Final Official Statement Dated February 12, 2020

REFUNDING ISSUE: Book-Entry-Only ***RATINGS: Moody's Investors Service: "Aaa"***
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 Glastonbury, Connecticut
$8,105,000
General Obligation Refunding Bonds, Issue of 2020, Series A

Dated: Date of Delivery ***Due: May 15, as shown below:***

Year	*Principal*	*Coupon*	*Yield*	*CUSIP* [1]	*Year*	*Principal*	*Coupon*	*Yield*	*CUSIP* [1]
2021	$ 1,905,000	5.000%	0.800%	377298N26	2024	$ 1,905,000	5.000%	0.820%	377298N59
2022	1,560,000	5.000%	0.810%	377298N34	2025	915,000	5.000%	0.830%	377298N67
2023	1,820,000	5.000%	0.810%	377298N42					

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

The Bonds are not subject to redemption prior to maturity.

The Bonds will bear interest payable semiannually on May 15 and November 15 in each year until maturity, commencing May 15, 2020. 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.

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

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 25, 2020.

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

No dealer, broker, salesman or other person has been authorized by the Town of Glastonbury, 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.

The Bonds were purchased by J.P. Morgan Securities LLC through a competitive bid process.

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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. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, February 12, 2020 at 11:30 A.M. (Eastern Time).
Location of Sale:	Office of the Town Manager, Town Hall, 2155 Main Street, Glastonbury, Connecticut 06033.
Issuer:	Town of Glastonbury, Connecticut (the "Town").
Issue:	$8,105,000 General Obligation Refunding Bonds, Issue of 2020, Series A (the "Bonds").
Dated Date:	February 25, 2020.
Principal and Interest Due:	Principal due serially May 15, 2021 through May 15, 2025. Interest due May 15 and November 15 in each year until maturity, commencing May 15, 2020.
Authorization and Purpose:	The Bonds are being issued to refund at or prior to maturity all or a portion of the Town's outstanding General Obligation Refunding Bonds, Issue of 2010 including applicable interest and on redemption premium, if any. See "Authorization and Purpose" and "Plan of Refunding" herein.
Redemption:	The Bonds are NOT subject to redemption prior to maturity.
Security:	The Bonds will be general obligations of the Town of Glastonbury, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a "Aaa" rating from Moody's Investors Service ("Moody's") and "AAA" rating from S&P Global Ratings ("S&P") on the Bonds.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Status:	See Appendix B - "Opinion of Bond Counsel and Tax Status".
Bank Qualification:	The Bonds shall NOT 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.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data 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.
Registrar, Transfer Agent, Certifying Agent, Escrow Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 878-4945.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about February 25, 2020. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Julie B. Twilley, Director of Finance and Administrative Services, Town of Glastonbury, Town Hall, 2155 Main Street, Glastonbury, Connecticut 06033. Telephone (860) 652-7587.

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 Glastonbury, Connecticut (the "Town"), in connection with the issuance and sale of $8,105,000 General Obligation Refunding Bonds, Issue of 2020, Series A (the "Bonds") of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated February 4, 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, 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.

The Bonds

Description of the Bonds

The Bonds will mature on May 15 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 hereof, payable semiannually on May 15 and November 15 in each year until maturity, commencing May 15, 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 last business day of April and October, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, Escrow 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 are NOT subject to redemption prior to maturity.

Authorization and Purpose

The Bonds are issued pursuant to section 7-370c of the General Statutes of Connecticut, as amended and to a resolution authorizing the issuance of refunding bonds adopted by the Town Council on November 26, 2019 in an amount not to exceed $12,000,000.

Plan of Refunding

The Bonds are being issued to current refund all or a portion of the aggregate principal amount outstanding of certain Town of Glastonbury General Obligation Bonds listed below (the "Refunded Bonds"). The refunding is contingent upon the delivery of the Bonds.

Issue	Dated Date	Maturity Date	Interest Rate	Par Amount	Redemption Date	Redemption Price
2010 REF	10/12/2010	5/15/2021	5.000%	$ 1,820,000	5/15/2020	100.00%
		5/15/2021	4.000%	175,000	5/15/2020	100.00%
		5/15/2022	4.000%	1,200,000	5/15/2020	100.00%
		5/15/2022	3.000%	805,000	5/15/2020	100.00%
		5/15/2023	3.000%	1,990,000	5/15/2020	100.00%
		5/15/2024	3.250%	500,000	5/15/2020	100.00%
		5/15/2024	3.000%	1,460,000	5/15/2020	100.00%
		5/15/2025	3.000%	935,000	5/15/2020	100.00%
	***Total ……**			$ 8,885,000		

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable escrow fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Series securities ("SLGS") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the "Escrow Securities") and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and Underwriter's discount.

Verification of Mathematical Computations

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

Sources and Uses of Bond Proceeds

Sources:	***This Issue***
Par Amount of the Bonds	$ 8,105,000.00
Net Original Issue Premium	1,007,095.75
Total Sources	$ 9,112,095.75
Uses:	
Deposit to Escrow Deposit Fund	$ 9,013,045.00
Costs of Issuance	92,409.92
Underwriter's Discount	6,640.83
Total Uses	$ 9,112,095.75

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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.

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

Principal and Interest payments on, and redemption repremium, 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 Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the 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 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 of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town. 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 law income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax such dwelling houses of qualified elderly persons of low income.

Payment of the Bonds 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 debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Bonds 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, 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 certain interest expense allocable to the Bonds.

Availability of Continuing Disclosure Information

The Town of Glastonbury prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management. The Town provides, and will continue to provide, to the rating agencies 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 and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds not in excess of 10 business days of the occurrence of such events, and (iii) timely notice of failure by the Town to provide the annual financial and operating data on or before the date specified in the Continuing Disclosure Agreement. The winning bidders' obligation to purchase the Bonds shall be conditioned upon it receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

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

Ratings

The Town received a "Aaa" rating from Moody's Investors Service ("Moody's") and "AAA" rating from S&P Global Ratings ("S&P") on the Bonds. The Town furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings, if obtained, will reflect only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the ratings will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town's bonds and notes, including the Bonds.

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

Bond Insurance

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

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II. The Issuer

Description of The Town

The Town of Glastonbury, incorporated as a Town in May of 1693, is located approximately eight miles southeast of Hartford and is bordered on the north by the Towns of East Hartford and Manchester, on the east by the Towns of Bolton and Hebron, on the south by the Towns of Marlborough, East Hampton and Portland, and on the west by the Towns of Cromwell, Rocky Hill and Wethersfield. Glastonbury is approximately 53 square miles in area with a population of 34,688 as of June 2018.

Glastonbury is strategically located adjacent to Connecticut Routes 2 and 3, both four-lane limited access highways providing direct access to interstate highways 84 and 91. Bradley International Airport is 20 miles northwest of the Town. Connecticut Transit provides bus service to and from Hartford and surrounding towns.

Glastonbury is a suburb of Hartford with a diverse development base and a rich history as a Connecticut River Valley town. Approximately 61% of the total land area is zoned for residential development, 12% for commercial and industrial development, and 27% is flood zone or open space.

Glastonbury provides a full range of services including: General Government, Community Development, Administrative Services, Public Safety, Physical Services, Sanitation, Human Services, Leisure/Culture and Education.

Glastonbury is located in a region with a diverse economic base. Its citizens' income is derived from major insurance firms, prime government contractors, commercial/industrial firms, retail and service industries.

Economic Development

Glastonbury is located in a region with a diverse economic base. Its citizens' income is derived from major insurance firms, prime government contractors, commercial/industrial firms, retail and service industries. The American Fact Finder published by the U.S. Census Bureau indicates that Glastonbury's median family income was $135,791 in 2017, compared to the State's $93,800. The median age of a Glastonbury resident was 45.8 years in 2017, compared to the State's 40.8 years.

Glastonbury's unemployment rate ranks better than the region. The Town's unemployment rate was 2.5% as of July 2019 as compared to the State of Connecticut at 3.6%. Glastonbury's unemployment rate decreased approximately one-half of a percent from July 2018 when the unemployment rate was 3%.

The net taxable Grand List of October 1, 2018 was $4.23 billion, representing an increase of 1.1% from 2017. This continues the strong pattern of growth in the grand list since 2007 and strengthens the solid tax base in Glastonbury. Individually, the real estate segment increased 0.89%, the personal property segment increased 4.64%, and the motor vehicle list increased 1.64% over the net 2017 totals.

In 2018, the area real estate market continued on a path of stabilization, as it has done for five consecutive years. Growth in the volume of residential sales climbed from 531 to 541 (1.9%) over the previous grand list period. In addition, the average sales price increased from $346,666 to $362,487 (4.6%), capping a steady improvement in year over year growth. This vigorous result is generally consistent with similar local towns and it is primarily attributed to an improved regional economy, limited supply and low interest rates.

Key indicators of sustained growth included new home permits issued and the number of home renovations and additions. New home construction remained steady with 38 for this year – a slight decrease from 42 permits last year. Permits for residential alterations increased from 354 to 432 projects, a 22% increase. These figures indicate further signs of continued growth and confidence in the residential market.

The commercial rental market remained stable and occupancy rates remained high. The local commercial market saw a 150-unit apartment complex completed on Hebron Ave. Work was also completed at the Center Village complex which was enlarged by 32,000 sq. ft. to provide more affordable housing in town. Additionally, numerous other commercial developments are underway.

The personal property sector increased by a healthy 5.27% with the largest growth being split evenly amongst established companies reinvesting in new assets, and businesses new to town (primarily restaurants). Eleven of the new ventures added $2.55 million in assessment value. Overall personal property reporting shows continued reinvestment and upgrading of equipment by existing businesses. The median business account assessment increased from $7,500 to $10,000. The continued growth in personal property is directly related to the Town's overall strong business climate.

Long Range Financial Planning

Glastonbury has been highly successful in the use of its Capital Improvement Program to maintain the Town's infrastructure and make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents.

The Town's annual Capital Improvement Program (CIP) results in a five-year plan of acquisition, new construction, and repair and replacement of municipal facilities and equipment. The Program consists of a planning process and a budgetary process. Requests are prepared by Town Departments, and Boards and Commissions, and are submitted to the Town Council in a five-year planning document prepared by the Town Manager and presented to the Town Council and Board of Finance by February 1 of each year. This document sets forth the suggested implementation of projects based on the needs of the community. Both boards complete their reviews and recommendations in mid-March as part of the annual budget process.

The Town's Capital Improvement Program policy outlines the purpose of the program to identify future capital needs over a multi-year period and recommends the means to finance them. The Town currently maintains a Capital Reserve that funds many of the capital and nonrecurring items on a cash basis. Other sources of funding include grants, donations and long-term financing, if authorized by the voters.

In addition to identifying the type of capital items to be included in the capital program, the Town Council also sets the goals and limits with regard to reserves and authorizations. This policy, the Capital Improvement Program Criteria, reviewed annually and modified as needed by the Town Council, sets forth the following goals and guidelines:

- Establishes a goal of maintaining an available balance in the Capital Reserve of $1,000,000, except as needed to meet emergencies;
- Requires the Town Manager to develop a financing plan for recommended projects that includes the source of funding and, as applicable, debt service projections and the mill rate impact of issued debt for the projects;
- Sets the referendum threshold for cash-funded projects that exceed 2% of the Town's current adopted Town, Education, and Debt Transfer budget, rounded to the next highest $50,000; and,
- Provides funding for capital improvements when public referendum is not practical or in the best interests of the community. This would include:
    - Exigent circumstances affecting the health or safety of the community;
    - Grant funding and donations which reduce the net project cost below the threshold;
    - Care and maintenance of Town buildings and infrastructure; and,
    - Projects of a recurring nature that may be funded on an annual basis for which cumulative funding could exceed the threshold.

Glastonbury is well known for its successful land acquisition and preservation program. The program is funded through appropriations and bond authorizations approved at referendum. Since 1988, $31 million has been approved at referendum for land acquisition and preservation. Through this program, the Town has acquired approximately 2,192 acres, of which more than $5.0 million was used for the purchase of approximately 542 acres, from the Pension Fund of the Metropolitan District. The purchase of this land occurred on January 15, 2020. This brings the land acquisition and preservation total to approximately 2,200 acres.

The Town continues the practice of funding major projects, new and ongoing, from cash resources to minimize the issuance of debt to finance projects. The capital transfer from the General Fund to the Capital Reserve Fund in the 2018-19 fiscal year was $5,750,000 and for the 2019-20 fiscal year is $6,000,000.

For the 2018-19 fiscal year, the projects included bridge replacement, improvements to Town roads, sidewalks and Town infrastructure, air conditioning for school buildings, energy efficiency projects, and various other building improvements.

For the 2019-20 fiscal year, the Town Council appropriated a total of $10.17 million for current year funding, including $9.707 million, before grants, for a Capital Reserve Fund and $461,000 for Town Aid Road. The funding is available through the annual appropriation to the Capital Reserve, Sewer funds and grants. Some major projects approved for funding include improvements to Town roads, sidewalks, the Glastonbury High School Cafeteria and Field House, air conditioning for school buildings, and various other building improvements. In addition to the $6.0 million of funding from the General Fund, the Capital Improvement Plan program takes advantage of significant grant resources, as applicable.

The Town continues to evaluate proposals for purchase and development of the remaining two parcels, approximately 11 acres, of the town-owned Gateway Corporate area. One parcel is under contract for the construction of 30,000 to 40,000 square feet of medical office space. Revenue from the 30,000 to 40,000 square feet will total $1.125 million to $1.4 million per the fully executed Purchase and Sale Agreement. This process will focus on a number of factors including purchase price, demand for public services, ongoing net tax benefits, and long-term viability of concepts.

Form of Government

In 1959, Glastonbury adopted the Town Council/Town Manager form of government. The Town Council is made up of nine bipartisan members who are elected every two years by the registered voters in Town. There is a requirement that the minority party have at least three members serving on the Town Council at all times. The Town Council is responsible for adopting all of the laws and policies necessary for Town government to operate and also makes appointments to Boards and Commissions as applicable.

The Town Manager is appointed by the Town Council and is the Chief Executive Officer. The Town Manager ensures that the laws and policies adopted by the Town Council are carried out and oversees the day-to-day operations of the town. The Town Manager also hires all employees, excluding the Board of Education staff.

In addition to the Town Council, there is a Board of Finance that is comprised of six bipartisan members who are elected by the registered voters in Town. The major function of the Board of Finance is to act as an advisory board to the Town Council by making recommendations regarding the annual budgets submitted by the Town Manager and the Board of Education. This Board also has the direct authority to set the annual property tax mill rate based on the final budget total approved by the Town Council.

In addition to the Town Council and the Board of Finance, the following boards are also elected by the registered voters in town: Board of Assessment Appeals, Board of Education, Board of Fire Commissioners and Zoning Board of Appeals.

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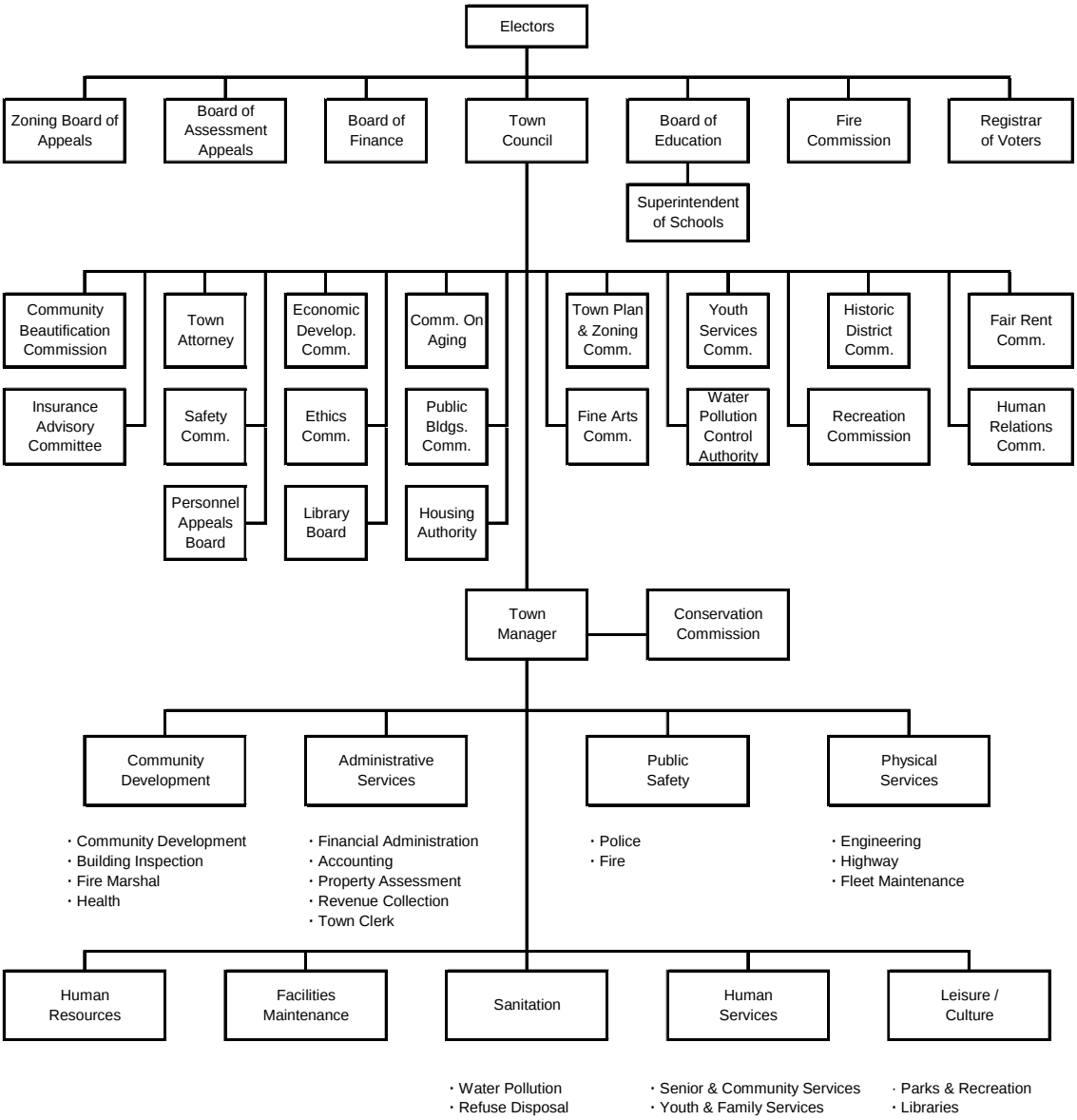
Organizational Chart



Principal Town Officials

Office	*Name*	*Manner of Selection/Term*	*Years of Service*	*Principal Employment Last Five Years*
Town Council Chairperson	Thomas P. Gullotta	Elected	8 years [1]	Retired
Board of Finance Chairperson	Constantine Constantine	Elected	36 years	Attorney
Town Manager	Richard J. Johnson	Appointed	40 years	Town Manager
Director of Finance and Administrative Services	Julie Twilley	Appointed	2 year	CFO for Operations/FP&A (Travelers /The Hartford)
Chief of Police	Marshall Porter	Appointed	2 year	Farmington Police Department (Captain)
Superintendent of Schools	Alan B. Bookman	Appointed	37 years	Superintendent
Community Development Director	Khara Dodds	Appointed	5 years	Director of Planning (City of Hartford)
Building Official	Peter Carey	Appointed	34 years	Deputy Building Official
Manager of Physical Services	Daniel A. Pennington	Appointed	25 years	Town Engineer

[1] *Chairperson from 2017 to present.*

Source: Town of Glastonbury

Summary of Municipal Services

General Government: General Government functions include the Chief Executive as the Town Manager and various core administrative staff including the Human Resources and Marketing and Communications Departments. These offices encompass six full-time employees.

