,436
Land use commission	30,000	30,000	28,407	(1,593)		24,225
Police department fees	8,000	8,000	5,580	(2,420)		6,715
Building department fees	750,000	750,000	1,218,463	468,463		1,187,295
Total licenses and permits	<u>801,200</u>	<u>801,200</u>	<u>1,267,593</u>	<u>466,393</u>		<u>1,233,813</u>
Other Local Revenues:						
Tax department insufficient funds			141	141		260
Sale of property				-		28,500
Town clerk insufficient funds			10	10		100
Building department insufficient funds			40	40		20
Central administration miscellaneous	5,000	5,000		(5,000)		
Highway department miscellaneous			4,263	4,263		4,425
Engineering department miscellaneous			114	114		
Eno Hall miscellaneous				-		225
Library miscellaneous			40	40		
Insurance refunds			42,799	42,799		67,190
Board of Education insufficient funds				-		40
Scrap metal recycling			370	370		67,512
Parks & open space miscellaneous			245	245		
Total other local revenues	<u>5,000</u>	<u>5,000</u>	<u>48,022</u>	<u>43,022</u>		<u>168,272</u>
Total Revenues	<u>95,407,452</u>	<u>95,413,452</u>	<u>98,235,698</u>	<u>2,822,246</u>		<u>96,170,737</u>
Other Financing Sources:						
Appropriations from fund balance	1,000,000	3,821,637		(3,821,637)		
Premium on bond issuance			1,249,778	1,249,778		
Transfers from other funds:						
Capital projects			321,358	321,358		
Sewer use fund	110,917	110,917	110,917	-		108,989
Special revenue fund		13,500	12,788	(712)		
Total other financing sources	<u>1,110,917</u>	<u>3,946,054</u>	<u>1,694,841</u>	<u>(2,251,213)</u>		<u>108,989</u>
Total Revenues and Other Financing Sources	<u>\$ 96,518,369</u>	<u>\$ 99,359,506</u>	<u>99,930,539</u>	<u>\$ 571,033</u>	<u>\$</u>	<u>96,279,726</u>
Budgetary revenues are different than GAAP revenues because:						
State of Connecticut pension expense related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			12,458,057			
State of Connecticut OPEB revenue related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted			(7,371,524)			
Encumbrances outstanding at June 30, 2018, cancelled during the year ended June 30, 2019			<u>(8,584)</u>			
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Exhibit IV			<u>\$ 105,008,488</u>			

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
General Government:					
Central administration	\$ 456,825	\$ 451,414	\$ 451,414	\$ -	\$ 490,273
Administration services	98,889	87,020	87,020	-	76,669
Community services	108,872	104,351	104,351	-	57,848
Land use commission	22,100	15,693	15,693	-	12,525
Economic development commission	46,000	45,000	45,000	-	45,379
Historic district commission	1,400	331	331	-	578
Public building committee	1,225	1,206	1,206	-	1,377
Beautification	4,620	5,345	5,345	-	3,405
Tourism committee	645			-	1
Elections	120,572	111,523	111,523	-	95,594
Legal	151,000	150,411	150,411	-	229,611
Town clerk	226,809	221,618	221,618	-	215,659
Probate court	5,426	5,426	5,426	-	4,380
Total general government	1,244,383	1,199,338	1,199,338	-	1,233,299
Financial Services:					
Board of Finance	6,600	5,140	5,140	-	5,186
Finance department	322,007	315,322	315,322	-	364,447
Tax collector	168,125	178,068	178,068	-	176,730
Assessors	252,546	252,487	252,487	-	240,309
Information technology	204,413	201,628	201,628	-	178,840
Auditors	38,000	38,100	38,100	-	37,600
Total financial services	991,691	990,745	990,745	-	1,003,112
Planning and Development:					
Director of community development	188,538	184,604	184,604	-	181,240
Planning department	173,430	122,361	122,361	-	166,668
Building department	291,911	277,356	277,356	-	199,209
Total planning and development	653,879	584,321	584,321	-	547,117
Public Safety:					
Police	4,784,371	4,735,716	4,735,716	-	4,586,167
Animal control officer	70,581	67,608	67,608	-	66,494
Civil preparedness	6,685	4,853	4,853	-	6,558
Total public safety	4,861,637	4,808,177	4,808,177	-	4,659,219
Public Works:					
Engineering	265,288	246,119	246,119	-	279,890
Public Works Administration	270,179	246,529	246,529	-	264,594
Buildings and Grounds	479,657	470,924	470,924	-	463,066
Town Offices	145,890	147,271	147,271	-	159,383
Eno Hall Memorial	71,975	77,022	77,022	-	79,450
Miscellaneous Building	32,272	20,253	20,253	-	24,650
Highway - Labor & Equipment	1,976,256	1,951,203	1,951,203	-	1,720,511
Highway - Facilities & Programs	993,970	734,761	734,761	-	822,377
Landfill	71,500	86,635	86,635	-	69,850
Total public works	4,306,987	3,980,717	3,980,717	-	3,883,771