Facilities Maintenance: The Facilities Maintenance Division is also a division within General Government. The division is comprised of twelve employees whose responsibility is concentrated on preventative maintenance and energy conservation. They maintain thirty facilities, excluding education facilities. The Division is supervised by a Building Superintendent with direct input into the management of both Town and Education facilities. The Division also oversees all building construction projects, including renovation and construction of schools.

Community Development: This department includes Community Development, Building Inspection, Fire Marshal and Health division services with a total of fourteen full-time employees.

Administrative Services: This department includes Financial Administration which includes Purchasing and Information Technology, Accounting, Property Assessment, Revenue Collection and the Town Clerk. There is a total of twenty-six full-time employees within Administrative Services.

Police: The Glastonbury Police Department (GPD), has an authorized staff of seventy-nine full-time employees, and is divided into three divisions: Support Services (twenty-two employees, including twelve Public Safety Dispatchers), Criminal Investigations (fifteen employees) and Patrol (thirty-nine employees). There are three full-time Administrative staff employees, sixteen part-time, unarmed, Community Service Officers who perform traffic and crowd control, and limited patrol duties, two part-time animal control officers, and one part-time alarm administrator.

GPD was the first police agency in the State of Connecticut to receive national accreditation status by the Commission on Accreditation for Law Enforcement Agencies, Inc. GPD will be reaccredited for the tenth time in March 2020.

The police department maintains a fleet of thirty-eight vehicles and one boat. The department provides dispatch services for the Glastonbury Fire Department, the Glastonbury EMS (formerly the Glastonbury Volunteer Ambulance Association), as well as police, fire, and EMS dispatch services for the Town of East Hampton.

Fire Department: The Town of Glastonbury has a volunteer Fire Department with four companies made up of a cross section of citizens within the community. The general taxpayers, through the operating budget administered by the Town Manager, fund the department for equipment, building maintenance and replacement. The part-time Fire Chief reports directly to the Town Manager. The Fire Chief acts as a liaison to the Fire Commission. A Board of Fire Commissioners is responsible for all policy decisions.

Physical Services: The Physical Services Department employs thirty-nine full-time employees. Their activities for the Town include the areas of Engineering, Highway and Fleet Maintenance.

The Engineering Division handles the engineering review and inspection of development driven public improvement work within the community as well as the design of municipal construction and maintenance projects. Highway Division functions encompass road paving, traffic control, street lighting program, snow removal and storm drainage. Within the 53 square miles, there are approximately 200 miles of roads. The Fleet Maintenance Division is responsible for repairs and preventative maintenance for about 263 Town and 93 Board of Education cars, trucks, buses and heavy equipment units being used by the various Town Departments. Historically, this division was responsible for maintaining the Department of Education's school buses, but since 2009, this service has been subcontracted and administered by this Division.

Water Pollution Control and Solid Waste Management: The Sanitation Department includes the Water Pollution Control Division, which is supported by sewer user fees and operates one 3.64+/- MGD Secondary Sewage Treatment Plant and eight pump stations. The Water Pollution Control Division staff includes nine full-time employees.

The Refuse Disposal Division staff includes two full-time employees who are supported by part-time employees who operate the transfer station and bulky waste sites. The Refuse Disposal Division operates a refuse transfer station which transports an average of 1,650 tons of refuse per year to the Connecticut Solid Waste System (CSWS) plant in Hartford, with the balance of approximately 17,500 tons transported by private trash haulers. The Town pays tipping fees for waste generated at the transfer station; private contracted haulers assume payment responsibilities directly to the Materials Innovation and Recycling Authority (MIRA) for their share of solid waste transported to the facility.

Service Contract - Solid Waste Disposal: The Town has joined the Central Connecticut Solid Waste Authority ("CCSWA"), a regional resource recovery authority established to manage solid waste and recycling services on behalf of its member municipalities. Through the CCSWA, the Town has executed a service contract (the "Service Contract") with MIRA for the disposal of solid waste and recyclables through the CSWS. The Service Contract is effective for fifteen years commencing on November 16, 2012 through June 30, 2027. The Service Contract calls for the Town to cause to be delivered to the CSWS all acceptable solid waste and acceptable recyclables generated within its corporate boundaries. As of April 1, 2019, the tipping fee was $81.35/ton and was in effect through June 30, 2019. The tipping fee increased to $83/ton on July 1, 2019. At the same time, ongoing efforts to increase recycling and composting have decreased annual municipal solid waste tonnage, to somewhat offset the impact of the increased rates.

The Town has pledged its full faith and credit for the payment of all payments due under the Service Contract. There are no minimum or maximum delivery tonnage caps. However, to the extent that a municipality does not make its payments required under the Service Contract to MIRA, the remaining municipalities, including the Town, are obligated to make such payments.

The Town's former sanitary landfill was closed in 1984 in compliance with Federal and State environmental requirements. A mandatory recycling of waste products has been in place since 1991 and the Town recycles approximately 30-35% of the total waste stream.

Welles-Turner Memorial Library: The Welles-Turner Memorial Library, staffed by ten full-time and twenty-two part-time employees, provides traditional and modern library resources for public use including access to books and media for recreational use, as well as a large non-fiction collection for research and informational purposes. The Library maintains a comprehensive reference collection staffed by professional librarians who provide service in person, by telephone, by mail and by e-mail. The Library has a comprehensive children's/youth program that includes story times, summer reading programs and other special events for children and teens. The Library has computers for public use, including Internet access, Wi-Fi, and 3D printing capabilities. In addition, study rooms and collaborative meeting spaces are available for use.

In November 2018, voters approved $6.5 Million to renovate and expand the library. After considering pledges and grants, the estimated net cost to taxpayers will be $4.4 Million. In addition to reconfiguring the current area to better accommodate 21st Century library activities, this project also adds approximately 3,700 square feet of new space. This new space will include more space for children's activities, a dedicated makerspace for all ages and additional public spaces. Design and permitting is in progress with a late spring or early summer competitive bid process anticipated.

Parks and Recreation: The Parks and Recreation Division is responsible for organization and administration of all Town sponsored recreation activities and facilities, including the care and maintenance of all Town parks, open space, municipal grounds, school grounds, athletic fields, boat launch, ponds, swimming pools, playgrounds, street trees and cemeteries. Approximately 2,000 acres of grounds, parks, open space and recreation facilities are maintained by a staff of twenty-three full-time employees assisted by numerous part-time and seasonal help. Over 100 recreation activities are sponsored annually, reflecting approximately 80,000 in program registrations and facility reservations. In addition, this division operates a public boat launch on the Connecticut River and a banquet facility at the Glastonbury Boathouse in Riverfront Park.

Youth and Family Services: The Youth and Family Services Department works primarily with the Town's youth and their families. The Department has a full-time staff of eleven which includes professional and clinical social workers who work closely with the school department and provide counseling services to the youth. They also provide crisis intervention services and focus a great deal on positive youth development activities under the direction of the Department's Creative Experience Director. Substance abuse prevention services are also provided by this department.

Senior & Community Services: The Senior & Community Services Department, with a staff of seven full-time employees, administers the Riverfront Community Center and provides a variety of activities and services to the Town's elderly population. Dial-a-Ride transportation, senior center programming, nutritional lunch program, information and referral services, case management, and home visits are examples of the programs and services provided. This department also provides aid to families and individuals who lack or have insufficient resources to meet the needs of daily living and/or necessary medical treatment and hospitalization. Services also include crisis intervention and advocacy for the elderly and/or residents with special needs, and assistance in finding solutions to personal, family and financial social problems. The Senior Center is accredited by the National Institute of Senior Centers, and is accepted as a member of the AARP Network of Age-Friendly Communities.

Town Employees [1]

	2019	2018	2017	2016	2015
General Government.....	239	243	241	241	241
Board of Education.....	776	786	802	810	814
Total.....	1,015	1,029	1,043	1,051	1,055

[1] *Fiscal year ending.*

Source: Town of Glastonbury

Municipal Employees' Bargaining Units

General Government	***Positions Covered***	***Current Contract Expiration Date***
Glastonbury Police Officers Association, Inc. (GPOA).....	69	6/30/2021
International Union of Operating Engineers (IUOE).....	43	6/30/2020
Water Pollution/Facilities Maintenance, (AFSCME).....	14	6/30/2021
Total Unionized General Government Employees.....	126	
Board of Education Groups		
Glastonbury Education Association.....	488	6/30/2021
Glastonbury School Administrators Association.....	37	6/30/2022
Custodians/Maintenance/General Personnel CILU.....	77	6/30/2022
Nurses (AFSCME).....	13	6/30/2021
Secretaries/Paraprofessionals (AFSCME).....	118	6/30/2021
Part-Time Paraprofessional (AFSCME).....	128	6/30/2022
Total Unionized Board of Education Employees.....	861	
Total Employees.....	987	

Source: Town of Glastonbury

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject the 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 town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any items subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

The Town's school system services grades kindergarten through twelve, and the Eastbury Program provides Pre K through Post Grad services. The school system is governed by the local Board of Education. Glastonbury has an eight-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests, submission, ensuring funds for education as appropriated by the Town are effectively expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has eight schools for grades kindergarten through twelve. School enrollment as of October 1, 2019 was 5,811, including 98 in the Eastbury Program. The rated capacity of the system facilities is 7,407.

School Enrollment

	Historical				
School Year	*Pre-K-6*	*7 - 8*	*9 - 12*	*Out of District*	*Total*
2011-2012	3,526	1,088	2,210	44	6,868
2012-2013	3,314	1,025	2,232	47	6,618
2013-2014	3,177	1,035	2,173	33	6,418
2014-2015	3,033	1,034	2,064	38	6,169
2015-2016	2,935	1,044	2,058	43	6,080
2016-2017	2,928	1,019	2,019	42	6,008
2017-2018	2,883	994	2,026	35	5,938
2018-2019	2,817	951	2,014	38	5,820
2019-2020	2,863	943	1,968	37	5,811

	Projected				
School Year	*K-6*	*7 - 8*	*9 - 12*	*Out of District*	*Total*
2020-2021	2,808	936	1,922	NA	5,666
2021-2022	2,862	893	1,890	NA	5,645
2022-2023	2,914	867	1,849	NA	5,630
2023-2024	2,991	873	1,794	NA	5,658
2024-2025	3,084	889	1,761	NA	5,734

Source: Town of Glastonbury, Board of Education

School Facilities

School	*Grades*	*Date of Construction (Additions, Remodeling)*	*Number of Classrooms*	*10/1/2019 Enrollment*	*Rated Capacity*
Glastonbury High School..	9-12	1953, 1956, 1973, 1990, 1992, 2006	117	1,968	2,300
Gideon Welles School…..	6	1967, 2000	47	450	750
Smith Middle School…….	7-8	1999	82	943	1,100
Buttonball School……..	K-5	1955, 1960, 1996	29	472	556
Eastbury Program……..	Pre K-Post Grad	1949, 1964, 1996	21	63	402
Hebron Avenue School…..	K-5	1958, 1959, 1996	28	430	534
Hopewell School……..	K-5	1962, 1996	29	504	578
Naubuc School……	K-5	1929, 1949, 1969, 1996	27	411	512
Nayaug School……	K-5	2007	35	546	675
Total……			415	5,787	7,407

Source: Town of Glastonbury, Board of Education

III. Economic and Demographic Information

Population and Density

Year	Population [1]	% Increase (Decrease)	Density [2]
2018 [3]	34,578	0.4%	658.6
2010	34,427	8.0%	655.8
2000	31,876	14.2%	607.2
1990	27,901	14.7%	531.4
1980	24,327	17.8%	463.4
1970	20,651	--	393.4

[1] *1970-2010, U.S. Department of Commerce, Bureau of Census*

[2] *Per square mile: 52.5 square miles*

[3] *American Community Survey 2014-2018*

Age Distribution of the Population

	Town of Glastonbury		State of Connecticut	
Age	**Number**	**Percent**	**Number**	**Percent**
Under 5 years	1,358	3.9%	184,983	5.2%
5 to 9 years	2,018	5.8	201,006	5.6
10 to 14 years	2,877	8.3	224,135	6.3
15 to 19 years	2,227	6.4	247,182	6.9
20 to 24 years	1,505	4.4	245,490	6.9
25 to 34 years	2,708	7.8	439,848	12.3
35 to 44 years	4,292	12.4	427,023	11.9
45 to 54 years	6,173	17.9	522,138	14.6
55 to 59 years	2,670	7.7	266,170	7.4
60 to 64 years	2,745	7.9	235,949	6.6
65 to 74 years	3,346	9.7	327,414	9.1
75 to 84 years	1,790	5.2	170,979	4.8
85 years and over	869	2.5	89,187	2.5
***Total*.....**	34,578	100.0%	3,581,504	100.0%
Median Age (Years) 2018.....	45.6		40.8	
Median Age (Years) 2010.....	42.7		40.0	

Sources: American Community Survey 2014-2018

U.S. Department of Commerce, Bureau of Census, 2010.

Income Distribution

	Town of Glastonbury		State of Connecticut	
	Families	**Percent**	**Families**	**Percent**
Less than $10,000.....	126	1.3%	27,787	3.1%
$10,000 to $14,999.....	16	0.2	16,143	1.8
$15,000 to $24,999.....	182	1.9	41,072	4.6
$25,000 to $34,999.....	188	2.0	52,218	5.8
$35,000 to $49,999.....	529	5.6	82,371	9.2
$50,000 to $74,999.....	698	7.4	134,356	15.0
$75,000 to $99,999.....	1,023	10.8	122,244	13.6
$100,000 to $149,999.....	2,343	24.7	186,352	20.8
$150,000 to $199,999.....	1,562	16.5	100,359	11.2
$200,000 or more.....	2,806	29.6	132,765	14.8
***Total*.....**	9,473	100.0%	895,667	100.0%

Source: American Community Survey 2014-2018

Income Levels

	Town of Glastonbury	State of Connecticut
Per Capita Income, 2018	$60,080	$43,056
Per Capita Income, 2010	$47,833	$36,775
Median Family Income, 2018	$139,345	$97,310
Median Family Income, 2010	$120,351	$84,170

Source: U.S. Department of Commerce, Bureau of Census, 2010 American Community Survey 2014-2018

Educational Attainment
Years of School Completed Age 25 and Over

	Town of Glastonbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade	212	4.2%	101,068	4.4%
9th to 12th grade, no diploma	536	5.8	134,758	6.1
High School graduate (Inc. equivalency)	3,895	26.7	670,519	27.5
Some college, no degree	3,317	18.1	416,267	17.8
Associate degree	1,661	8.7	190,869	7.4
Bachelor's degree	7,083	20.3	538,924	20.5
Graduate or professional degree	7,889	16.3	426,303	16.4
Total	24,593	100.0%	2,478,708	100.0%
Percent high school graduate or higher		97.0%		90.5%
Percent bachelor's degree or higher		60.9%		38.9%

Source: American Community Survey 2014-2018

Employment by Industry
Employed Persons 16 Years and Over

	Town of Glastonbury		State of Connecticut	
Sector	***Number***	***Percent***	***Number***	***Percent***
Agriculture, forestry, fishing and hunting, and mining	52	0.3%	7,166	0.4%
Construction	851	4.8	104,122	5.8
Manufacturing	1,970	11.1	191,519	10.6
Wholesale trade	282	1.6	44,741	2.5
Retail trade	1,446	8.1	193,016	10.7
Transportation warehousing, and utilities	482	2.7	68,926	3.8
Information	400	2.2	42,200	2.3
Finance, insurance, real estate, and leasing	2,558	14.4	163,810	9.1
Professional, scientific, management, administrative, and waste management	3,188	17.9	208,130	11.5
Education, health and social services	4,294	24.1	478,083	26.5
Arts, entertainment, recreation, accommodation and food services	918	5.2	153,679	8.5
Other services (except public admin.)	652	3.7	82,538	4.6
Public Administration	704	4.0	67,156	3.7
Total Labor Force, Employed	17,797	100.0%	1,805,086	100.0%

Source: American Community Survey 2014-2018

Major Employers
As of January 2020

Employer	*Type of Business*	*Approximate Number of Employees*
Town of Glastonbury	Municipal Government	1,000-4,999
Healthtrax Inc.	Health Clubs	1,000-4,999
Fiserv (previously Open Solutions)	Data Processing	250-499
Home Depot	Home Centers	100-249
Monaco Ford	Automobile Dealer	100-249
Super Stop & Shop Supermarket, Oak Street	Grocers-Retail	100-249
Whole Foods Market	Grocers-Retail	100-249
Amica Mutual Insurance Co	Insurance	100-249
Pinnacle Group Inc	Insurance	100-249
Smith Brothers Insurance LLC	Insurance	100-249
Topcoder Inc	Financing	100-249
J. Gilbert's Wood-Fired Steaks	Full-Service Restaurant	100-249
Big Fish Promotions	Marketing Consultants	100-249
Highway Safety Corp. Inc.	Safety Consultants	100-249
S/L/A/M Collaborative	Architects	100-249
USI Consulting Group	Employee Benefit Consultants	100-249
TCA Consulting Group	Employment Contractors	100-249
Glastonbury Health Care Ctr	Convalescent Homes	100-249
Salmon Brook Nursing and Rehabilitation	Nursing & Convalescent Homes	100-249
Mystic Logistics Inc	Transportation Services	100-249

Source: Telephone Survey of Employers

Source: Connecticut Department of Labor and Connecticut Economic Resources Center, Inc.

Employment Data
By Place of Residence

	Town of Glastonbury		*Percentage Unemployed*		
Period	*Employed*	*Unemployed*	*Town of Glastonbury*	*Hartford Labor Market*	*State of Connecticut*
November 2019	18,985	461	2.4	3.3	3.3
Annual Average					
2018	18,585	539	2.8	4.1	4.1
2017	18,409	621	3.3	4.8	4.7
2016	18,229	683	3.6	5.3	5.3
2015	18,196	710	3.8	5.6	5.6
2014	17,979	849	4.5	6.7	6.7
2013	17,621	985	5.3	7.9	7.9
2012	17,580	1,027	5.5	8.4	8.3
2011	17,904	1,109	5.8	8.9	8.8
2010	17,757	1,245	6.6	9.1	9.0
2009	17,426	1,071	5.8	8.3	8.2

Source: Department of Labor, State of Connecticut

Age Distribution of Housing

	Town of Glastonbury		State of Connecticut	
Year Built	***Units***	***Percent***	***Units***	***Percent***
1939 or earlier	1,423	10.1%	337,795	22.3%
1940 to 1969	3,948	28.0	533,321	35.3
1970 to 1979	2,791	19.8	201,360	13.3
1980 to 1989	2,644	18.8	191,306	12.6
1990 to 1999	1,968	14.0	115,459	7.6
2000 or 2009	1,006	7.1	103,632	6.9
2010 or later	306	2.2	29,432	1.9
Total Housing Units	14,086	100.0%	1,512,305	100.0%

Source: American Community Survey 2014-2018

Housing Inventory

	Town of Glastonbury		State of Connecticut	
Housing Units	***Units***	***Percent***	***Units***	***Percent***
1-unit, detached	10,196	72.4%	892,608	59.0%
1-unit, attached	1,387	9.8	80,684	5.3
2 units	479	3.4	123,908	8.2
3 or 4 units	646	4.6	130,948	8.7
5 to 9 units	244	1.7	84,021	5.6
10 to 19 units	226	1.6	57,153	3.8
20 or more units	836	5.9	130,872	8.7
Mobile home	60	0.4	11,734	0.8
Boat, RV, van, etc	12	0.1	377	0.0
Total Inventory	14,086	100.0%	1,512,305	100.0%

Source: American Community Survey 2014-2018

Owner Occupied Housing Values

	Town of Glastonbury		State of Connecticut	
Specified Owner-Occupied Units	***Number***	***Percent***	***Number***	***Percent***
Less than $50,000	140	1.3%	21,254	2.3%
$50,000 to $99,999	129	1.2	29,211	3.2
$100,000 to $149,999	368	3.4	81,446	9.0
$150,000 to $199,999	846	7.8	139,715	15.4
$200,000 to $299,999	2,583	23.8	245,801	27.1
$300,000 to $499,999	4,515	41.5	240,706	26.5
$500,000 to $999,999	2,183	20.1	106,993	11.8
$1,000,000 or more	105	1.0	42,008	4.6
Total	10,869	100.0%	907,134	100.0%
Median Value	$348,600		$272,700	

Source: American Community Survey 2014-2018

Building Permits

The following schedule of building permits and their estimated values (in thousands) over the last ten years:

Fiscal	Residential		Comm./Industrial		Other		Total	
Year	No.	Value	No.	Value	No.	Value	No.	Value
2019	20	$ 7,055	5	$ 1,675	2,133	$ 30,379	2,158	$ 39,109
2018	9	2,322	16	3,603	1,094	5,938	1,119	11,863
2017	40	11,240	26	2,277	1,207	7,668	1,273	21,185
2016	42	12,258	17	1,409	1,047	4,840	1,106	18,507
2015	30	7,860	13	932	1,101	3,443	1,144	12,235
2014	25	6,859	24	3,281	1,032	3,362	1,081	13,502
2013	34	9,473	63	20,845	850	10,707	947	41,025
2012	47	10,215	93	6,853	1,105	13,211	1,245	30,279
2011	44	9,498	45	5,270	672	9,047	761	23,815
2010	43	11,550	132	14,620	727	10,869	902	37,039

Source: Town of Glastonbury, Building Official

Land Use Summary

	Total Area		Developed		Undeveloped	
Land Use Category	Acres	Percent	Acres	Percent	Acres	Percent
Residential ……	20,350	60.6%	13,215	39.3%	7,135	21.2%
Commercial/Industrial …..	4,150	12.4%	4,012	11.9%	138	0.4%
Open Space ……	9,100	27.1%	-	0.0%	9,100	27.1%
Total ……	33,600	100.0%	17,227	51.3%	16,373	48.7%

Source: Town of Glastonbury, Community Development

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IV. Tax Base Data

Property Tax – Assessments

The Town of Glastonbury conducted a general property revaluation effective October 1, 2017. Under Section 12-62 of the Connecticut General Statutes, the Town performs a revaluation every five years and the Assessor must fully analyze the market sales from the 18 months prior to the October revaluation date. This includes both physical inspections and data-mailers (to verify property characteristics of parcels not visited). Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Glastonbury for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable and non-taxable real and personal property and motor vehicles located within the Town on October 1. The 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 fair market value at the time of the last general revaluation, while assessments for personal property and motor vehicles are computed at 70 percent of the annual appraisal value.

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

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually.

Motor vehicle lists are furnished to the Town by the Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Glastonbury. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle has been included on the October Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle uses the same plates and replaces a motor vehicle that was taxed on the October 1 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. 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. The Town's mill rate for motor vehicles for fiscal year ending June 30, 2020 is 36.36 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.

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

A 2006 statute permits a municipality, upon approval of its legislative body, to defer the real property taxes due for certain low income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of the total tax relief granted plus interest. The Town currently supplements such tax relief also based on resident's income.

In addition, the Town has tax relief programs for farm buildings and public safety volunteers.

Comparative Assessed Valuations

Grand List As Of 10/1	Residential Real Property (%)	Commercial & Industrial Real Property (%)	Personal Property (%)	Motor Vehicles (%)	Gross Taxable Grand List (000s)	Exemptions, Veterans Relief and Disabled (000s)	Net Taxable Grand List (000s)	Percent Growth
2018	71.6	16.7	4.3	7.4	$ 4,248,773	$ 23,714	$ 4,225,059	1.1%
2017 [1]	71.7	16.7	4.2	7.4	4,202,181	23,086	4,179,095	5.3%
2016	72.8	15.3	4.3	7.6	3,994,771	25,114	3,969,657	1.4%
2015	73.3	15.3	4.0	7.4	3,941,295	26,093	3,915,202	1.1%
2014	73.6	15.3	3.7	7.4	3,896,835	25,530	3,871,305	0.9%
2013	73.5	15.0	4.0	7.5	3,859,012	21,452	3,837,560	0.8%
2012 [1]	73.6	15.2	4.0	7.3	3,832,330	23,784	3,808,546	-9.5%
2011	76.5	13.7	3.2	6.6	4,230,768	23,154	4,207,614	1.0%
2010	76.9	13.9	3.0	6.3	4,186,777	21,154	4,165,623	1.0%
2009	77.0	13.6	3.3	6.3	4,147,089	21,154	4,125,935	1.5%

[1] *Revaluation.*

Source: Town of Glastonbury, Assessor's Office.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000's)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2019
2018	2020	$ 4,225,059	36.36	$ 153,623,145		*In Collection* [2]	
2017 [1]	2019	4,179,095	36.00	148,933,708	99.4%	0.6%	0.6%
2016	2018	3,969,657	37.45	147,321,145	99.6%	0.4%	0.1%
2015	2017	3,915,202	36.40	142,244,077	99.4%	0.6%	0.0%
2014	2016	3,871,305	36.10	139,990,757	99.4%	0.6%	0.0%
2013	2015	3,837,560	35.65	134,749,969	99.4%	0.6%	0.0%
2012 [1]	2014	3,808,546	35.10	131,609,106	99.5%	0.5%	0.0%
2011	2013	4,207,614	30.50	128,299,243	99.3%	0.7%	0.0%
2010	2012	4,165,623	30.05	125,090,308	99.1%	0.9%	0.0%
2009	2011	4,125,935	29.65	122,201,916	99.1%	0.9%	0.0%

[1] *Revaluation.*

[2] *Fiscal Year Ending 6/30/19 rates as of April 30.*

Source: Town of Glastonbury, Tax Collector

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List [1]
Connecticut Light & Power Co (Eversource).....	Public Utility	$ 49,984,750	1.18%
Shops At Somerset Square LLC	Retail Center	28,651,700	0.68%
New London Turnpike Apts Investors LLC	Apartments	28,019,300	0.66%
Massachusetts Mutual Life Insurance Company ...	Office Building	18,736,700	0.44%
Glastonbury Developers LLC.....	Apartments	18,643,070	0.44%
Glastonbury MZL LLC	Retail Plaza	17,850,000	0.42%
SHP V Glastonbury LLC	Assisted Living	16,797,330	0.40%
Siebar Glastonbury LLC	Office Building	15,933,200	0.38%
Connecticut Natural Gas Corp.	Public Utility	15,883,400	0.38%
Brixmor Residual Shoppes at Fox Run LLC	Retail Center	15,604,700	0.37%
***Total*.....**		$ 226,104,150	5.35%

[1] *Based on the Net Taxable Grand List of October 1, 2018 of $4,225,059,000.*

Source: Town of Glastonbury, Assessor's Office.

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V. Debt Summary

Principal Amount of Indebtedness
As of February 25, 2020
(Pro Forma)

Long-Term Debt:

Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding[1]	Fiscal Year of Maturity
10/12/10	General Purpose Refunding	2.50-5.00	$ 8,995,000	$ 637,000	2020
10/12/10	Schools Refunding	2.50-5.00	19,555,000	1,373,000	2020
5/31/11	CWF - PLO[2]	2.00	18,600,000	11,256,852	2031
11/1/11	General Purpose - Series A.....	2.00-3.00	50,000	10,000	2022
11/1/11	Schools - Series A.....	2.00-3.00	2,665,000	1,465,000	2030
11/1/11	General Purpose - Series B (Taxable).....	3.00-4.50	3,680,000	2,120,000	2031
7/12/12	General Purpose Refunding	2.00-5.00	2,870,000	1,515,000	2026
7/12/12	Schools Refunding	2.00-5.00	11,675,000	7,390,000	2026
10/10/13	General Purpose (Taxable).....	3.00-4.30	8,950,000	7,040,000	2034
5/15/14	General Purpose Refunding	2.00-5.00	3,095,000	1,794,800	2029
5/15/14	Schools Refunding	2.00-5.00	6,385,000	1,830,200	2029
7/26/18	General Purpose - Series A.....	2.00-5.00	2,735,000	2,600,000	2038
7/26/18	General Purpose Refunding - Series B.....	5.00	2,970,000	2,242,000	2026
7/26/18	Schools Refunding - Series B.....	5.00	830,000	598,000	2026
	Total Outstanding Bonded Debt.....		$ 93,055,000	$ 41,871,852	
This Issue					
2/25/20	General Purpose Refunding - Series A.....	5.00	$ 2,531,000	$ 2,531,000	2025
2/25/20	Schools Refunding - Series A.....	5.00	5,574,000	5,574,000	2025
	Total This Issue.....		$ 8,105,000	$ 8,105,000	
	Grand Total.....		$ 101,160,000	$ 49,976,852	

[1] *Excludes bonds refunded or defeased.*

[2] *The Sewer Debt is self-supporting. Debt service patments are expected to be made from the Special Revenue Fund for Wastewater Treatment Operations, with the exception of a $175,000 annual contribution from the Town's General Fund and an annual transfer of investment earnings of the Sewer Sinking Fund.*

Short-Term Debt
As of February 25, 2020
(Pro Forma)

Project	Amount Authorized	Outstanding Notes Due: 7/24/20
Land Acquistion - 2012	$ 2,000,000	$ 1,088,500
Land Acquistion - 2016	3,000,000	3,000,000
Land Acquistion - 2017	3,000,000	1,901,500
Library Renovation/Expansion..	6,500,000	405,000
Total	$ 14,500,000	$ 6,395,000

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Annual Bonded Debt Maturity Schedule [1]
As of February 25, 2020
(Pro Forma)

Fiscal Year Ended 6/30	Existing Debt			This Issue				Cumulative
	Principal Payments	Interest Payments	Total Debt Service	General Purpose	Schools	Total	Total Principal	Principal Retired %
2020 [2]	$ 4,021,092	$ 512,969	$ 4,534,061	$ -	$ -	$ -	$ 4,021,092	8.0%
2021	4,084,850	1,214,238	5,299,088	604,000	1,301,000	1,905,000	5,989,850	20.0%
2022	4,048,820	1,068,902	5,117,722	494,000	1,066,000	1,560,000	5,608,820	31.3%
2023	3,793,173	932,083	4,725,256	575,000	1,245,000	1,820,000	5,613,173	42.5%
2024	3,807,912	793,873	4,601,785	602,000	1,303,000	1,905,000	5,712,912	53.9%
2025	3,888,059	661,678	4,549,737	256,000	659,000	915,000	4,803,059	63.5%
2026	3,938,608	525,305	4,463,913	-	-	-	3,938,608	71.4%
2027	3,034,572	408,023	3,442,595	-	-	-	3,034,572	77.5%
2028	2,490,953	328,631	2,819,584	-	-	-	2,490,953	82.5%
2029	2,507,777	256,173	2,763,950	-	-	-	2,507,777	87.5%
2030	2,125,036	187,822	2,312,858	-	-	-	2,125,036	91.7%
2031	1,426,000	128,898	1,554,898	-	-	-	1,426,000	94.6%
2032	665,000	93,056	758,056	-	-	-	665,000	95.9%
2033	670,000	64,419	734,419	-	-	-	670,000	97.3%
2034	670,000	35,706	705,706	-	-	-	670,000	98.6%
2035	140,000	19,250	159,250	-	-	-	140,000	98.9%
2036	140,000	15,050	155,050	-	-	-	140,000	99.2%
2037	140,000	10,850	150,850	-	-	-	140,000	99.4%
2038	140,000	6,563	146,563	-	-	-	140,000	99.7%
2039	140,000	2,188	142,188	-	-	-	140,000	100.0%
Total……	$ 41,871,852	$ 7,265,677	$ 49,137,529	$ 2,531,000	$ 5,574,000	$ 8,105,000	$ 49,976,852	

[1] *Excludes refunded bonds.*

[2] *Excludes $2,055,154 principal and $1,226,606 interest payments made from July 1, 2019 through February 25, 2020.*

Overlapping/Underlying Debt

The Town of Glastonbury does not have any overlapping or underlying debt.

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

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Debt Statement
As of February 25, 2020
(Pro Forma)

Long-Term Debt Outstanding: [1]	
General Purpose (Includes This Issue)	$ 20,489,800
Schools (Includes This Issue)	18,230,200
Sewers (CWF - PLO)	11,256,852
Total Long-Term Debt	49,976,852
Short-Term Debt (Notes due: 7/24/20)	6,395,000
Total Direct Debt	56,371,852
Less: School Construction Grants Receivable (As of June 30, 2019) [2]	-
Self-Supporting Sewer Debt [3]	(11,256,852)
Total Net Direct Debt	45,115,000
Overlapping/Underlying Debt	-
Total Overall Net Debt	$ 45,115,000

[1] *Excludes refunded bonds.*

[2] *Includes actual school building grants receivable for previously issued school bonds.*

[3] *The Sewer Debt is self-supporting. Debt service patments are expected to be made from the Special Revenue Fund for Wastewater Treatment Operations, with the exception of a $175,000 annual contribution from the Town's General Fund and an annual transfer of investment earnings of the Sewer Sinking Fund.*

Current Debt Ratios
As of February 25, 2020
(Pro Forma)

Population (2018) [1]	34,578
Net Taxable Grand List (10/1/18)	$ 4,225,059,000
Estimated Full Value (70%)	$ 6,035,798,571
Equalized Grand List (10/1/17) [2]	$ 5,970,627,696
Money Income per Capita (2018) [1]	$60,080

	Total Direct Debt	***Net Direct Debt / Total Overall Net Debt***
	$ 56,371,852	***$ 45,115,000***
Per Capita	$ 1,630.28	$ 1,304.73
Ratio to Net Taxable Grand List	1.33%	1.07%
Ratio to Estimated Full Value	0.93%	0.75%
Ratio to Equalized Grand List	0.94%	0.76%
Debt per Capita to Money Income per Capita (2018)	2.71%	2.17%

[1] Source: *American Community Survey 2014-2018*

[2] Source: *Office of Policy and Management, State of Connecticut.*

Bond Authorization

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Pursuant to the Charter, upon recommendation of the Board of Finance, the Town Council authorizes borrowing. Such authorizations of $1 million or more are subject to referendum, and all such authorizations are subject to referendum upon qualifying petition timely filed. Pursuant to CGS Sec. 7-370c, refunding bonds may be authorized by resolution of the Town Council.

Maturities

Except for refunding bonds that achieve net present value savings, general obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of the issue may not exceed twenty years, except in the case of sewer and 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 for an aggregate period of 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 each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and 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, or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date, except for sewer or school notes issued in anticipation of state and/or federal grants. If a written commitment exists, the municipality may renew the sewer or school 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 issuance of such notes (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to 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).

Clean Water Fund Program

The Town 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).

Loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO").

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

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.

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.