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Culture and Recreation:					
Recreation - Administration	\$ 49,522	\$ 50,356	\$ 50,356	\$ -	\$ 58,042
Recreation - Memorial Pool	28,692	29,125	29,125	-	28,470
Parks & Open Space - Maintenance	674,541	658,480	658,480	-	668,712
Parks & Open Space - Memorial Field	26,951	19,008	19,008	-	23,232
Parks & Open Space - Memorial Pool	24,716	24,720	24,720	-	25,036
Library - Administration	599,134	603,404	603,404	-	563,742
Library - Adult & Young Adult	535,331	514,112	514,112	-	532,219
Library - Building & Grounds	131,639	142,856	142,856	-	127,359
Library - Children Services	339,632	331,551	331,551	-	303,508
Total culture and recreation	2,410,158	2,373,612	2,373,612	-	2,330,320
Health and Welfare:					
Health department	134,238	134,239	134,239	-	130,262
Social services administration	258,572	248,895	248,895	-	205,787
Elderly services outreach	24,408	24,418	24,418	-	24,187
Senior center	152,720	149,659	149,659	-	144,879
Transportation	123,621	126,613	126,613	-	123,532
Total health and welfare	693,559	683,824	683,824	-	628,647
Fringe Benefits and Insurance:					
Social Security	780,000	792,948	792,948	-	855,951
Town general liability insurance	485,715	498,119	498,119	-	513,080
Employee group insurance	2,556,652	2,617,529	2,617,529	-	2,382,756
Life and disability insurance	72,812	72,595	72,595	-	-
Unemployment reserve	5,000	45,002	45,002	-	5,924
Pensions	1,367,284	1,386,336	1,386,336	-	1,343,879
Total fringe benefits and insurance	5,267,463	5,412,529	5,412,529	-	5,101,590
Board of Education	68,599,252	68,599,252	68,595,235	4,017	67,546,746
Non-Public Schools Budget:					
Non-public schools	543,490	543,490	542,166	1,324	534,381
Debt Service:					
Principal	3,365,000	3,365,000	3,365,000	-	4,125,000
Interest	698,100	698,100	698,100	-	755,219
Total debt service	4,063,100	4,063,100	4,063,100	-	4,880,219
Other Financing Uses:					
Contingency reserve	89,670	-	-	-	-
Transfer to capital fund	2,693,100	4,063,100	4,063,100	-	1,474,435
Transfers to other funds	100,000	2,057,301	2,057,301	-	299,037
Total other financing uses	2,882,770	6,120,401	6,120,401	-	1,773,472
Total Expenditures and Other Financing Uses	\$ 96,518,369	\$ 99,359,506	99,354,165	\$ 5,341	\$ 94,121,893
Budgetary expenditures are different than GAAP expenditures because:					
State of Connecticut pension expense related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			12,458,057		
State of Connecticut OPEB revenue related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted			(7,371,524)		
Encumbrances outstanding at June 30, 2018, liquidated during the year ended June 30, 2019			447,095		
Encumbrances outstanding at June 30, 2019			(194,739)		
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV			\$ 104,693,054		