Statement of Debt Limitation
As of February 25, 2020
(Pro Forma)

Total Tax Collections (including interest and lien fees) received by the Treasurer for the year ended June 30, 2019……	$ 151,288,890
Reimbursement For Revenue Loss (Tax relief for elderly)……	-
Base for Debt Limitation Computation……	$ 151,288,890

	General Purpose	***Schools***	***Sewers***	***Urban Renewal***	***Unfunded Pension***
Debt Limitation:					
2 1/4 times base……	$340,400,003	-	-	-	-
4 1/2 times base……	-	$680,800,005	-	-	-
3 3/4 times base……	-	-	$567,333,338	-	-
3 1/4 times base……	-	-	-	$491,688,893	-
3 times base……	-	-	-	-	$ 453,866,670
Total Debt Limitation……	$340,400,003	$680,800,005	$567,333,338	$491,688,893	$ 453,866,670
Indebtedness: [1]					
Bonds Outstanding ……	17,958,800	12,656,200	11,256,852 [2]	-	-
Bonds – This Issue……	2,531,000	5,574,000	-	-	-
Notes Outstanding ……	6,395,000	-	-	-	-
Debt Authorized But Unissued……	7,193,500	-	-	-	-
Total Indebtedness……	34,078,300	18,230,200	11,256,852	-	-
Less:					
State School Grants Receivable[3]……	-	-	-	-	-
Total Net Indebtedness……	34,078,300	18,230,200	11,256,852	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS……	$306,321,703	$ 662,569,805	$ 556,076,486	$491,688,893	$ 453,866,670

[1] *Excludes refunded bonds.*

[2] *The Sewer Debt is self-supporting. Debt service patments are expected to be made from the Special Revenue Fund for Wastewater Treatment Operations, with the exception of a $175,000 annual contribution from the Town's General Fund and an annual transfer of investment earnings of the Sewer Sinking Fund.*

[3] *Includes actual school building grants receivable for previously issued school bonds.*

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or $1,059,022,230

Authorized but Unissued Debt
As of February 25, 2020
(Pro Forma)

Project	***Amount Authorized***	***Previously Bonded or Paid-down***	***Outstanding Notes Due: 7/24/20***	***Authorized but Unissued***
Land Acquistion - 2012 ……	$ 2,000,000	$ 911,500	$ 1,088,500	$ -
Land Acquistion - 2016 ……	3,000,000	-	3,000,000	-
Land Acquistion - 2017 ……	3,000,000	-	1,901,500	1,098,500
Library Renovation/Expansion..	6,500,000	-	405,000	6,095,000
Total ……	$ 14,500,000	$ 911,500	$ 6,395,000	$ 7,193,500

Principal Amount of Outstanding Debt [1]
Last Five Fiscal Years
(000s)

Long-Term Debt	*2019*	*2018*	*2017*	*2016*	*2015*
Bonds.....	$ 41,020,000	$ 44,925,000	$ 51,735,000	$ 58,570,000	$ 65,085,000
Short-Term Debt					
Bond Anticipation Notes.....	1,305,000	1,650,000	1,650,000	1,265,000	445,000
Total.....	$ 42,325,000	$ 46,575,000	$ 53,385,000	$ 59,835,000	$ 65,530,000

Source: Town of Glastonbury Audited Financial Reports.

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

Fiscal Year Ended 6/30	*Net Assessed Value (000's)*	*Estimated Full Value (000's)*	*Net Long-Term Debt* [1]	*Ratio of Net Long-Term Debt to Assessed Value (%)*	*Ratio of Net Long-Term Debt to Estimated Full Value (%)*	*Population* [2]	*Net Long-Term Debt per Capita*	*Ratio of Net Long-Term Debt per Capita to Per Capita Income* [3]
2019	$ 4,179,095	$ 5,970,136	$ 41,020,000	0.98%	0.69%	34,578	1,186.30	1.97%
2018	3,969,657	5,670,939	44,925,000	1.13%	0.79%	34,578	1,299.24	2.16%
2017	3,915,202	5,593,146	51,735,000	1.32%	0.92%	34,578	1,496.18	2.49%
2016	3,871,305	5,530,436	58,570,000	1.51%	1.06%	34,578	1,693.85	2.82%
2015	3,837,560	5,482,229	65,085,000	1.70%	1.19%	34,578	1,882.27	3.13%

[1] *Long-Term debt does not include Water debt, compensated absences, capital lease obligations, or State of Connecticut Clean Water Fund Debt.*

[2] *Bureau of Census.*

[3] *American Community Survey (2014-2018), Money Income Per Capita $60,080.*

Source: Town of Glastonbury Audited Financial Reports.

Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out
Last Five Fiscal Years

Fiscal Year Ended 6/30	*Annual Debt Service*	*Total General Fund Expenditures* [1]	*Ratio of Total Debt Service To General Fund Expenditures*
2020 [2]	$ 7,157,157	$ 165,236,028	4.33%
2019	8,153,656	170,560,214	4.78%
2018	8,662,536	182,244,219	4.75%
2017	8,984,959	176,703,390	5.08%
2016	8,856,681	164,270,507	5.39%
2015	9,524,735	161,466,285	5.90%
2014	9,760,745	157,906,577	6.18%
2013	9,446,834	153,583,691	6.15%

[1] *Includes transfers out.*

[2] *Budget basis, subject to audit.*

Source: Town of Glastonbury Finance Department.

VI. Financial Administration

Fiscal Year

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

Basis of Accounting

See footnote number 1 in “Notes to Financial Statements” of Appendix A.

Accounting Policies

The financial statements of the Town of Glastonbury, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements.

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

Separate financial statement 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.

Budget Procedure

The Town establishes its general fund budget in accordance with provisions of its Charter and the Connecticut General Statutes. The budget is adopted in accordance with accounting principles generally accepted in the United States of America, except that certain on-behalf payments are not recognized for budgetary purposes.

The Budget is adopted at the Final Budget Hearing. Supplemental appropriations require approval of the Council and Board of Finance in accordance with Charter provisions. Transfers and supplemental appropriations are approved during the year in accordance with the provisions of the Town’s Charter and the Connecticut General Statutes.

Annual operating budgets are prepared and employed for management control only for the General Fund. Therefore, only the General Fund has a statement of revenues, expenditures and changes in fund balance - budget and actual included in the basic financial statements. Unexpended appropriations of the General Fund lapse at fiscal year-end. While project and object budgets are not legally adopted for the Capital Projects Funds, they are employed as a management tool and do not lapse at year-end.

Each year, the Town adopts a five-year Capital Improvement Program. The program has two processes: a planning process and a budgetary process. Annually, the Town Council is provided with a five-year planning document which prioritizes the implementation of projects based on community needs. The Town Council evaluates the plan and establishes its priorities, as well as the years for project implementation. Thereafter, the Town Manager revises the plan to include the budgetary funding recommendations for the next fiscal year and forwards the document to the Board of Finance for its review as part of the annual budgetary process.

Expenditures may not legally exceed budgeted appropriations at the object level. Budget transfers within a department can be authorized by the Town Manager when the amount is less than $5,000 within any department and does not include additional staffing or monies to acquire capital items deleted in prior budgets. Transfers greater than $5,000 within departments must be approved by the Board of Finance. Other transfers between departments require Council and Board of Finance approval. However, such transfers may occur only after April 1 of the fiscal year.

The Town of Glastonbury has received the GFOA Distinguished Budget Award for the budget years 1996 through 2017, and 2020.

Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town of Glastonbury is in full compliance with said provisions. For the fiscal year ended June 30, 2019, the financial statements of the Town were audited by the firm of RSM US LLP.

***Certificate of Achievement for Excellence in Financial Reporting*:** The Town of Glastonbury has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1989 through June 30, 2018. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

The Town is one of fourteen Connecticut communities to receive both a distinguished budget award and a certificate of achievement for excellence in financial reporting from GFOA.

Capital Improvement Plan - Summary

The Town expects to finance the projects as set out in the following table.

Project	*Fiscal 2019-20*	*Fiscal 2020-21*	*Fiscal 2021-22*	*Fiscal 2022-23*	*Fiscal 2023-24*	*Total*
General Government	$ 420,000	$ 405,000	$ 385,000	$ 280,000	$ 250,000	$ 1,740,000
Public Safety	452,000	620,000	2,045,000	650,000	1,269,000	5,036,000
Physical Services	5,200,000	5,155,000	3,395,000	5,380,000	4,100,000	23,230,000
Parks & Recreation	125,000	995,000	777,000	2,360,000	506,000	4,763,000
Library	-	-	-	-	-	-
Refuse	235,000	50,000	145,000	50,000	50,000	530,000
Education	3,275,000	1,050,000	1,235,000	1,400,000	1,340,000	8,300,000
Total	$ 9,707,000	$ 8,275,000	$ 7,982,000	$10,120,000	$ 7,515,000	$ 43,599,000

Funding Sources	*Fiscal 2019-20*	*Fiscal 2020-21*	*Fiscal 2021-22*	*Fiscal 2022-23*	*Fiscal 2023-24*	*Total*
Grants	$ 3,217,000	$ 2,044,000	$ 144,000	$ 1,760,000	$ -	$ 7,165,000
Pay As You Go / Bonding.....	6,490,000	6,231,000	7,838,000	8,360,000	7,515,000	36,434,000
Total Funding Sources	$ 9,707,000	$ 8,275,000	$ 7,982,000	$10,120,000	$ 7,515,000	$ 43,599,000

Pensions

Pension Trust Fund

The Town of Glastonbury is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits to substantially all full-time employees. Excluded from this plan are Highway, Fleet Maintenance, Refuse, Facilities and Sanitation employees hired after January 1, 2013, unaffiliated Town employees hired after June 1, 2013 and certified personnel of the Board of Education who are covered under the State Teachers' Retirement System. Both the employer and the employee are obligated to contribute to this plan. The PERS is a defined benefit pension plan and is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. Stand-alone reports are not available.

The PERS Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. Employees were eligible to participate in the Plan upon the completion of one year of continuous service. Connecticut General Statutes assign the authority to the Town to create and amend Plan benefit provisions by ordinance or resolution. Under the Plan, all employees, except police, are partially vested after 5 years of service. All Plan members are 100% vested after 10 years of service.

Generally effective in 2013, new pension plan designs were implemented for various employee groups which includes Defined Contribution (DC), hybrid, and modified Defined Benefit (DB) plans. These new plans are effective for pension eligible full time staff hired in and after 2013.

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

Total Pension Liability	$ 211,478,583
Plan Fiduciary Net Position	(153,299,253)
Town's Net Pension Liability	$ 58,179,330
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.49%

The following presents the net pension liability of the Town, calculated using the discount rate of 6.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	***Current Discount Rate (6.50%)***	***1% Increase (7.50%)***
Town's Net Pension Liability	$ 86,570,838	$ 58,179,330	$ 38,255,747

Teacher Retirement

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.

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.

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Percentage of ARC Contributed
6/30/2020 [1]	$ 8,170,908	$ 8,170,908	100.0%
6/30/2019	7,908,372	7,908,372	100.0%
6/30/2018 [2]	7,193,600	7,193,600	100.0%
6/30/2017	6,325,363	6,325,363	100.0%
6/30/2016	6,118,624	6,118,624	100.0%
6/30/2015	6,001,585	6,001,585	100.0%
6/30/2014	5,771,396	5,771,396	100.0%
6/30/2013	5,130,000	5,130,000	100.0%

[1] *Estimated amount and subject to audit.*

[2] *The ADC was fully funded in FY2018 and included funding of 99.2% by the Town and 0.8% by an increase to employee payroll deductions for pension costs. The increase to employee payroll deductions was made subsequent to the ADC calculation.*

Source: Finance Department

Other Post Employment Benefits (OPEB)

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees, under cost sharing arrangements. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of postemployment healthcare in the year when the employee services are received, discloses the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. 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.

A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. Effective June 30, 2009 the Town established a trust to fund these benefits. The Town makes annual contributions based on the actuarial recommendation, which is approved in the final budget by the Town Council. The post-retirement plan does not issue stand-alone financial reports.

	2019	2018	2017	2016	2015
Actuarially Determined Employer Contribution (ADEC)….	$ 1,614,992	$ 1,392,913	$ 1,321,393	$ 1,634,197	$ 1,528,458
Contributions in Relation to the ADEC……	1,579,862	1,392,915	925,241	1,522,386	1,381,616
Contribution Deficiency (Excess)……	$ 35,130	$ (2)	$ 396,152	$ 111,811	$ 146,842
Covered Employee Payroll……	$ 67,020,668	$ 68,158,459	$ 68,158,459	$ 64,192,394	$ 64,192,394
Contributions as a Percentage of Covered Employee Payroll……	2.36%	2.04%	1.36%	2.37%	2.15%

Source: Finance Department

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2019	$ 5,795,133	$ 21,179,486	$ (15,384,353)	27.36%	$ 67,020,668	22.95%
7/1/2017	3,707,707	19,091,521	(15,383,814)	19.42%	68,158,459	22.57%
7/1/2015	2,486,000	14,156,000	(11,670,000)	17.56%	68,158,000	17.12%
7/1/2013	1,405,000	15,478,000	(14,073,000)	9.08%	64,192,000	21.92%
7/1/2011	537,000	16,558,000	(16,021,000)	3.24%	62,606,000	25.59%

Risk Management

The Town is a member of CIRMA's Liability, Automobile, Property (LAP) pool program and well as CIRMA's Workers' Compensation pool program. CIRMA is a not-for-profit association of Connecticut municipalities, school districts, and local public agencies established in 1980. CIRMA has 151 LAP members and 208 Workers' Compensation Pool members (not including six self-insured members).

The Town maintains insurance to provide for losses of property or the results of litigation. The insurance policy provisions cover general business liabilities and umbrella liability, as well as various other coverages. There are various deductibles dependent on the type of coverage. There were no significant reductions from the previous year in insurance coverages during the fiscal year ended June 30, 2019. All policy deductibles and uninsured losses are funded by insurance accounts included under Administrative Services in the General Fund. The Town had no settlements which exceeded insurance coverage for the fiscal years ended June 30, 2016, 2017, 2018 or 2019.

The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The program type is guaranteed cost effective 7/1/2018. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains $1,000,000 per occurrence plus a $1,000,000 annual aggregate deductible. All claims above this retention are fully reinsured.

Town health benefits are provided through an Internal Service Fund. The Health Insurance Reserve Fund accounts for medical claim activity and service fees on a self-insured basis. Town liability is limited through the purchase of Individual Stop Loss (ISL) and Aggregate Stop Loss (ASL) coverage. Anthem, ConnectiCare and Delta Dental are the Town's medical providers and they each administer payment of claims directly to the providers. The Town works with a consultant to analyze claims, calculate the incurred but not reported (IBNR) claims liability at year-end and advise the Town on all health insurance related issues throughout the year. The Town adheres to a conservative reserve policy that, at a minimum, requires the Town to maintain a reserve level that will meet the total of the difference between the maximum liability and amounts budgeted, the incurred but not reported claims and ten percent (10%) of budgeted health care premiums. Approval of the Town Council is required for the use of any excess reserves and is limited to offset future health related costs.

Investment Policies and Practices

Town policy for eligible investments is governed by State of Connecticut statutes which, in general, allow the Town to invest in obligations of the United States or United States government-sponsored corporations, or in any state or other tax-exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer's Short-Term Investment Fund. Trust funds may also be invested in corporate bonds and securities and commercial paper.

The Town's investment policy for its pension funds states the investments shall be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumption, maximize investment return commensurate with appropriate levels of risk, and comply with the Employee Retirement Income Security Act (ERISA) of 1974 in investing the funds in a manner consistent with ERISA's fiduciary standards. The current investment strategy allows for 65% in stock and 35% in bonds.

The Town diversifies its use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities. The Town may invest any portion

of its portfolio in U.S. Treasury obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, or certificates of deposit with commercial banks or savings and loan associations.

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

Management Policies

Management adheres to the following policies to manage financial stability and strength of the Town.

Budgetary Control - Expenditures may not legally exceed budgeted appropriations at the object code level. The Town Manager can authorize budget transfers within a department when the amount is $5,000 or less and does not include additional staffing or the acquisition of capital items deleted in prior budgets. Other transfers require Board of Finance and/or Town Council approval. Transfers between departments may be made only in the last three months of the fiscal year. Monthly expenditures are reviewed with the Board of Finance and requested transfers are reviewed and justified.

Debt Policy – The Town Council and Board of Finance have enacted a policy whereby debt shall not exceed 2.5% of the respective year's full value Grand List. Additionally, annual Debt Service shall not exceed 10% of the respective year is budget. For 2019, actual debt service expenditures represented approximately 5.2% of actual expenditures. Outstanding general obligation bonds at June 30, 2019 totaled $41,020,000. It is the policy of the Town to protect their S&P and Moody's credit ratings by adhering to sound financial policies and decisions.

Use of Fund Balance Policy - The Town Council has enacted a Policy that the Town's Unassigned Fund Balance shall meet a minimum of 12% of the respective year combined Town, Education and Debt & Transfer budget. At June 30, 2019, in accordance with GASB 54, the Town's General Fund unassigned fund balance represented 17.55% of expenditures and 17.57% of revenues.

Cash Management – The Town's Investment Portfolio Policies and Procedures apply to all financial assets of the Town, excluding Pension and Other Post Employment Benefit (OPEB) Trust funds. The primary objective of each investment transaction is protecting principal, followed by maintaining sufficient liquidity to meet cash flow needs, and finally, attaining the maximum yield possible taking into account the investment risk constraints and cash flow requirements. Upon recommendation of the Board of Finance, investments are allowed in any financial institution approved by the Town Manager that meets the State of Connecticut's definition of a "qualified public depository". The Town monitors the financial health of the approved financial institutions by reviewing the quarterly risk based capital ratios and collateral requirements report as defined in the Connecticut General Statutes Section 26-382.

Pension Trust Fund – Investment of the Pension Trust Fund portfolio is composed of stocks, bonds and real estate investments. The current investment strategy allows for 65% in stock and 35% in bonds. The Board of Finance reviews the fund performance quarterly to monitor adherence to the Investment Policy Statement guidelines. Over the last few years, the actuarial valuation assumptions have been reviewed and revised accordingly. Most specifically, the investment rate of return has been reduced over the years from 8.75% to 6.5% (effective with the 7/1/18 valuation).

Technology Replacement Schedule – The Town maintains a comprehensive schedule for replacement of computers and servers and review of software. Annually, funds are included in the operating budget at a relatively consistent level to maintain systems and upgrades as necessary.

Loss Control – The Town has a highly successful loss control program for its workers' compensation and property and casualty insurance. The Director of Finance and Administrative Services and Director of Human Resources are jointly responsible for the risk management function. Semiannually, department directors must report to the Town Manager on losses within their area of responsibility, the preventative action taken to correct the situation and any training provided to their employees to mitigate losses. Safety and risk management training is made available by the insurance providers and is used on a recurring basis. As in the past, the department and division directors focus on loss control prevention. These efforts have further improved the Town's loss control program and strengthened the accountability of management staff for reduction in overall Workers' Compensation costs. The Town participates in the Connecticut Interlocal Risk Management Pool (CIRMA) for town and education coverage.

Commitments & Contingencies

The Town is currently a defendant in a number of lawsuits. Management and legal counsel believe that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

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.