## TOWN OF SIMSBURY, CONNECTICUT

## SEWER USE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Sewer Use Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 409,927	\$ 409,927	\$ 409,927	\$ -
Investment income	7,997	7,997	15,545	7,548
Charges for goods and services	364,763	364,763	1,021,666	656,903
Miscellaneous	6,007	6,007	442	(5,565)
Grants	21,254	21,254	10,037	(11,217)
Assessment interest and liens	27,000	27,000	20,478	(6,522)
Assessments	3,045,955	3,045,955	2,600,670	(445,285)
Total revenues	<u>3,882,903</u>	<u>3,882,903</u>	<u>4,078,765</u>	<u>195,862</u>
Expenditures:				
Current:				
Facility management	2,329,256	2,329,256	1,972,905	356,351
Debt service	<u>1,265,207</u>	<u>1,265,207</u>	<u>1,265,207</u>	-
Total expenditures	<u>3,594,463</u>	<u>3,594,463</u>	<u>3,238,112</u>	<u>356,351</u>
Excess of Revenues over Expenditures	<u>288,440</u>	<u>288,440</u>	<u>840,653</u>	<u>552,213</u>
Other Financing Sources (Uses):				
Transfers from other funds			1,213,097	1,213,097
Transfers to other funds			(585,104)	(585,104)
Net other financing uses	<u>-</u>	<u>-</u>	<u>627,993</u>	<u>627,993</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 288,440</u>	<u>\$ 288,440</u>	1,468,646	<u>\$ 1,180,206</u>
Fund Balances at Beginning of Year			<u>4,937,857</u>	
Fund Balances at End of Year			<u>\$ 6,406,503</u>	

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL GOVERNMENT**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 629,377	\$ 673,731	\$ 668,192	\$ 651,746	\$ 607,101	\$ 605,889
Interest	2,156,775	2,070,339	1,939,574	1,864,604	1,793,949	1,718,093
Changes of benefit terms			291,643		(16,733)	
Differences between expected and actual experience	206,134	269,122	509,974	(259,385)	99,498	(1,191)
Changes of assumptions	815,182					
Benefit payments, including refunds of member contributions	<u>(1,917,120)</u>	<u>(1,557,045)</u>	<u>(1,536,992)</u>	<u>(1,296,608)</u>	<u>(1,321,430)</u>	<u>(1,157,072)</u>
Net change in total pension liability	1,890,348	1,456,147	1,872,391	960,357	1,162,385	1,165,719
Total pension liability - beginning	<u>31,124,049</u>	<u>29,667,902</u>	<u>27,795,511</u>	<u>26,835,154</u>	<u>25,672,769</u>	<u>24,507,050</u>
Total pension liability - ending	<u>33,014,397</u>	<u>31,124,049</u>	<u>29,667,902</u>	<u>27,795,511</u>	<u>26,835,154</u>	<u>25,672,769</u>
Plan fiduciary net position:						
Contributions - employer	950,965	920,889	877,664	1,023,393	1,013,590	985,741
Contributions - member	365,409	302,656	295,408	445,994	223,536	175,834
Net investment income	1,183,630	1,491,838	2,563,793	(20,390)	417,241	2,628,574
Benefit payments	(1,917,120)	(1,557,045)	(1,536,992)	(1,296,608)	(1,321,430)	(1,105,875)
Refunds of member contributions						(51,197)
Administrative expense	<u>(58,623)</u>	<u>(22,443)</u>	<u>(34,812)</u>	<u>(37,476)</u>	<u>(35,251)</u>	<u>(32,427)</u>
Net change in plan fiduciary net position	524,261	1,135,895	2,165,061	114,913	297,686	2,600,650
Plan fiduciary net position - beginning	<u>24,431,309</u>	<u>23,295,414</u>	<u>21,130,353</u>	<u>21,015,440</u>	<u>20,717,754</u>	<u>18,117,104</u>
Plan fiduciary net position - ending	<u>24,955,570</u>	<u>24,431,309</u>	<u>23,295,414</u>	<u>21,130,353</u>	<u>21,015,440</u>	<u>20,717,754</u>
Town's Net Pension Liability - Ending	<u>\$ 8,058,827</u>	<u>\$ 6,692,740</u>	<u>\$ 6,372,488</u>	<u>\$ 6,665,158</u>	<u>\$ 5,819,714</u>	<u>\$ 4,955,015</u>
Plan fiduciary net position as a percentage of the total pension liability	75.59%	78.50%	78.52%	76.02%	78.31%	80.70%
Covered payroll	\$ 7,110,117	\$ 7,124,309	\$ 6,870,896	\$ 6,476,467	\$ 6,477,000	\$ 6,491,000
Town's net pension liability as a percentage of covered payroll	113.34%	93.94%	92.75%	102.91%	89.85%	76.34%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.