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General Fund Revenues and Expenditures
Five Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And One Year Adopted Budget (Budgetary Basis)

Revenues:	Adopted Budget [1] 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Property Taxes	$ 153,589,767	$ 151,222,713	$ 147,560,197	$ 142,041,710	$ 140,255,321	$ 137,088,886
Licenses and Permits	1,150,800	1,429,480	1,442,652	1,447,584	1,655,217	1,014,893
Intergovernmental	6,781,043	8,878,993	8,166,349	9,719,044	9,207,615	9,402,279
Charges for Services	1,436,765	1,778,807	1,518,887	1,855,146	1,821,591	1,524,852
Investment Income	1,500,000	1,317,030	793,946	410,843	285,841	264,422
Unrealized Investment Income	-	183,370	(181,482)	(84,495)	89,230	-
Other Revenues	974,251	739,778	1,420,512	1,640,843	1,859,871	1,925,382
State Payment for Teachers Retirement System	-	6,976,796	20,613,490	18,586,525	10,420,522	9,019,032
Total Revenues	165,432,626	172,526,967	181,334,551	175,617,200	165,595,208	160,239,746
Expenditures:						
General Government	3,311,802	3,280,357	3,038,972	2,943,450	2,952,448	2,934,917
Community Development	2,201,929	2,043,759	1,857,926	1,881,332	1,738,682	1,699,054
Administrative Services	6,213,738	6,136,354	5,948,465	6,784,987	6,522,604	6,150,873
Public Safety	14,580,054	14,217,513	13,634,227	12,774,935	12,400,819	11,470,736
Physical Services	7,457,270	7,053,345	6,943,112	6,734,016	6,531,451	6,812,516
Sanitation	859,961	804,153	725,610	732,410	726,101	698,834
Human Services	2,964,504	2,760,010	2,787,792	2,792,577	2,919,612	2,750,972
Leisure/Culture	5,744,767	5,698,826	5,239,873	5,172,573	5,254,630	5,294,427
Education	108,699,846	107,298,945	105,358,616	101,370,626	100,315,657	98,358,189
State Payment for Teachers Retirement System	-	6,976,796	20,613,490	18,586,525	10,420,522	9,019,032
Debt Service	7,157,157	8,153,656	8,662,536	8,984,959	8,856,681	9,524,735
Capital Outlays	-	-	-	-	-	-
Total Expenditures	159,191,028	164,423,714	174,810,619	168,758,390	158,639,207	154,714,285
Revenues over (under) expenditures	6,241,598	8,103,253	6,523,932	6,858,810	6,956,001	5,525,461
Other Financing Sources Uses:						
Refunding Bonds Issued	-	3,800,000	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	(4,094,446)	-	-	-	-
Premium on Bonds	-	371,983	-	-	-	-
Sale of General Capital Assets	-	19,322	11,485	679,670	30,971	16,687
Operating Transfers In	575,000	1,400,000	-	-	-	-
Operating Transfers (Out)	(6,045,000)	(6,136,500)	(7,433,600)	(7,945,000)	(5,631,300)	(6,752,000)
Total other Financing Sources (uses)	(5,470,000)	(4,639,641)	(7,422,115)	(7,265,330)	(5,600,329)	(6,735,313)
Revenues and other financing sources over (under) expenditures and other financing (uses)	$ 771,598	$ 3,463,612	$ (898,183)	$ (406,520)	$ 1,355,672	$ (1,209,852)
Fund Equity, Beginning of Year	29,221,140	25,757,528	26,655,711	27,062,231	25,706,559	26,916,411
Fund Equity, End of Year	$ 29,992,738	$ 29,221,140	$ 25,757,528	$ 26,655,711	$ 27,062,231	$ 25,706,559

[1] *Budgetary basis, subject to audit.*

Analysis of General Fund Balance

	Adopted Budget [1] 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Nonspendable	N/A	$ 225,431	$ 202,704	$ 218,628	$ 217,267	$ 223,564
Committed	N/A	-	-	-	-	-
Assigned	N/A	1,394,049	1,678,597	2,121,442	1,001,234	1,143,003
Unassigned	N/A	27,601,660	23,876,227	24,315,641	25,843,730	24,339,992
Total Fund Balance	N/A	$ 29,221,140	$ 25,757,528	$ 26,655,711	$ 27,062,231	$ 25,706,559

[1] *Budgetary basis, subject to audit.*

Municipal General 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. The 2017-2019 biennium budget legislation did not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2018 and June 30, 2019. The 2019-2021 biennium budget legislation does not provide funding for the municipal revenue sharing grant in fiscal years ending June 30, 2020 and June 30, 2021, but provides that such funding will resume following July 1, 2021.

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VII. Legal and Other Information

Litigation

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

Documents Furnished at Delivery

The winning bidder 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 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 in substantially the form attached hereto as Appendix B to the Official Statement.
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 Glastonbury has prepared an Official Statement for the Bonds which is dated February 12, 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 twenty five (25) 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 bidder 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 winning bidder, the name of the insurer, if any, and any changes on the Securities. The winning bidder shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder.

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

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

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

TOWN OF GLASTONBURY, CONNECTICUT

By: /s/ *Richard J. Johnson*

Richard J. Johnson, *Town Manager*

By: /s/ *Julie B. Twilley*

Julie B. Twilley, *Treasurer*

Dated: February 12, 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 Glastonbury, 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 Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

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RSM

RSM US LLP

Independent Auditor's Report

To the Town Council and the Board of Finance
Town of Glastonbury, 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 Glastonbury, Connecticut (the Town) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town'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.

Auditor's 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 of 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 auditor's 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 auditor considers internal control relevant to the Town'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 reasonable 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 Glastonbury, 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the pension and other post-employment benefit related schedules and budgetary comparison information 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

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

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, 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.

The Town of Glastonbury Connecticut's basic financial statements for the year ended June 30, 2018 (not presented herein), were audited by other auditors whose report thereon dated January 24, 2019, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining information.

The report of the other auditors dated January 24, 2019, stated that the General Fund balance sheet as of and for the year ended June 30, 2018 were subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the financial statements as a whole 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 18, 2019

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Town of Glastonbury, Connecticut
Management's Discussion and Analysis – Unaudited
June 30, 2019

This discussion and analysis of the Town of Glastonbury, Connecticut's (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2019. It should be read in conjunction with the letter of transmittal and the Town's financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of the Town exceeded its liabilities and deferred inflows resulting in total net position at the close of the fiscal year of $238 million. Of the Town's total net position at June 30, 2019, $2.0 million, or 0.9%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, during the year, the Town's net position increased by $4.5 million or 1.9%, from $234 million to $238 million. Government-wide expenses were $183 million, while revenues were $187 million. The increase in net position of $4.5 million is attributable to the overall management of Town operations in a fiscally responsible manner.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of $60.7 million, an increase of $8.0 million from the prior fiscal year. Of the total $60.7 million fund balance as of June 30, 2019, $27.3 million is available for spending at the Town's discretion and represents the combined unassigned balance in the General Fund and other major and nonmajor governmental funds. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements.
- At the end of the current fiscal year, the total fund balance for the General Fund alone was $29.2 million, an increase of approximately $3.5 million from the prior fiscal year. Of that total fund balance, $27.6 million is unassigned. The unassigned General Fund balance at year-end represents 16.9% of total General Fund expenditures and transfers out ($163.5 million on a budget basis).
- The Town's total bonded indebtedness decreased $3.9 million during the fiscal year. The Town issued $2,735,000 of General Obligation Bonds and $3,800,000 of General Obligation Refunding bonds during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with fiscal year 2010 and running through the current year.

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 private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net position presents information on all of the Town's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. One can think of the Town's net position - the difference between assets and deferred outflows and liabilities and deferred inflows - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, for example, uncollected taxes and earned but unused vacation leave.

Activities of the Town encompass the Town's basic services and include governmental and community services, administration, public safety, health and welfare, sewage treatment operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 17-18.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability 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. The Town has three kinds of 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 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, the 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 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Assessment Fund, Capital Reserve Projects Fund, Capital and Nonrecurring Expenditures Fund, and the Land Acquisition Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated schedule as other nonmajor governmental funds. Nonmajor governmental funds for the Town of Glastonbury which are classified as special revenue funds include the Sewer Operating Fund, Dog Fund, Grants and Contracts, Police Forfeited Property, Special Gifts/Grants, Historic Documents/ Preservation, School Cafeteria, Education Grants, various library trust funds, Connecticard, Police Private Duty, Camp Sunrise, Recreation Activities, Insurance Reserve, Riverfront Park Operations and Planetarium funds. Nonmajor funds which are classified as capital projects funds include the Minnechaug Golf Fund, Town Aid, Sewer Sinking Projects, Gateway Project, Riverfront Park Project, and the Magnet School. Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet and in the combining statement of revenues, expenditures and changes in fund balances.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in budgetary fund balance on a budgetary basis can be found on page 67.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 19-22.

Internal Service Fund. The Town is self-insured for its health insurance benefits. Employer and employee contributions, stop loss reimbursements, claims and administrative costs for employee health benefits are accounted for in this internal service fund. The basic financial statements of this fund can be found on pages 23-25.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town has one pension trust fund, one other post-employment benefit (OPEB) trust fund and two agency funds. The basic fiduciary fund financial statements can be found on pages 26-27.

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 28-66 of this report.

Certain required supplementary information is reported concerning the Town's progress in funding its obligation to provide pension benefits and OPEB to its employees. This information can be found within the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions-Pension, Schedule of Investment Returns-Pension, Schedule of the Town's Proportionate Share of the Net Pension Liability-Teachers Retirement Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Employer Contributions- OPEB, Schedule of Investment Returns-OPEB, and Schedule of the Town's Proportionate Share of the Net OPEB Liability-Teachers Retirement Plan on pages 68-79 of this report.

Additional required supplementary information on comparative data for the general fund budgeted revenues and expenditures is shown on page 67.

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. The Town Governmental Activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $238 million on June 30, 2019.

Town of Glastonbury, Connecticut
Summary Statement of Net Position
June 30, 2019 and 2018
(In 000's)

	Governmental Activities	
	2019	2018
Current and other assets	$ 76,919	$ 72,223
Capital assets, net	291,476	297,255
Total assets	368,395	369,478
Deferred outflows of resources:		
Deferred charge on refunding	1,045	1,540
Change in pension actuarial experience	2,786	3,290
Change in pension assumptions	3,798	4,613
Net change in pension investment experience	1,374	451
Change in OPEB actuarial experience	924	1,056
Change in OPEB assumptions	508	581
Net change in OPEB investment experience	4	10
Total deferred outflows of resources	10,439	11,541
Long-term liabilities outstanding	132,238	134,267
Other liabilities	7,704	12,132
Total liabilities	139,942	146,399
Deferred inflows of resources:		
Advance tax payments	397	429
Pension related items	105	302
Total deferred inflows of resources	502	731
Net position:		
Net investment in capital assets	236,341	237,664
Restricted	9	9
Unrestricted (deficits)	2,040	(3,744)
Total net position	$ 238,390	$ 233,929

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

The unrestricted net position is primarily attributable to the decrease in the Teachers' Retirement System Retiree Health Insurance Plan (OPEB) liability during the year.

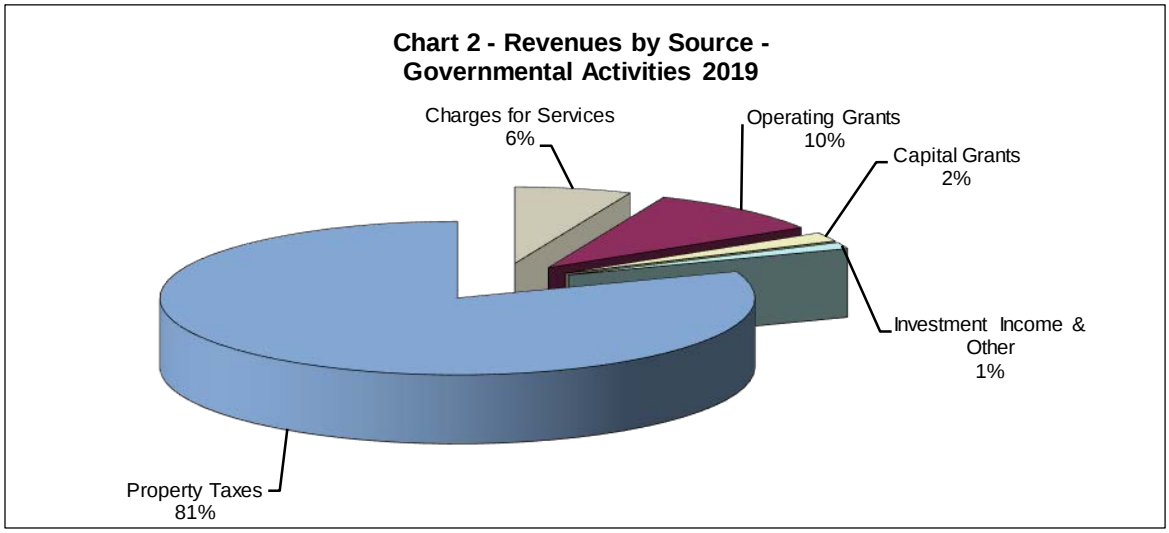
Town of Glastonbury, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2019 and 2018
(In 000's)

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	**$ 11,857**	$ 11,206
Operating grants and contributions	**18,407**	32,039
Capital grants and contributions	**3,521**	3,332
General revenues:		
Property taxes	**150,507**	147,569
Grants and contributions not restricted to specific programs	**257**	120
Investment income and other	**2,432**	856
Total revenues	**186,981**	195,122
Expenses:		
General government services	**3,558**	4,905
Community development	**2,086**	1,915
Administrative services	**6,574**	6,522
Public safety	**16,125**	15,276
Physical services	**11,834**	11,819
Sanitation	**3,960**	3,789
Human services	**2,962**	3,094
Leisure/culture	**8,399**	8,463
Education	**124,973**	135,100
Interest on long-term debt	**2,049**	2,081
Total expenses	**182,520**	192,964
Change in net position	**4,461**	2,158
Net position, beginning	**233,929**	231,771
Net position, ending	**$ 238,390**	$ 233,929

Glastonbury's net position increased $4.5 million during the fiscal year. This increase is attributable to the overall management of Town operations in a fiscally responsible manner.

Governmental Activities

Approximately 80.5% of the revenues were derived from property taxes, followed by 9.8% from operating grants and contributions, 6.3% from charges for services, 1.9% from capital grants and contributions and the remaining 1.5% capital contributions, investment earnings and grants and contributions.



Major revenue factors included:

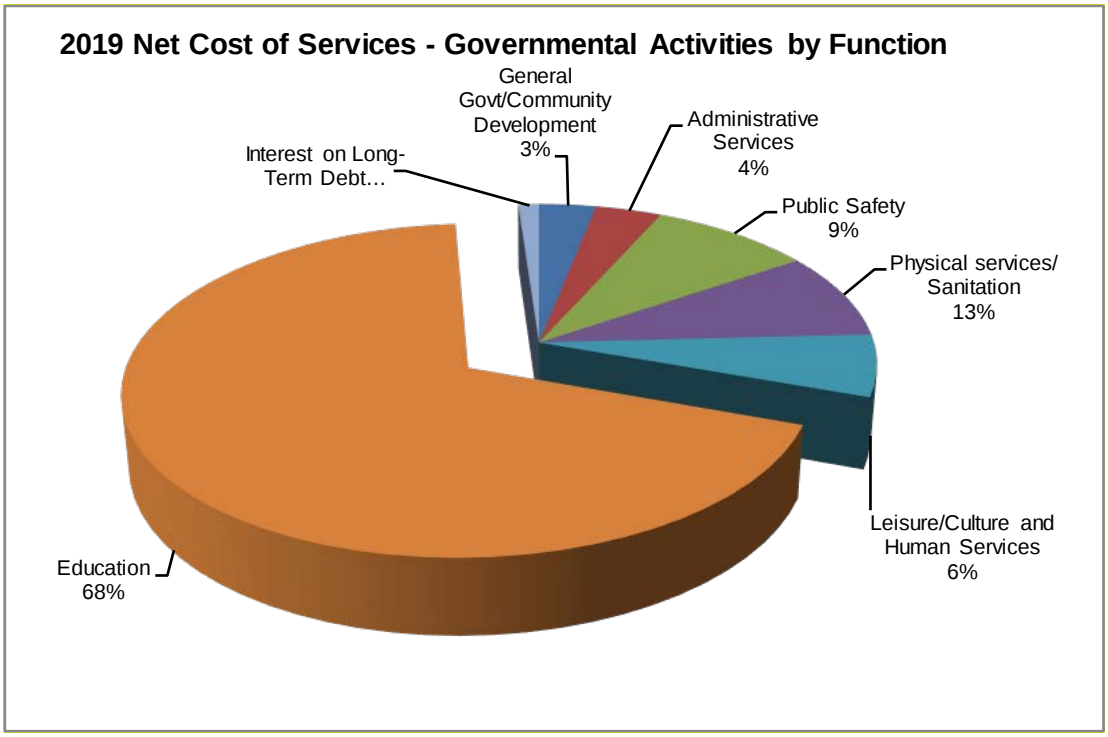
- Property tax revenues recorded for fiscal year 2019 totaled $150.5 million, which represents an increase of 2.0% over 2018 tax revenues. The tax increase for the 2018/19 budget was 2.32%. This increase, combined with the estimated growth in the grand list of 0.95%, generated approximately $1.37 million in additional tax revenue. In addition, the actual tax collection rate exceeded the assumed rate, 99.51% versus 99.1%, respectively.
- Investment income increased by $1.6 million or 184.1%, primarily due to increases in the interest rate during the year.
- Operating grants and contributions decreased by 13.6 million or 42.5% primarily due to the decrease in the State payment for the teacher's retirement system which decreased $13.6 million in FY2019.

With respect to governmental activities, 68.5% of the Town's expenses are related to education. Physical services and sanitation accounted for 8.7%, public safety accounted for 8.8%, leisure and culture, comprised of parks and recreation and library services, accounted for 4.6% and administrative services, which includes finance, accounting, revenue collection, assessment, town clerk, property and casualty insurances, legal costs and information technology accounted for 3.6% of expenses. The remaining 5.8% relates to general government, community development, human services and interest on long-term debt.

Overall, expenses decreased $10.4 million or 5.4% over the prior year. Major expenditure factors include:

- General government services expenses decreased $1.3 million or 27.5%, primarily due to decreases in pension assumptions.
- Education expenses decreased $10.1 million or 7.5%. The primary reason for this decrease is the $13.6 million decrease in the State of Connecticut's contribution to the State Teachers Retirement System on behalf of the Town, offset by wage and pension increases.

Most other expenses decreased slightly due to budget restraints and cost savings. The following chart presents the net cost of services for the Town's major functions - General Government/Community Services, Administrative Services, Public Safety, Physical Services/Sanitation, Leisure/Culture and Human Services, Education and Interest on long-term debt.



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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- As of June 30, 2019, the Town of Glastonbury's governmental funds reported combined ending fund balances of $60.7 million, an increase of $8.0 million over the previous year. Approximately $33.4 million of this total is nonspendable, restricted, committed or assigned, indicating it is not available for new spending, as it is primarily to liquidate contracts and purchase orders or is legally restricted for other purposes. Approximately $27.3 million of fund balance is unassigned, comprised of the net of the General Fund balance of $27.6 million and deficit offsets in the Capital and Nonrecurring Expenditures Fund of $2.5 million. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements.

General Fund

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $27.6 million while total fund balance reached $29.2 million.

The Town's General Fund balance increased $3.5 million during the current fiscal year. Key factors that contributed to the financial outcome are as follows:

- Overall, on a budget basis, General Fund revenues actual exceeded estimated revenues by $2.5 million.
- Intergovernmental revenue actual exceeded estimated revenues by $0.5 million, primarily due to increase in State funding for Education.
- Property taxes collected exceeded estimates by $0.8 million.
- Investment income exceeded budget estimates by $0.5 million, due to rising short-term interest rates during the year.
- Licenses and permits exceeded budget estimates by approximately $0.3 million due to building permit revenue received during the year for major development projects within Town.
- General Fund expenditures came in $1.6 million under budget. The savings were throughout various departments and were attributable to savings in wages and benefits achieved through attrition and staff vacancies in various departments.
- It should be noted that not included in the operations at June 30, 2019 is approximately $0.26 million in encumbrances and capital carry forwards attributable to commitments and capital purchases not made in the current year and $0.56 million attributable to unexpended education funds authorized to be carried over to the following fiscal year. These items are classified as assigned amounts in the General Fund.
- A repayment of $1.4 million was made to the General Fund from the Elementary School Air Conditioning Capital Improvement Project.

At the close of the fiscal year, the Town's other governmental funds reported, on a current financial resource basis, combined ending fund balances of $9.8 million, representing an increase of $2.6 million from the prior fiscal year. Changes in the Town's other major funds are highlighted as follows:

Special Assessment Fund

The Special Assessment Fund accounts for the collection of sewer assessments levied against properties connected to the Town's sewer system. This reserve is dedicated to infrastructure improvements of the sewer system. This fund completed the fiscal year with a $1.1 million decrease. Income was generated primarily from sewer connection assessments collected during the year of $0.4 million, investment income of $0.3 million and accrual of an unrealized investment gain of $0.2million. Annually, realized investment income generated in this fund is transferred to the Sewer Operating Fund to offset debt service costs related to the Clean Water Fund note repayment to the State of Connecticut. This note funded recent improvements to the Water Pollution Control facility. In addition, $1.7 million was allocated for sewer infrastructure improvement projects.

Capital Reserve Projects Fund

This fund accounts for activity of capital expenditures, exclusive of projects approved at referendum for bond financing. Projects accounted for in this fund are appropriated annually as part of the budget process and financed through the annual General Fund appropriation to the Capital and Nonrecurring Expenditures Fund, grants, and sewer assessment or user fees. During the year, the Town expended $6.3 million for various capital projects and improvements. The fund balance decreased $0.8 million for a total of $8.1 million at year end, all of which is committed for capital and infrastructure purposes.

Capital and Nonrecurring Expenditures Fund

This fund accounts for monies set aside for future capital improvements. Fund balance increased $2.2 million. In addition to $5.9 million transferred in from the General Fund and $0.09 million from closed capital projects, $2.8 million was received from state and federal grants and $0.2 million from investment income. $6.9 million was transferred to the Capital Reserve Projects Fund for capital expenditures. The $0.3 million fund deficit is the result of timing differences in funding projects and receiving grant reimbursements.

Land Acquisition Fund

The Land Acquisition Fund is used to account for appropriations and expenditures approved through the referendum process for land purchases through the Town's Reserve for Land Acquisition. Fund balance increased $1.6 million, due to the issuance of a general obligation bond of $2,735,000 offset by land purchases of $1.3 million.

General Fund Budgetary Highlights

The difference between the original budget and the final amended expenditure budget was $2.9 million. The original budget was amended by actions recommended by the Board of Finance and approved by the Town Council following public hearings. The major additional appropriations approved during the year are summarized below:

- Increased education appropriations by $1.37 million to reflect the receipt of special education excess costs, transportation grants and community use custodial fee reimbursements.
- Increased appropriations for encumbrances, capital outlay, and education unexpended fund carryovers from the prior fiscal year in the amount of $1.1 million.
- Increased appropriations by $0.28 million to repay federal grants received in prior years in error.
- Increased appropriations by $0.15 million to establish a contingency fund.

During the year, actual revenues on a budgetary basis were $165.6 million which was more than budgetary estimates by $2.5 million. Significant contributions to this increase were $0.5 million intergovernmental revenues that were received and unanticipated revenues from the following sources; property taxes and fees of $0.8 million in excess of estimates, licenses and permits of $0.3 million in excess of estimates, and investment income of $0.5 million in excess of estimates.

Actual expenditures and transfers out on a budgetary basis totaled $163.5 million, which is approximately $1.7 million less than the amended budget of $165.2 million. This variance is attributable to various savings across all departments of the Town.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2019, amounted to $537.8 million on a gross basis and $291.5 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, computer software, park facilities, roads, sewers and bridges. The net decrease in the Town's investment in capital assets before depreciation for the fiscal year was $5.8 million.

Town of Glastonbury
Capital Assets
June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Land	$ 45,310	$ 44,634
Development rights	4,109	3,331
Construction in progress	546	1,451
Land improvements	42,765	42,413
Building and improvements	230,528	229,072
Machinery and equipment	54,660	53,287
Computer software	872	872
Infrastructure	159,038	156,380
Total	$ 537,828	$ 531,440

Major capital asset events during the current fiscal year included the following:

- Major additions to Construction in Progress (CIP) include resurfacing a portion of Hebron Avenue, street improvements at the Hebron Avenue and House Street intersection, Parks facility renovation, air conditioning a the schools and Grange pool improvements. Completed portions of the projects have been capitalized from CIP.
- Purchase of land and development rights totaling $1.5 million.

Additional information on the Town's capital assets can be found at Note 6 of this report.

Long-Term Debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of $41.0 million. 100% of this debt is backed by the full faith and credit of the Town government. The Town of Glastonbury maintains a AAA rating from Standard and Poor's and an Aaa rating from Moody's Investors Service.

The overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or $1.032 million. As of June 30, 2019, the Town's recorded long-term debt of $41.0 million is well below its statutory debt limits.

The Town issued long term debt in the amount of $6.5 million during the year and has bond anticipation notes outstanding in the amount of $1.3 million.

Additional information on the Town's long-term debt can be found in Note 8 of this report.

Economic Factors

The Town is well positioned to handle various economic conditions. The Town receives a relatively small amount of State aid and, therefore, is more insulated from the impact of State revenue shortfalls than many other cities and towns in Connecticut. Even with an overwhelming reliance on property taxes and other revenues affected by current economic conditions, the Town has been able to adjust expenditures accordingly while maintaining services during these difficult economic conditions.

Requests for Information

The 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 Director of Finance and Administrative Services at 2155 Main Street, Glastonbury, CT 06033.

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Basic Financial Statements

Town of Glastonbury, Connecticut **Exhibit I**

Statement of Net Position
June 30, 2019

	Primary Government Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 53,257,397
Receivables, net of allowance of $178,828	2,979,078
Inventory	221,018
Investments	20,428,549
Other assets	32,915
Total current assets	76,918,957
Noncurrent assets:	
Capital assets not being depreciated	49,965,163
Capital assets being depreciated, net of accumulated depreciation	241,510,497
Total noncurrent assets	291,475,660
Total assets	368,394,617
Deferred outflows of resources	
Deferred charge on refunding	1,045,493
Deferred outflows related to OPEB	1,435,916
Deferred outflows related to Pension	7,957,096
Total deferred outflows of resources	10,438,505
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	4,734,050
Due to developers for escrow deposits	681,074
Due to others for escrow deposits	218,068
Bond anticipation notes payable	1,305,000
Unearned revenue	424,601
Accrued interest payable	340,714
Noncurrent liabilities:	
Due within one year	6,167,846
Due in more than one year	126,070,036
Total liabilities	139,941,389
Deferred Inflows of Resources	
Advance tax payments	396,651
Deferred inflows related to pension	105,096
Total deferred inflows of resources	501,747
Net Position	
Net Investment in capital assets	236,341,081
Restricted for:	
Trust funds, nonexpendable	8,527
Unrestricted	2,040,378
Total net position	$ 238,389,986

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit II**

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government Total
Primary government:					
Governmental activities:					
General government services	$ 3,558,301	$ -	$ 678,903	$ -	$ (2,879,398)
Community development	2,086,114	1,062,130	-	-	(1,023,984)
Administrative services	6,574,031	1,414,436	6,000	-	(5,153,595)
Public safety	16,125,146	761,697	404,205	227,541	(14,731,703)
Physical services	11,833,440	309,673	-	3,217,551	(8,306,216)
Sanitation	3,959,994	4,255,728	2,643	-	298,377
Human services	2,962,089	200,442	73,494	51,278	(2,636,875)
Leisure/culture	8,398,947	2,043,902	30,054	-	(6,324,991)
Education	124,973,432	1,809,190	17,211,380	24,400	(105,928,462)
Interest on long-term debt	2,048,015	-	-	-	(2,048,015)
Total primary government	$ 182,519,509	$ 11,857,198	$ 18,406,679	$ 3,520,770	(148,734,862)
		General revenues:			
		Property taxes			150,506,963
		Grants and contributions not restricted to specific programs			256,519
		Unrestricted investment earnings			2,432,123
		Total general revenues			153,195,605
		Change in net position			4,460,743
		Net position - beginning			233,929,243
		Net position - ending			$ 238,389,986

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit III**

Balance Sheet - Governmental Funds
June 30, 2019

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 26,230,437	$ 2,656,181	$ 6,083,568	$ -	$ 2,313,601	$ 8,145,441	$ 45,429,228
Receivables, net of allowances for collection losses	1,444,299	503,473	-	750,085	-	281,086	2,978,943
Due from other funds	-	-	683,155	-	-	-	683,155
Inventory	202,547	-	-	-	-	18,471	221,018
Investments	6,627,877	9,769,700	1,578,869	-	600,449	1,851,654	20,428,549
Other assets	22,884	-	-	-	-	10,031	32,915
Total assets	$ 34,528,044	$ 12,929,354	$ 8,345,592	$ 750,085	$ 2,914,050	$ 10,306,683	$ 69,773,808
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)							
Liabilities:							
Accounts payable and other payables	$ 2,743,510	$ -	$ 279,051	$ -	$ -	$ 426,489	$ 3,449,050
Due to other funds	521,534	-	-	683,155	-	-	1,204,689
Due to developers for escrow deposits	681,074	-	-	-	-	-	681,074
Due to others for escrow deposits	108,662	109,406	-	-	-	-	218,068
Bond anticipation notes payable	-	-	-	-	1,305,000	-	1,305,000
Unearned revenue	33,943	-	-	334,249	-	56,409	424,601
Total liabilities	4,088,723	109,406	279,051	1,017,404	1,305,000	482,898	7,282,482
Deferred inflows of resources:							
Unavailable revenue - property taxes	821,530	-	-	-	-	-	821,530
Unavailable revenue - special assessments	-	486,782	-	-	-	31,878	518,660
Unavailable revenue - other	-	-	-	-	-	12,223	12,223
Advance tax payments	396,651	-	-	-	-	-	396,651
Total deferred inflows of resources	1,218,181	486,782	-	-	-	44,101	1,749,064
Fund balances (Deficits):							
Nonspendable	225,431	-	-	-	-	37,029	262,460
Restricted	-	-	-	-	-	2,035,260	2,035,260
Committed	-	12,333,166	8,066,541	-	1,609,050	7,707,395	29,716,152
Assigned	1,394,049	-	-	-	-	-	1,394,049
Unassigned	27,601,660	-	-	(267,319)	-	-	27,334,341
Total fund balances (deficits)	29,221,140	12,333,166	8,066,541	(267,319)	1,609,050	9,779,684	60,742,262
Total liabilities, deferred inflows of resources and fund balances	$ 34,528,044	$ 12,929,354	$ 8,345,592	$ 750,085	$ 2,914,050	$ 10,306,683	$ 69,773,808

(Continued)

Town of Glastonbury, Connecticut **Exhibit IV**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:		
Total fund balances (Exhibit III)		$ 60,742,262
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	$ 537,828,658	
Less accumulated depreciation	(246,352,998)	
Net capital assets		291,475,660
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax and assessment receivables greater than 60 days	1,340,190	
Other receivables greater than 60 days	12,223	
Pension deferred outflows	7,957,096	
OPEB deferred outflows	1,435,916	
Deferred charges on refunding	1,045,493	
		11,790,918
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.		7,064,838
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable	(41,020,000)	
Bond premium, net of amortization	(1,724,328)	
Clean Water loans payable	(11,792,011)	
Interest payable on bonds	(340,714)	
Compensated absences	(3,914,271)	
Net pension liability	(58,179,330)	
Deferred pension inflows	(105,096)	
Net OPEB liability	(15,384,353)	
Other payable	(223,589)	
		(132,683,692)
Net position of governmental activities (Exhibit I)		$ 238,389,986

See notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes, interest and liens fees	$ 151,222,713	$ -	$ -	$ -	$ -	$ -	$ 151,222,713
Licenses and permits	1,429,480	-	-	-	-	-	1,429,480
Intergovernmental	8,878,993	-	-	2,756,334	-	3,315,326	14,950,653
Charges for services	1,778,807	359,128	-	-	-	6,498,763	8,636,698
Investment income	1,317,030	304,010	-	190,450	67,092	97,443	1,976,025
Unrealized investment gain	183,370	203,887	-	-	-	-	387,257
Other revenues	739,778	1,834	-	280,069	8,016	532,959	1,562,656
State payment for teacher's retirement / health account system	6,976,796	-	-	-	-	-	6,976,796
Total revenues	172,526,967	868,859	-	3,226,853	75,108	10,444,491	187,142,278
Expenditures:							
Current:							
General government	3,280,357	-	-	-	-	-	3,280,357
Community development	2,043,759	-	-	-	-	-	2,043,759
Administrative services	6,136,354	-	-	-	-	293,553	6,429,907
Public safety	14,217,513	-	-	-	-	741,828	14,959,341
Physical services	7,053,345	-	-	-	-	-	7,053,345
Sanitation	804,153	-	-	-	-	1,834,621	2,638,774
Human services	2,760,010	-	-	-	-	-	2,760,010
Leisure/culture	5,698,826	-	-	-	-	1,647,959	7,346,785
Education	107,298,945	-	-	-	-	4,157,579	111,456,524
State payment for teacher's retirement / health account system	6,976,796	-	-	-	-	-	6,976,796
Debt service:							
Principal	6,400,000	-	-	-	-	903,026	7,303,026
Interest and other charges	1,753,656	-	-	-	-	245,653	1,999,309
Capital outlay	-	-	6,280,171		1,305,493	198,555	7,784,219
Total expenditures	164,423,714	-	6,280,171	-	1,305,493	10,022,774	182,032,152
Revenues over (under) expenditures	8,103,253	868,859	(6,280,171)	3,226,853	(1,230,385)	421,717	5,110,126
Other financing sources (uses):							
Issuance of bonds	-	-	-	-	2,735,000	-	2,735,000
Issuance of refunding bonds	3,800,000	-	-	-	-	-	3,800,000
Payment to escrow agent	(4,094,446)	-	-	-	-	-	(4,094,446)
Premium on bonds issued	371,983	-	-	-	17,448	-	389,431
Transfers in	1,400,000	75,258	6,933,000	5,954,085	56,500	2,260,010	16,678,853
Transfers out	(6,136,500)	(2,040,010)	(1,494,085)	(6,933,000)	-	(75,258)	(16,678,853)
Sale of general capital assets	19,322	-	-	-	-	-	19,322
Total other financing sources (uses)	(4,639,641)	(1,964,752)	5,438,915	(978,915)	2,808,948	2,184,752	2,849,307
Net change in fund balances (deficits)	3,463,612	(1,095,893)	(841,256)	2,247,938	1,578,563	2,606,469	7,959,433
Fund balances (deficits) at beginning of year	25,757,528	13,429,059	8,907,797	(2,515,257)	30,487	7,173,215	52,782,829
Fund balances (deficits) at end of year	$ 29,221,140	$ 12,333,166	$ 8,066,541	$ (267,319)	$ 1,609,050	$ 9,779,684	$ 60,742,262

(Continued)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:		
Net change in fund balances (deficits) – total governmental funds (Exhibit IV)		$ 7,959,433
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	6,987,249	
Depreciation expense	(12,682,477)	
Disposals	(83,904)	
		(5,779,132)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes collected after 60 days	(715,750)	
Sewer assessments collected after 60 days	472,660	
Other receivables collected after 60 days	12,223	
		(230,867)
Net deferred outflows and inflows related to pension and OPEB liabilities which are not due and payable in the current period and therefore are not reported in the funds.		(451,166)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Change in accrued interest	(26,073)	
Principal payments on bonds	6,400,000	
Issuance of bonds	(2,735,000)	
Premiums on bonds issued	(389,431)	
Issuance of refunding bonds	(3,800,000)	
Payment to escrow agent	4,094,446	
Principal payments on Clean Water loans payable	903,026	
Amortization of bond premiums	525,903	
Amortization of deferred charge on refunding	(548,536)	
		4,424,335
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	297,354	
Change in retainage	(223,589)	
Change in pension liability	(3,004,845)	
Change in OPEB liability	16,179	
		(2,914,901)
The net revenue of certain activities of internal service funds is reported in governmental activities		1,453,041
Change in net position of governmental activities (Exhibit II)		$ 4,460,743

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit VII**

Statement of Net Position - Proprietary Funds
June 30, 2019

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 7,828,169
Accounts receivable, net	135
Due from other funds	521,534
Total assets	8,349,838
Liabilities	
Current liabilities:	
Claims payable	1,092,922
Administration expense payable	192,078
Total liabilities	1,285,000
Net Position	
Unrestricted	$ 7,064,838

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit VIII**

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities Internal Service Fund
Operating revenues:	
Employer contributions	$ 18,619,853
Employee contributions	3,871,925
Total operating revenues	22,491,778
Operating expenses:	
Claims incurred	19,059,546
Administration	2,048,032
Total operating expenses	21,107,578
Operating income	1,384,200
Nonoperating revenue:	
Investment income	68,841
Total nonoperating revenue	68,841
Change in net position	1,453,041
Net position, beginning	5,611,797
Net position, ending	$ 7,064,838

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit IX**

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities Internal Service Fund
Cash flows from operating activities:	
Receipts from customers and users	$ 22,640,522
Claims paid	(19,195,487)
Payments for administration	(2,075,093)
Net cash provided by operating activities	1,369,942
Cash flows from investing activities:	
Investment income	68,841
Net cash provided by investing activities	68,841
Net increase in cash and cash equivalents	1,438,783
Cash and cash equivalents:	
Beginning	6,389,386
Ending	$ 7,828,169
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,384,200
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	631,697
Increase in due from other funds	(482,953)
Decrease in claims payable	(135,941)
Decrease in administration payable	(27,061)
Net cash provided by operating activities	$ 1,369,942

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit X**

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 1,064,895	$ 1,464,480
Investments, at fair value:		
Mutual funds	142,982,088	-
Pooled funds	5,958,692	-
Limited partnerships	9,088,711	-
Total assets	159,094,386	1,464,480
Liabilities		
Due to student groups	-	1,416,651
Due to others	-	47,829
Total liabilities	-	1,464,480
Net Position		
Restricted for pension and OPEB benefits	$ 159,094,386	$ -

See notes to the financial statements.