**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 543,312	\$ 530,370	\$ 530,838	\$ 484,804	\$ 449,735	\$ 434,196
Interest	1,412,130	1,370,121	1,374,437	1,327,012	1,261,868	1,169,501
Changes of benefit terms					266,580	
Differences between expected and actual experience	2,931	(186,985)	(944,755)	132,622	(91,391)	1,025,203
Changes of assumptions	578,872					
Benefit payments, including refunds of member contributions	<u>(1,246,539)</u>	<u>(1,010,103)</u>	<u>(1,032,945)</u>	<u>(1,054,896)</u>	<u>(1,092,847)</u>	<u>(1,914,868)</u>
Net change in total pension liability	1,290,706	703,403	(72,425)	889,542	793,945	714,032
Total pension liability - beginning	<u>20,242,699</u>	<u>19,539,296</u>	<u>19,611,721</u>	<u>18,722,179</u>	<u>17,928,234</u>	<u>17,214,202</u>
Total pension liability - ending	<u>21,533,405</u>	<u>20,242,699</u>	<u>19,539,296</u>	<u>19,611,721</u>	<u>18,722,179</u>	<u>17,928,234</u>
Plan fiduciary net position:						
Contributions - employer	586,956	600,240	677,434	727,009	633,000	562,763
Contributions - member	270,561	244,113	239,130	196,550	190,966	152,656
Net investment income (loss)	1,001,959	1,039,142	1,774,219	(11,573)	295,997	1,966,976
Benefit payments	(1,246,539)	(1,010,103)	(1,032,945)	(1,054,896)	(1,092,847)	(946,618)
Refunds of member contributions						(968,250)
Administrative expense	<u>(51,487)</u>	<u>(12,953)</u>	<u>(24,396)</u>	<u>(24,051)</u>	<u>(33,374)</u>	<u>(32,865)</u>
Net change in plan fiduciary net position	561,450	860,439	1,633,442	(166,961)	(6,258)	734,662
Plan fiduciary net position - beginning	<u>17,126,638</u>	<u>16,266,199</u>	<u>14,632,757</u>	<u>14,799,718</u>	<u>14,805,976</u>	<u>14,071,314</u>
Plan fiduciary net position - ending	<u>17,688,088</u>	<u>17,126,638</u>	<u>16,266,199</u>	<u>14,632,757</u>	<u>14,799,718</u>	<u>14,805,976</u>
Town's Net Pension Liability - Ending	<u>\$ 3,845,317</u>	<u>\$ 3,116,061</u>	<u>\$ 3,273,097</u>	<u>\$ 4,978,964</u>	<u>\$ 3,922,461</u>	<u>\$ 3,122,258</u>
Plan fiduciary net position as a percentage of the total pension liability	82.14%	84.61%	83.25%	74.61%	79.05%	82.64%
Covered payroll	\$ 3,400,678	\$ 3,400,310	\$ 3,143,684	\$ 2,918,053	\$ 2,866,000	\$ 2,772,281
Town's net pension liability as a percentage of covered payroll	113.08%	91.64%	104.12%	170.63%	136.86%	112.24%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**BOARD OF EDUCATION**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 712,212	\$ 742,875	\$ 781,880	\$ 792,518	\$ 720,226	\$ 723,982
Interest	2,064,354	1,980,261	1,903,998	1,815,018	1,745,104	1,635,060
Changes of benefit terms				(29,091)	(32,802)	
Differences between expected and actual experience	135,169	(161,126)	(274,621)	(445,038)	319,281	(19,757)
Changes of assumptions	760,097					
Benefit payments, including refunds of member contributions	<u>(1,335,830)</u>	<u>(1,324,428)</u>	<u>(1,242,519)</u>	<u>(1,125,306)</u>	<u>(1,147,085)</u>	<u>(1,096,023)</u>
Net change in total pension liability	2,336,002	1,237,582	1,168,738	1,008,101	1,604,724	1,243,262
Total pension liability - beginning	<u>29,435,168</u>	<u>28,197,586</u>	<u>27,028,848</u>	<u>26,020,747</u>	<u>24,416,023</u>	<u>23,172,761</u>
Total pension liability - ending	<u>31,771,170</u>	<u>29,435,168</u>	<u>28,197,586</u>	<u>27,028,848</u>	<u>26,020,747</u>	<u>24,416,023</u>
Plan fiduciary net position:						
Contributions - employer	1,086,598	1,084,561	1,112,035	1,288,982	1,236,631	1,231,124
Contributions - member	293,320	304,208	348,561	324,788	283,432	240,312
Net investment income	1,223,623	1,364,568	2,322,363	21,997	337,905	2,157,488
Benefit payments	(1,335,830)	(1,324,428)	(1,242,519)	(1,125,306)	(1,147,085)	(1,056,810)
Refunds of member contributions						(39,213)
Administrative expense	<u>(54,326)</u>	<u>(25,392)</u>	<u>(37,728)</u>	<u>(18,799)</u>	<u>(26,200)</u>	<u>(29,131)</u>
Net change in plan fiduciary net position	1,213,385	1,403,517	2,502,712	491,662	684,683	2,503,770
Plan fiduciary net position - beginning	<u>22,536,332</u>	<u>21,132,815</u>	<u>18,630,103</u>	<u>18,138,441</u>	<u>17,453,758</u>	<u>14,949,988</u>
Plan fiduciary net position - ending	<u>23,749,717</u>	<u>22,536,332</u>	<u>21,132,815</u>	<u>18,630,103</u>	<u>18,138,441</u>	<u>17,453,758</u>
Town's Net Pension Liability - Ending	<u>\$ 8,021,453</u>	<u>\$ 6,898,836</u>	<u>\$ 7,064,771</u>	<u>\$ 8,398,745</u>	<u>\$ 7,882,306</u>	<u>\$ 6,962,265</u>
Plan fiduciary net position as a percentage of the total pension liability	74.75%	76.56%	74.95%	68.93%	69.71%	71.53%
Covered payroll	\$ 7,235,501	\$ 7,614,963	\$ 7,766,728	\$ 7,864,597	\$ 7,916,000	\$ 7,911,823
Town's net pension liability as a percentage of covered payroll	110.86%	90.60%	90.96%	106.79%	99.57%	87.86%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - GENERAL GOVERNMENT  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 586,140	\$ 759,126	\$ 722,519	\$ 714,779	\$ 985,089	\$ 1,013,590	\$ 888,277	\$ 877,663	\$ 920,889	\$ 950,965
Contributions in relation to the actuarially determined contribution	586,140	759,126	722,519	779,972	985,089	1,013,590	1,023,393	877,664	920,889	950,965
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (65,193)	\$ -	\$ -	\$ (135,116)	\$ (1)	\$ -	\$ -
Covered payroll	\$ 6,277,067	\$ 6,279,542	\$ 6,131,794	\$ 5,797,979	\$ 6,490,784	\$ 6,477,448	\$ 6,476,467	\$ 6,870,896	\$ 7,124,309	\$ 7,110,117
Contributions as a percentage of covered payroll	9.34%	12.09%	11.78%	13.45%	15.18%	15.65%	15.80%	12.77%	12.93%	13.37%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, 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	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Amortization growth rate	3.50%
Asset valuation method	5-year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.75%
Retirement age	Rates based on age
Turnover	Rates based on service

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - POLICE  
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 393,136	\$ 505,605	\$ 497,614	\$ 465,641	\$ 562,233	\$ 632,679	\$ 631,023	\$ 677,434	\$ 600,240	\$ 586,956
Contributions in relation to the actuarially determined contribution	<u>393,136</u>	<u>505,605</u>	<u>497,614</u>	<u>508,111</u>	<u>562,233</u>	<u>633,000</u>	<u>727,009</u>	<u>677,434</u>	<u>600,240</u>	<u>586,956</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(42,470)</u>	\$ <u>-</u>	\$ <u>(321)</u>	\$ <u>(95,986)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 2,598,719	\$ 2,643,805	\$ 2,615,838	\$ 2,362,484	\$ 2,772,281	\$ 2,866,183	\$ 2,918,053	\$ 3,143,684	\$ 3,400,310	\$ 3,400,678
Contributions as a percentage of covered payroll	15.13%	19.12%	19.02%	21.51%	20.28%	22.09%	24.91%	21.55%	17.65%	17.26%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, 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 Entry age normal  
Amortization method Level percentage of payroll, closed  
Remaining amortization period 15 years  
Amortization growth rate 3.50%  
Asset valuation method 5-year non-asymptotic  
Inflation 2.75%  
Salary increases 8.25% for the first 7 years and 3.00% thereafter  
Investment rate of return 6.75%  
Retirement age 20% per year starting at Normal Retirement Date; 100% at age 62