Town of Glastonbury, Connecticut **Exhibit XI**

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2019

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	$ 9,488,334
Employee	1,874,604
Total contributions	11,362,938
Investment Income:	
Net change in fair value of investments	2,838,965
Interest and dividends	3,831,195
	6,670,160
Less investment expenses:	
Investment management fees	107,029
Net investment income	6,563,131
Total additions	17,926,069
Deductions:	
Benefit payments	10,306,662
Administration fees	143,197
Total deductions	10,449,859
Change in net position	7,476,210
Net position:	
Beginning of year	151,618,176
End of year	$ 159,094,386

See notes to the financial statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town of Glastonbury, Connecticut (the Town) was incorporated in 1693. The Town operates under the Town Manager/Town Council/Board of Finance form of government and provides the following services: General Government, Community Development, Administrative Services, Public Safety, Physical Services, Sanitation, Human Services, Leisure/Culture and Education. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

The following is a summary of the more significant accounting policies used by the Town.

Accounting principles generally accepted in the United States of America (GAAP) requires that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board (GASB) Statement Codification Section 2100 have been considered, and there are no agencies or entities which should be presented with the Town.

Accounting standards adopted in the current year:
GASB Statement No. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations.

GASB Statement No. 88, C*ertain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

The adoption of GASB Statement Nos. 83, 88 and 89 had no impact on the Town's financial statements.

Basis of presentation: The financial statements of the Town 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 (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Measurement focus, basis of accounting, and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

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

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, pension and OPEB, pollution remediation and claims and judgments, are recorded only when payment is due (matured).

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 *Special Assessment Fund - Sewer Sinking Fund* accounts for the financing of public improvements of services deemed to benefit the properties against which special assessments are levied.

The *Capital Reserve Projects* Fund – accounts for various projects funded by the Capital and Nonrecurring Expenditures Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

The *Capital and Nonrecurring Expenditures Fund* accounts for the funds set aside for future capital improvements.

The *Land Acquisition Fund* accounts for various land acquisitions.

The Town reports the following internal service fund:

The *Self-Insurance Reserve Fund* accounts for risk financing activities for medical and dental insurance benefits under GASB Statement No. 10.

Additionally, the Town reports the following fiduciary fund types:

The *Pension and Other Post-Employee Benefit Trust Funds* account for the accumulation of resources to be used for retirement benefits and OPEB.

Agency Funds account for monies held as a custodian for student groups and employees of the Town.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for medical insurance benefits. Operating expenses for internal service fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and cash equivalents: The Town considers all highly liquid investments and those with original maturities of three months or less when purchased to be cash equivalents.

Investments: Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

The three categories within the hierarchy are as follows:

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

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

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

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships'' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

Note 1. Summary of Significant Accounting Policies (Continued)

Inventories: All inventories are valued at lower of cost or market. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Capital assets: Capital assets include land, land development rights, land improvements, buildings, equipment, computer software and infrastructure assets (such as roads, bridges and sidewalks) and are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and an initial, individual cost of more than $5,000 for machinery and equipment and computer software, $25,000 for land improvements, $50,000 for buildings and $250,000 for infrastructure. 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

	Years
Assets:	
Land improvements	20
Buildings and improvements	50
Machinery and equipment	5-20
Computer software	5
Infrastructure	20-40

In the governmental fund financial statements, capital outlay (assets) are reported as expenditures and no depreciation is recognized.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial 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. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner.

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial 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 a deferred inflow of resources for advance property tax collections and deferred inflows of resources related to pension and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. 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, special assessments, and other. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Compensated absences: Employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they have matured (that is, only the amounts of reimbursable unused vacation leave or sick leave payable to employees who had terminated their employment as of the end of the fiscal year are recognized.) Amounts are typically liquidated by the general fund.

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. 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, and debt service payments, are reported as debt service expenditures.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Net 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

Appropriations continued in force: Appropriations continued in force represent unperformed contracts for goods or services. Approved purchase orders, contracts and other commitments for the expenditure of resources are recorded as supplemental appropriations to the following year's budget. Appropriations continued in force do not constitute expenditures or liabilities.

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

***Net investment in capital assets*:** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, including gains and losses on refundings are included in this component of net position.

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

***Unrestricted net position*:** This category represents the net position of the Town that is not restricted for any project or other purpose by third parties. A deficit will require future funding.

In the fund financial statements, the Town reported the following governmental fund balances:

- *Nonspendable Fund Balance* - These amounts cannot be spent because they are not in spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* - These amounts are restricted to specific purposes when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- *Committed Fund Balance* – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Glastonbury Town Council is the highest level of decision-making authority for the Town and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.
- *Assigned Fund Balance* – This represents amounts constrained to be used for a specific purpose by the Town Council upon recommendation of the Board of Finance and, as applicable, in accordance with policy and procedures outlined in the Town Charter.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Property taxes: Property taxes are assessed as of October 1 and levied for on the following July 1. Taxes are overdue on August 1. Interest at the rate of 1-1/2% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. If real estate taxes are unpaid as of June 30, 2019 following the payable date, a lien is placed on the property.

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2. Budgets and Budgetary Accounting

The Town establishes its General Fund budget in accordance with the provisions of its Charter and the Connecticut General Statutes. The budget is adopted in accordance with GAAP, except that certain on-behalf payments are not recognized for budgetary purposes.

The budget reflected in the financial statements was adopted at the Final Budget Hearing. Supplemental appropriations require approval of the Council and Board of Finance in accordance with Charter provisions. Transfers and supplemental appropriations were approved during the year in accordance with the provisions of the Town's Charter and the Connecticut General Statutes.

Annual operating budgets are prepared and employed for management control only in the General Fund. Therefore, only the General Fund has a statement of revenues, expenditures and changes in fund balance - budget and actual included in the basic financial statements. Unexpended appropriations of the General Fund lapse at fiscal year-end. While project and object budgets are not legally adopted for the Capital Projects Funds, they are employed as a management tool and do not lapse at year-end.

Each year the Town adopts a five-year Capital Improvement Program. The program has two processes: a planning process and a budgetary process. Annually, the Town Council is provided with a five-year planning document which prioritizes the implementation of projects based on community needs. The Town Council evaluates the plan and establishes its priorities, as well as the years for project implementation. Thereafter, the Town Manager revises the plan to include the budgetary funding recommendations for the next fiscal year and forwards the document to the Board of Finance for its review as part of the annual budgetary process.

Note 2. Budgets and Budgetary Accounting (Continued)

Expenditures may not legally exceed budgeted appropriations at the object level. Budget transfers within a department can be authorized by the Town Manager when the amount is less than $5,000 within any department and does not include additional staffing or monies to acquire capital items deleted in prior budgets. Transfers greater than $5,000 within departments must be approved by the Board of Finance. Other transfers between departments require Council and Board of Finance approval. However, such transfers may occur only after April 1 of the fiscal year. For the year ended June 30, 2019, supplemental appropriations in the amount of $2,888,214 (which included $467,951 from the unexpended education fund) were approved by the Council and the Board of Finance.

Note 3. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2019:

Capital Projects:	
Capital and nonrecurring expenditures	$ 267,319

Deficits in the Capital and Nonrecurring Expenditures Fund will be funded by additional grants and donations

Note 4. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that deposits may be maintained only in financial institutions that are approved by the Board of Finance and Town Council. Town policy follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based on the bank's risk-based capital ratio.

Investments: The Town does not have a custodial credit risk policy for investments. The Town does have a policy for investments, but does not have a policy for related credit risk for debt securities. Town policy for eligible investments is governed by State of Connecticut statutes which, in general, allow the Town to invest in obligations of the United States or United States government-sponsored corporations, or in any state or other tax-exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer's Short-Term Investment Fund. Trust funds may also be invested in corporate bonds and securities and commercial paper.

The Town's investment policy for its pension funds state the investments shall be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumption, maximize investment return commensurate with appropriate levels of risk, and comply with the Employee Retirement Income Security Act of 1974 (ERISA) in investing the funds in a manner consistent with ERISA's fiduciary standards. The Town has targeted the following as part of its long-term asset allocation strategy:

	Min. Weight	Max. Weight
Asset class:		
Money market	0.0%	5.0%
Fixed income	25.0%	40.0%
Domestic equities	25.0%	40.0%
International equities	15.0%	30.0%
Real estate	0.0%	7.5%
Other	0.0%	7.5%

Note 4. Cash, Cash Equivalents and Investments (Continued)

Concentration of credit risk: This is the risk of loss due to the magnitude of a government's investment in a single issuer. The Town's policy is to diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities.

The Town may invest any portion of its portfolio in U.S. Treasury obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, or certificates of deposit with commercial banks or savings and loan associations. A maximum of 35% of the portfolio may be invested in repurchase agreements for overnight sweep only. Up to 50% of the portfolio may be invested in a cooperative liquid asset securities system. To further diversify by financial institution, no more than 33% of the total certificates of deposit may be invested with any one financial institution.

Deposit custodial credit risk: This is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures,* approximately $27,442,000 of the Town's approximate bank balance of $52,252,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 27,442,139
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	3,049,127
Total amount subject to custodial credit risk	$ 30,491,266

Custodial credit-investments risk: This is the risk that in the event of the failure of the counterparty (such as a broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As indicated above, State statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State statutes. Due to the types of investments owned by the Town and pension plans, the Town does not have custodial credit risk for investments.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town's policy is to mitigate interest rate risk by structuring the Town's portfolio so that securities mature to meet the Town's cash requirements, thereby avoiding the need to sell securities on the open market prior to their maturity, and by investing primarily in shorter-term securities unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements.

Note 4. Cash, Cash Equivalents and Investments (Continued)

Cash and cash equivalents:	
Deposits with financial institutions	$ 55,786,772
Total cash and cash equivalents	55,786,772
Investments:	
General Fund:	
Certificates of deposit	6,627,877
Special Assessment Fund:	
Certificates of deposit	9,769,700
Capital Reserve Projects Fund:	
Certificates of deposit	1,578,869
Land Acquisition Fund:	
Certificates of deposit	600,449
Nonmajor governmental funds:	
Certificates of deposit	1,851,654
Total government investments	20,428,549
Pension Trust Funds:	
Mutual funds	142,982,088
Pooled funds	5,958,692
Limited partnerships	9,088,711
Total pension investments	158,029,491
Total cash, cash equivalents and investments	$234,244,812

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

	Primary Government
Statement of Net Position:	
Cash and cash equivalents	$ 53,257,397
Investments	20,428,549
	73,685,946
Fiduciary Funds:	
Cash and cash equivalents	2,529,375
Investments	158,029,491
	160,558,866
Total cash, cash equivalents and investments	$234,244,812

Note 4. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's investments to this risk using the segmented time distribution model is as follows:

			Investment Maturities (Years)		
Type of Investment	Credit Rating	Fair Value	Less Than 1 Year	1 - 10 Years	Greater Than 10 Years
Certificates of deposit	*	$ 20,428,549	$ 5,216,366	$ 15,212,183	$ -
Other investments:					
Mutual funds	N/A	142,982,088			
Pooled Funds	N/A	5,958,692			
Limited partnerships	N/A	9,088,711			
Total investments		$ 178,458,040			

N/A - Not Applicable

* Subject to coverage by federal depository insurance and collateralization.

At June 30, 2019, the Town's cash equivalents amounted to approximately $22,958,000. The State of Connecticut Short-Term Investment Fund (STIF), is a 2a-7 like pool. The value of the position in the pool is the same as the value of the pool shares. Regulatory oversight for STIF is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board.

	Standard & Poor's
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Wells Fargo Money Market	*
Bank of America Money Market	*

* Not rated.

Note 4. Cash, Cash Equivalents and Investments (Continued)

Fair value measurement: 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:

	June 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds	$ 142,982,088	$ 142,982,088	$ -	$ -
Pooled funds	5,958,692	-	5,958,692	-
Investments measured at net asset value (NAV):				
Limited partnerships	9,088,711			
Total investments	$ 158,029,491	$ 142,982,088	$ 5,958,692	$ -

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

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

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Barings Core Property Fund LP	$ 9,088,711	$ -	Quarterly	60 days
Total investments measured at NAV	$ 9,088,711			

Real estate funds: The Barings Core Property Fund (BCPF or the Fund) is a diversified, core, open-end commingled fund primarily of stabilized, income-producing, equity real estate. It is structured as a limited partnership with a private REIT subsidiary. The Fund seeks to provide attractive total returns with reduced risk. The Fund has both relative and real return objectives over the longer term: its relative performance objective is to exceed the NCREIF Fund Index-Open-End Diversified Core Equity (NFI-ODCE), and its return objective is to achieve at least a 5% real rate of return, before advisory fees. The Fund is diversified by property type and geography. It has historically provided quarterly cash flow distributions and is open to contributions and redemptions on a quarterly basis.

Note 5. Accounts Receivables

Receivables at June 30, 2019, including the applicable allowances for collection losses, are as follows:

	General Fund	Special Assessment Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total
Property taxes*	$ 1,165,147	$ -	$ -	$ -	$ 1,165,147
Assessments and use charges	-	540,882	-	70,711	611,593
Allowance for collection losses	(100,200)	(54,100)	-	(24,528)	(178,828)
Net taxes and assessments receivable	1,064,947	486,782	-	46,183	1,597,912
Intergovernmental	86,099	-	750,085	113,666	949,850
Other receivables	293,253	16,691	-	121,237	431,181
Net receivables	$ 1,444,299	$ 503,473	$ 750,085	$ 281,086	$ 2,978,943

* Interest on delinquent taxes are not included.

Note 6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 44,633,915	$ 696,414	$ 20,332	$ 45,309,997
Development rights	3,330,707	777,994	-	4,108,701
Construction in progress	1,451,237	3,984,547	4,889,319	546,465
Total capital assets, not being depreciated	49,415,859	5,458,955	4,909,651	49,965,163
Capital assets, being depreciated:				
Land improvements	42,413,270	351,890	-	42,765,160
Buildings and improvements	229,071,525	1,456,055	-	230,527,580
Machinery and equipment	53,286,733	1,972,087	598,337	54,660,483
Computer software	872,133	-	-	872,133
Infrastructure	156,380,226	2,657,913	-	159,038,139
Total capital assets, being depreciated	482,023,887	6,437,945	598,337	487,863,495
Less accumulated depreciation for:				
Land improvements	16,659,410	2,048,245	-	18,707,655
Buildings and improvements	71,264,631	4,454,328	-	75,718,959
Machinery and equipment	27,381,294	2,818,038	514,433	29,684,899
Computer software	517,739	98,398	-	616,137
Infrastructure	118,361,880	3,263,468	-	121,625,348
Total accumulated depreciation	234,184,954	12,682,477	514,433	246,352,998
Total capital assets, being depreciated, net	247,838,933	(6,244,532)	83,904	241,510,497
Governmental activities capital assets, net	$ 297,254,792	$ (785,577)	$ 4,993,555	$ 291,475,660

Note 6. Capital Assets (Continued)

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

Governmental activities:	
General government	$ 240,050
Community development	12,251
Administrative services	73,271
Public safety	910,795
Physical services	3,639,374
Sanitation	1,289,563
Human services	204,839
Leisure/culture	1,291,809
Education	5,020,525
Total depreciation expense - governmental activities	$ 12,682,477

Construction commitments:

The Town has the following construction commitments as of June 30, 2019:

	Project Authorization	Expended to June 30, 2019	Outstanding Construction Commitments
Capital reserve projects:			
Police Building Windows	$ 142,500	$ 7,331	$ 133,416
Town Facilities Shop/Storage	1,045,000	902,473	117,792
Bridge Replacement/Rehabilitation	3,400,000	2,748,224	102,365
Hebron Avenue/House Street Intersection	1,975,000	1,405,357	283,457
Gideon Welles HVAC/Boilers	1,403,404	155,861	1,248,000
Sewer Sinking Projects:			
Cider Mill Pump Station	1,791,000	88,594	1,562,409
Total	$ 9,756,904	$ 5,307,840	$ 3,447,439

The commitments are being financed with capital reserve fund monies, general obligation bonds, private donations, and state and federal grants.

Note 7. Interfund Receivable and Payable Balances

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2019 is presented below:

Receivable Fund	Payable Fund	Amount
Internal Service	General Fund	$ 521,534
Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	683,155
		$ 1,204,689

The outstanding balance between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2019 were as follows:

	Transfers In						
	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition Fund	Nonmajor Governmental Funds	Total
Transfers out:							
General Fund	$ -	$ -	$ -	$ 5,860,000	$ 56,500	$ 220,000	$ 6,136,500
Special Assessment Fund	-	-	-	-	-	2,040,010	2,040,010
Capital Reserve Projects Fund	1,400,000	-	-	94,085	-	-	1,494,085
Capital and Nonrecurring Expenditures Fund	-	-	6,933,000	-	-	-	6,933,000
Nonmajor Governmental Funds	-	75,258	-	-	-	-	75,258
Total transfers in	$ 1,400,000	$ 75,258	$ 6,933,000	$ 5,954,085	$ 56,500	$ 2,260,010	$ 16,678,853

Transfers are used to move resources from the General Fund and Special Assessment Fund to nonmajor funds and from nonmajor funds and the Capital and Nonrecurring Expenditures Fund to the Capital Reserve Projects Fund. As projects are closed, revenues in excess of expenditures are transferred back to the resource funds. The General Fund may also transfer amounts to the Capital and Nonrecurring Fund or directly to Capital Projects.

Note 8. Long-Term Liabilities

A summary of changes in long-term obligations during the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 44,925,000	$ 6,535,000	$ 10,440,000	$ 41,020,000	$ 5,155,000
Premium on bonds	1,860,800	389,431	525,903	1,724,328	-
Clean Water loans payable	12,695,037	-	903,026	11,792,011	921,253
Compensated absences	4,211,625	66,103	363,457	3,914,271	91,593
Net pension liability	55,174,485	3,004,845	-	58,179,330	-
Net OPEB liability	15,400,532	-	16,179	15,384,353	-
Other payable	-	223,589	-	223,589	-
Total long-term liabilities	$ 134,267,479	$ 10,218,968	$ 12,248,565	$ 132,237,882	$ 6,167,846

With the exception of the Clean Water Fund Loan, all long-term liabilities are generally liquidated by the General Fund.