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - BOARD OF EDUCATION  
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 706,849	\$ 876,860	\$ 910,571	\$ 1,012,381	\$ 1,231,124	\$ 1,236,631	\$ 1,110,353	\$ 1,112,035	\$ 1,084,561	\$ 1,086,598
Contributions in relation to the actuarially determined contribution	<u>706,849</u>	<u>876,860</u>	<u>1,030,571</u>	<u>1,104,718</u>	<u>1,231,124</u>	<u>1,236,631</u>	<u>1,288,982</u>	<u>1,112,035</u>	<u>1,084,561</u>	<u>1,086,598</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(120,000)</u>	\$ <u>(92,337)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(178,629)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 6,984,577	\$ 7,421,437	\$ 7,686,831	\$ 7,740,314	\$ 7,911,823	\$ 7,916,465	\$ 7,864,597	\$ 7,766,728	\$ 7,614,963	\$ 7,235,501
Contributions as a percentage of covered payroll	10.12%	11.82%	13.41%	14.27%	15.56%	15.62%	16.39%	14.32%	14.24%	15.02%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, 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	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Amortization growth rate	3.50%
Asset valuation method	5-year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.75%
Retirement age	Rates based on age
Turnover	Rates based on service

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
PENSION  
LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:						
General Government Pension Plan	4.84%	6.36%	12.09%	(0.10%)	1.97%	14.35%
Police Pension Plan	5.88%	6.34%	12.00%	(0.08%)	1.98%	14.30%
Board of Education Pension Plan	5.32%	6.32%	12.07%	0.12%	1.86%	14.02%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**TEACHERS RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>111,002,388</u>	<u>111,434,579</u>	<u>117,564,334</u>	<u>92,706,902</u>	<u>85,688,952</u>
Total	<u>\$ 111,002,388</u>	<u>\$ 111,434,579</u>	<u>\$ 117,564,334</u>	<u>\$ 92,706,902</u>	<u>\$ 85,688,952</u>
Town's covered payroll	\$ 34,712,942	\$ 34,259,016	\$ 33,773,614	\$ 32,597,004	\$ 32,231,978
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**Notes to Schedule:**

Changes in benefit terms  
Changes of assumptions

Beginning January 1, 2018, member contributions increased from 6% to 7% of salary. During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely 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, 2015.

Actuarial cost method  
Amortization method  
Remaining amortization period  
Asset valuation method  
Investment rate of return

Entry age  
Level percent of salary, closed  
17.6 years  
4-year smoothed market  
8.00%, net of investment related expense

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 828,630	\$ 823,820	\$ 797,888
Interest	1,520,906	1,509,026	1,424,684
Differences between expected and actual experience		(949,698)	
Changes of assumptions		(509)	
Benefit payments	<u>(969,404)</u>	<u>(1,061,000)</u>	<u>(1,228,579)</u>
Net change in total OPEB liability	1,380,132	321,639	993,993
Total OPEB liability - beginning	<u>21,375,101</u>	<u>21,053,462</u>	<u>20,059,469</u>
Total OPEB liability - ending	<u>22,755,233</u>	<u>21,375,101</u>	<u>21,053,462</u>
Plan fiduciary net position:			
Contributions - employer	1,157,219	1,197,000	1,310,930
Contributions - member	174,772	173,532	174,237
Net investment income	931,563	931,850	1,180,640
Benefit payments	(969,404)	(1,061,000)	(1,228,579)
Administrative expense	<u>(4,925)</u>	<u>(9,228)</u>	
Net change in plan fiduciary net position	1,289,225	1,232,154	1,437,228
Plan fiduciary net position - beginning	<u>15,414,275</u>	<u>14,182,121</u>	<u>12,744,893</u>
Plan fiduciary net position - ending	<u>16,703,500</u>	<u>15,414,275</u>	<u>14,182,121</u>
Net OPEB Liability - Ending	<u>\$ 6,051,733</u>	<u>\$ 5,960,826</u>	<u>\$ 6,871,341</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.41%	72.11%	67.36%
Covered payroll	\$ 52,352,923	\$ 45,238,019	\$ 45,238,019
Net OPEB liability as a percentage of covered payroll	11.56%	13.18%	15.19%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.



**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB**  
**LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 1,766,300	\$ 1,611,000	\$ 1,705,000	\$ 1,613,000	\$ 1,825,000	\$ 1,880,000	\$ 1,047,953	\$ 1,073,307	\$ 1,182,000	\$ 1,093,300
Contributions in relation to the actuarially determined contribution	1,894,900	1,895,100	1,705,000	2,393,362	1,980,158	4,880,000	1,195,883	1,310,930	1,197,000	1,157,219
Contribution Deficiency (Excess)	\$ (128,600)	\$ (284,100)	\$ -	\$ (780,362)	\$ (155,158)	\$ (3,000,000)	\$ (147,930)	\$ (237,623)	\$ (15,000)	\$ (63,919)
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 44,132,000	\$ 44,132,000	\$ 44,570,517	\$ 45,238,019	\$ 45,238,019	\$ 52,352,923
Contributions as a percentage of covered payroll	NA	NA	NA	NA	4.49%	11.06%	2.68%	2.90%	2.65%	2.21%

(1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

**Notes to Schedule:**

Valuation date: July 1, 2017

July 1, 2017

Measurement date: June 30, 2019

June 30, 2019

Actuarially determined contribution rates are calculated as of June 30, 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
Amortization method	Level percent
Amortization period	18 years
Asset valuation method	Closed
Inflation	2.75%
Healthcare cost trend rates	5.28-4.40% over 71 years
Salary increases	8.25% for first 7 years and 3.00% thereafter for Police, 3.5% for all others
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 OPEB  
 LAST THREE FISCAL YEARS\***

---

	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Annual money-weighted rate of return, net of investment expense	5.96%	7.52%	9.44%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

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

	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>22,190,058</u>	<u>28,681,978</u>
Total	<u>\$ 22,190,058</u>	<u>\$ 28,681,978</u>
Town's covered payroll	\$ 34,712,942	\$ 34,259,016
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

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## ***Appendix B***

### ***Opinion of Bond Counsel and Tax Status***

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## **APPENDIX B - OPINION OF BOND COUNSEL AND TAX STATUS**

*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 successful bidder 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 successful bidder.

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 Simsbury  
Simsbury, Connecticut

We have represented the Town of Simsbury, Connecticut as Bond Counsel in connection with the issuance by the Town of \$9,110,000 General Obligation Bonds, Issue of 2020, dated as of February 11, 2020.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Simsbury 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.

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. 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.

***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 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.

*[Remainder of page intentionally left blank]*

## ***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 February 11, 2020 by the Town of Simsbury, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$9,110,000 General Obligation Bonds, Issue of 2020, dated as of February 11, 2020 (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 January 30, 2020 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, 2020) as follows:

(i) Financial statements of the Issuer's general fund and any special revenue, capital projects, permanent enterprise, internal service and trust or agency 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 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, and total net debt as of the close of the fiscal year,
- (F) total net direct debt and total net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total 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 pension benefit obligation.

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

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

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

### **Section 3. Notice of Certain Events.**

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

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

- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

## **Section 6. Termination.**

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

## **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Finance Director/Treasurer, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director/Treasurer is Town Hall, 933 Hopmeadow Street, P.O. Box 495, Simsbury, Connecticut 06070.

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 SIMSBURY

By \_\_\_\_\_  
Maria E. Capriola  
Town Manager

By \_\_\_\_\_  
Amy Meriwether  
Treasurer

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***Appendix D***

***Notice of Sale***

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**NOTICE OF SALE**  
**\$9,110,000**  
**Town of Simsbury, Connecticut**  
**General Obligation Bonds**  
**(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Simsbury, Connecticut at Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut, until **11:30 A.M. Eastern Time on THURSDAY,**

**JANUARY 30, 2020**

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

**\$9,110,000 General Obligation Bonds, Issue of 2020**  
**Payable annually on February 1 as follows:**

**\$610,000 in 2021 through 2027**  
**\$605,000 in 2028 through 2035**

The Bonds will be dated February 11, 2020, with interest payable on August 1, 2020 and thereafter semiannually on each February 1st and August 1st.

The Bonds will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

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

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 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 authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates will be the fifteenth day of July and January (or the preceding business day if such fifteenth day is not a business day).

**Redemption.** The Bonds maturing on or before February 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2028 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after February 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, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price or prices (expressed as a percentage of the principal amount to be redeemed) plus accrued and unpaid interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
February 1, 2027 and thereafter	100%

**Proposals.** Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

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

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

**Basis of Award.** As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 11, 2020, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

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

**Delivery.** At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

**Establishment of Issue Price.** The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town's Municipal Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town's Municipal Advisor.

By submitting a bid for the Bonds, a bidder represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

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

1. the Town shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the Town may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Town the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Bonds of that maturity or the sale of all Bonds of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “Public” means any person other than an Underwriter or a Related Party,
2. “Underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a



written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

3. A purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. "Sale Date" means the date that the Bonds are awarded by the Town to the winning bidder.

**Bond Counsel Opinion.** The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, 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, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and 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; and (3) that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and 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.

The Bonds will *not* be "qualified tax-exempt obligations" for purposes of the deduction by financial institutions of interest expense that is allocable to tax-exempt obligations.

**Municipal Advisor.** The Town of Simsbury has retained Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

**Official Statement.** The Town of Simsbury has prepared a preliminary Official Statement for the Bond issue which is dated January 21, 2020. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 50 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's Municipal Advisor by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional or revised cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

**Continuing Disclosure Agreement.** The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely 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. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

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

**Delivery Date and Payment.** It is expected that the closing on the Bonds will occur on or about February 11, 2020 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

**More Information.** For more information regarding this issue and the Town reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Ms. Amy Meriwether, Director of Finance/Treasurer, Town of Simsbury, 933 Hopmeadow Street, Simsbury, Connecticut 06070 (telephone: (860) 658-3282).

MARIA E. CAPRIOLA,  
*Town Manager*

AMY MERIWETHER,  
*Treasurer*

January 21, 2020

**APPENDIX TO NOTICE OF SALE  
FORM OF ISSUE PRICE CERTIFICATE**

*Competitive Sale Requirements Satisfied*

**TOWN OF SIMSBURY, CONNECTICUT  
\$9,110,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Underwriter Short Name are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Underwriter Short Name in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter Short Name to purchase the Bonds.

(b) Underwriter Short Name was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter Short Name constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 30, 2020.

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

(e) *Issuer* means the Town of Simsbury, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

*Name of the Underwriter*

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

Name: \_\_\_\_\_

Dated: \_\_/\_\_/2020

**Attachments:**

**SCHEDULE A  
EXPECTED OFFERING PRICES**

**SCHEDULE B  
COPY OF UNDERWRITER'S BID**

*[Remainder of page intentionally left blank]*

***Competitive Sale Requirements Not Satisfied - 10% Test Applied***

**TOWN OF SIMSBURY, CONNECTICUT  
\$9,110,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) "Issuer" means the Town of Simsbury, Connecticut.

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

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

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

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

Name: \_\_\_\_\_

Dated: \_\_/\_\_/2020

**Attachment:**

**SCHEDULE A  
SALE PRICES**

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