Clean Water Fund debt repayment will be through user fees, allocation of investment income from Sewer Sinking Fund and General Fund, as applicable.

General obligation bonds currently outstanding are as follows:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds:									
Schools:									
School bonds	$ 1,000,000	04/15/09	04/15/29	2.00-4.50%	$ 400,000	$ -	$ 400,000	$ -	$ -
Refunding bonds	7,370,000	04/15/09	08/01/21	2.00-5.00%	1,270,000	-	1,270,000	-	-
Refunding bonds	19,555,000	11/15/10	05/15/25	2.00-5.00%	8,857,000	-	1,377,000	7,480,000	1,373,000
School bonds	2,665,000	11/15/11	05/15/26	2.00-3.00%	1,765,000	-	150,000	1,615,000	150,000
Refunding bonds	11,675,000	06/27/12	06/30/26	2.00-5.00%	8,605,000	-	1,215,000	7,390,000	1,210,000
Refunding bonds	6,385,000	05/15/14	08/01/28	2.00-5.00%	2,576,000	-	728,000	1,848,000	17,800
Refunding bonds	830,000	07/26/18	06/30/26	5.00%	-	830,000	46,000	784,000	186,000
Total schools					23,473,000	830,000	5,186,000	19,117,000	2,936,800
General purpose:									
Improvement bonds	7,000,000	04/15/09	04/15/29	2.00-4.50%	2,800,000	-	2,800,000	-	-
Refunding bonds	2,135,000	04/15/09	08/01/21	2.00-5.00%	450,000	-	450,000	-	-
Refunding bonds	8,995,000	11/15/10	05/15/25	2.00-5.00%	4,053,000	-	638,000	3,415,000	637,000
Land	50,000	11/15/11	11/01/21	2.00-3.00%	20,000	-	5,000	15,000	5,000
Land	3,680,000	11/15/11	05/15/26	2.00-3.00%	2,510,000	-	195,000	2,315,000	195,000
Refunding bonds	2,870,000	06/27/12	06/30/26	2.00-5.00%	1,925,000	-	410,000	1,515,000	415,000
Improvement bonds	8,950,000	10/10/13	10/01/33	3.00-4.625%	7,865,000	-	400,000	7,465,000	425,000
Refunding bonds	3,095,000	05/15/14	08/01/28	2.00-5.00%	1,829,000	-	22,000	1,807,000	12,200
Improvement bonds	2,735,000	07/26/18	07/26/39	2.00-5.00%	-	2,735,000		2,735,000	135,000
Refunding bonds	2,970,000	07/26/18	06/30/26	5.00%	-	2,970,000	334,000	2,636,000	394,000
Total general purpose					21,452,000	5,705,000	5,254,000	21,903,000	2,218,200
Total general obligation bonds					$ 44,925,000	$ 6,535,000	$ 10,440,000	$ 41,020,000	$ 5,155,000

Note 8. Long-Term Liabilities (Continued)

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

	Principal	Interest	Total
Fiscal Year Ending June 30:			
2020	$ 5,155,000	$ 1,512,155	$ 6,667,155
2021	5,140,000	1,323,368	6,463,368
2022	5,095,000	1,099,002	6,194,002
2023	4,805,000	909,386	5,714,386
2024	4,770,000	731,214	5,501,214
2025-2029	11,495,000	1,764,477	13,259,477
2030-2034	3,860,000	482,931	4,342,931
2035- 2039	700,000	53,900	753,900
	$ 41,020,000	$ 7,876,433	$ 48,896,433

The Clean Water Fund loans have an interest rate of 2% and the annual debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30:			
2020	$ 921,253	$ 227,426	$ 1,148,679
2021	939,848	208,831	1,148,679
2022	958,818	189,861	1,148,679
2023	978,172	170,508	1,148,680
2024	997,915	150,764	1,148,679
2025-2029	5,299,967	443,430	5,743,397
2030-2031	1,696,038	26,981	1,723,019
	$ 11,792,011	$ 1,417,801	$ 13,209,812

Bond anticipation notes payable:

Bond anticipation notes totaling $1,650,000, which were issued to temporarily finance land acquisitions, matured in July 2018. During July 2018, bond anticipation notes totaling $1,305,000 were issued with an interest rate of 2.5%, which mature on July 25, 2019.

Bond anticipation note transactions for the year ended June 30, 2019 were as follows:

Outstanding, July 1, 2018	$ 1,650,000
New borrowings	1,305,000
Repayments	(1,650,000)
Outstanding, June 30, 2019	$ 1,305,000

Note 8. Long-Term Liabilities (Continued)

Bonds authorized but unissued:

The bonds authorized and unissued at June 30, 2019 are $8,190,893 for land/open space.

Debt limitation:

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

Category	Debt Limit	Indebtedness	Balance
General Purpose	$ 331,772,681	$ 31,398,893	$ 300,373,788
Schools	663,545,363	19,117,000	644,428,363
Sewers	552,954,469	11,792,011	541,162,458
Urban Renewal	479,227,206	-	479,227,206
Pension Deficit	442,363,575	-	442,363,575

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation $1.032 million.

Indebtedness, in accordance with State statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

Note 9. Fund Balance (Deficits)

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

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total
Fund balances (deficits):							
Nonspendable:							
Prepaid items	$ 22,884	$ -	$ -	$ -	$ -	$ 10,031	$ 32,915
Inventory	202,547	-	-	-	-	18,471	221,018
Required to be retained in perpetuity	-	-	-	-	-	8,527	8,527
Restricted for:							
Law enforcement acquisitions	-	-	-	-	-	28,995	28,995
Education	-	-	-	-	-	743,580	743,580
Road construction and maintenance	-	-	-	-	-	458,267	458,267
Library acquisitions	-	-	-	-	-	133,375	133,375
Riverfront community center	-	-	-	-	-	142,303	142,303
Human services programs	-	-	-	-	-	14,393	14,393
Parks and recreation	-	-	-	-	-	114,669	114,669
Public safety programs	-	-	-	-	-	320,020	320,020
Other programs	-	-	-	-	-	79,658	79,658
Committed to:							
Town facility improvements	-	-	1,630,497	-	-	-	1,630,497
School improvements	-	-	1,619,599	-	-	-	1,619,599
Public safety programs	-	-	136,599	-		-	136,599
Land acquisition	-	-	103,214	-	1,609,050	-	1,712,264
Street improvements and realignment	-	-	1,641,885	-	-	-	1,641,885
Bridge and dam replacement/ maintenance	-	-	708,271	-	-	-	708,271
Sewer infrastructure	-	12,333,166	-	-	-	3,475,873	15,809,039
Other capital projects	-	-	340,070	-	-	46,805	386,875
Sewer plant operations	-	-	-	-	-	1,392,368	1,392,368
Police private duty	-	-	-	-	-	506,636	506,636
Camp Sunrise	-	-	-	-	-	26,729	26,729
Recreation programs	-	-	1,886,406	-	-	1,103,106	2,989,512
Insurance reserve	-	-	-	-	-	577,332	577,332
Riverfront Park operations	-	-	-	-	-	301,034	301,034
Planetarium operations	-	-	-	-	-	72,212	72,212
Golf course maintenance	-	-		-	-	205,300	205,300
Assigned to:							
Subsequent year's budget	575,000	-	-	-	-	-	575,000
Capital outlay in subsequent year	183,329	-	-	-	-	-	183,329
Education surplus carried to subsequent year	559,413	-	-	-	-	-	559,413
Continued appropriations	76,307	-	-	-	-	-	76,307
Unassigned	27,601,660	-	-	(267,319)	-	-	27,334,341
Total fund balances (deficits)	$29,221,140	$12,333,166	$ 8,066,541	$ (267,319)	$ 1,609,050	$ 9,779,684	$60,742,262

Significant encumbrances of $3,141,565, $5,005,500 and 1,619,707 are included in the Capital Reserve Projects Fund, Land Acquisition Fund and nonmajor funds, respectively, at June 30, 2019.

Note 10. Employee Retirement Plan

Pension Trust Fund

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits to substantially all full- time employees. Excluded from this plan are Highway, Fleet Maintenance, Refuse, Facilities and Sanitation employees hired after January 1, 2013, unaffiliated Town employees hired after June 1, 2013 and certified personnel of the Board of Education who are covered under the State Teachers' Retirement System (the System). Both the employer and the employee are obligated to contribute to this plan. The PERS is a defined benefit pension plan and is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. Stand-alone reports are not available.

The management and administration of the pension plan is vested with the Town Manager. The Town Council has the power to make reasonable rules and regulations for carrying out the provision of the plan, as well as to authorize revisions and amendments to plan provisions.

Plan description and benefits provided: The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. Employees are eligible to participate in the Plan upon the completion of one year of continuous service. Connecticut General Statutes assign the authority to the Town to create and amend Plan benefit provisions by ordinance or resolution. Under the Plan, all employees, except police, are partially vested after 5 years of service. All Plan members are 100% vested after 10 years of service. Plan members receive a retirement benefit when they retire at normal retirement age, which may vary by group. The Plan also provides early retirement options at a reduced retirement benefit, which may also vary by employee group.

The benefit formula for most divisions is 1.75% of final earnings up to $15,000 plus 2.25% of final earnings in excess of $15,000 multiplied by years of credited service. Other divisions range from 2.15% to 2.50% of final earnings multiplied by years of credited service. For non-affiliated employees hired after June 1, 2013, the benefit formula is 1.5% of final earnings multiplied by years of credited service up to a maximum of 30 years. For police officers hired after January 1, 2013, there is a 35-year maximum on years of credited service. The defined benefit pension plan was closed to two bargaining unit groups effective January 1, 2013. These employees participate in a Defined Contribution plan.

Generally effective in 2013, new pension plan designs were implemented for various employee groups which includes Defined Contribution (DC), hybrid, and modified Defined Benefit (DB) plans. These new plans are effective for pension eligible full time staff hired in and around 2013.

Plan membership consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Retirees, vested beneficiaries and other inactives	337
Terminated employees	127
Actives	429
Total	893

Note 10. Employee Retirement Plan (Continued)

Contributions: Participants are required to contribute a percent of payroll, which varies by group. For 2019, the contribution rates for the following employee groups were 6.75% for all unaffiliated Town employees and Housing Authority employees; 6.25% for Board of Education employees; 6.50% for highway employees; 7.00% for Wastewater/Building Maintenance employees; 6.00% for dispatchers; and 7.75% for Police.

Administrative costs of the Plan are financed through investment earnings.

Investments:

Investment policy: The pension plan's policy in regard to the allocation of investment of assets is established by and may be amended by the Board of Finance by a majority vote of its members. It is the policy of the Board that plan assets be invested in accordance with sound investment practices that emphasize the fundamentals of long-term investing. Consistent with this effort assets shall be guided to achieve a long-term return that meets or exceeds the actuarial target of the plan, maintains sufficient liquidity to meet the obligations of the Plan, diversify the assets of the Plan in order to reduce risk, achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indexes and prudently manage the inherent investment risks related to the achievement of investment objectives. The following was the Board's adopted asset allocation target per their adopted policy as of June 30, 2019:

Asset Class	Target Allocation
U.S. Cash	0.50%
U.S. Core Fixed Income	26.00%
U.S. Inflation-Indexed Bonds	2.00%
Global Bonds	7.50%
U.S. Equity Market	40.00%
Non-U.S. Equity	16.00%
U.S. REITs	6.00%
Commodities	2.00%
	100.00%

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 4.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10. Employee Retirement Plan (Continued)

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

Total pension liability	$ 211,478,583
Plan fiduciary net position	(153,299,253)
Town's net pension liability	$ 58,179,330
Plan fiduciary net position as a percentage of the total pension liability	72.49%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date of June 30, 2019:

Inflation	2.75%
Salary increases	Graded salary growth with an ultimate rate of 3.00%
Investment rate of return	6.50% for Non-hybrid plan, and 5.00% for Hybrid plan, net of pension plan investment expense, including inflation

Mortality rates for healthy annuitants was based on the RP-2000 Mortality Table for employees and healthy annuitants, with separate male and female rates, with generational projection per Scale AA. Mortality rates for disabled annuitants was based on the RP-2000 Disabled Mortality Table for males and females.

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:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Cash	0.36%
U.S. Core Fixed Income	2.40%
U.S. Inflation-Indexed Bonds	1.42%
Global Bonds	0.75%
U.S. Equity Market	4.61%
Non-U.S. Equity	5.81%
U.S. REITs	5.07%
Commodities	3.07%

Note 10. Employee Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: The net pension liability was measured as of June 30, 2019, based on a July 1, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balances as of July 1, 2018	$ 202,019,589	$ 146,845,104	$ 55,174,485
Changes for the year:			
Service cost	4,215,987	-	4,215,987
Interest on total pension liability	13,355,205	-	13,355,205
Effect of plan changes	(3,313)	-	(3,313)
Effect of economic/demographic gains or losses	525,669	-	525,669
Effect of assumptions changes or inputs	812,083	-	812,083
Benefit payments	(9,446,637)	(9,446,637)	-
Employer contributions	-	7,908,372	(7,908,372)
Member contributions	-	1,874,604	(1,874,604)
Net investment income (loss)	-	6,229,061	(6,229,061)
Administrative expenses	-	(111,251)	111,251
Net changes	9,458,994	6,454,149	3,004,845
Balances as of June 30, 2019	$ 211,478,583	$ 153,299,253	$ 58,179,330

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 6.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
Town's net pension liability	$ 86,570,838	$ 58,179,330	$ 38,255,747

Note 10. Employee Retirement Plan (Continued)

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 $11,163,304. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,785,750	$ 105,096
Changes of assumptions	3,797,501	-
Net difference between projected and actual earning on pension plan investments	1,373,845	-
	$ 7,957,096	$ 105,096

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

Year ending June 30:	
2020	$ 3,575,057
2021	1,287,869
2022	2,064,887
2023	924,187
	$ 7,852,000

Teachers' Retirement

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

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

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

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

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

Note 10. Employee Retirement Plan (Continued)

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-1832, 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.

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

Employees / Retirees

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	152,253,528
	$ 152,253,528

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 $17,087,768 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Note 10. Employee Retirement Plan (Continued)

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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging Markets (non-U.S)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation Linked Bond fund	3.0%	1.0%
Cash	6.0%	0.4%
	100.0%	

Note 10. Employee Retirement Plan (Continued)

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 rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Note 11. Other Postemployment Benefits

In addition to providing pension benefits, the Town provides certain healthcare benefits for retired employees, under cost sharing arrangements. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

Benefits: From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of postemployment healthcare in the year when the employee services are received, discloses the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. The net OPEB liability is measured as the portion of the present value of projected benefits 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.

Plan description: The Town provides postemployment benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2017. The post-retirement plan does not issue stand-alone financial report.

Management of the postemployment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Board of Finance.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Entry Age Normal Method.

Membership in the plan consisted of the following at July 1, 2017, valuation the date of the last actuarial valuation.

Retirees and beneficiaries currently receiving benefits	168
Active plan members	861
Total	1,029

Note 11. Other Postemployment Benefits (Continued)

Investments:

Investment policy: OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance 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.

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.11%. 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 based on a July 1, 2017 actuarial valuation. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating actuarial assumptions. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	$ 21,179,486
Plan fiduciary net position	5,795,133
Town's net OPEB liability	$ 15,384,353
Plan fiduciary net position as a percentage of the total OPEB liability	27.36%

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	2.70%
Salary increases	Graded based on service for Teachers and Administrators; Graded based on age for Town
Investment rate of return	6.625%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.48% - 4.50% over 56 years

Mortality rates for Teachers and Administrators were based on the RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using scale AA, with a two-year age setback. Mortality rates for all others, were based on the RP-2000 Healthy Mortality Table for males and females with full generational projection per Scale AA, with separate tables for active employees and annuitants.

Note 11. Other Postemployment Benefits (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Intermediate bonds	30.00%	2.20%
U.S. equity market	35.00%	4.86%
Global equity	25.00%	5.23%
U.S. inflation-indexed bonds	10.00%	1.81%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 6.625%. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

Changes in the net OPEB liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)
Balances as of July 1, 2018	$ 20,173,604	$ 4,773,072	$ 15,400,532
Changes for the year:			
Service cost	522,802	-	522,802
Interest on total OPEB liability	1,343,105	-	1,343,105
Benefit payments	(860,025)	(860,025)	
Employer contributions	-	1,579,962	(1,579,962)
Net investment income	-	334,069	(334,069)
Administrative expenses	-	(31,945)	31,945
Net changes	1,005,882	1,022,061	(16,179)
Balances as of June 30, 2019	$ 21,179,486	$ 5,795,133	$ 15,384,353

Note 11. Other Postemployment Benefits (Continued)

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 (5.625%) or 1 percentage point higher (7.625%) than the current discount rate:

	1% Decrease (5.625)%	Current Discount Rate (6.625)%	1% Increase (7.625)%
Town's net OPEB liability	$ 17,988,051	$ 15,384,353	$ 13,187,102

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 (4.48% decreasing to 4.5%) or 1 percentage point higher (6.48% decreasing to 4.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Town's net OPEB liability	$ 12,557,031	$ 15,384,353	$ 18,845,228

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 $1,764,862. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	$ 923,603	$ -
Changes of assumptions	507,982	-
Net difference between projected and actual earning on pension plan investments	4,331	-
	$ 1,435,916	$ -

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:	
2020	$ 205,650
2021	205,650
2022	205,652
2023	205,427
2024	204,512
Thereafter	409,025
	$ 1,435,916

Note 12. Pension and OPEB Combining Schedules

Pension and OPEB combining statement of net position:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Assets:			
Cash and cash equivalents	$ 1,062,334	$ 2,561	$ 1,064,895
Investments, at fair value:			
Mutual funds	137,189,516	5,792,572	142,982,088
Pooled funds	5,958,692	-	5,958,692
Limited partnerships	9,088,711	-	9,088,711
Total assets	153,299,253	5,795,133	159,094,386
Net position:			
Restricted for Pension and OPEB benefits	$ 153,299,253	$ 5,795,133	$ 159,094,386

Pension and OPEB combining statement of changes in net position:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	$ 7,908,372	$ 1,579,962	$ 9,488,334
Employee	1,874,604	-	1,874,604
Total contributions	9,782,976	1,579,962	11,362,938
Investment income:			
Net change in fair value of investments	2,643,216	195,749	2,838,965
Interest and dividends	3,692,875	138,320	3,831,195
	6,336,091	334,069	6,670,160
Less investment expenses:			
Investment management fees	107,029	-	107,029
Net investment income	6,229,062	334,069	6,563,131
Total additions	16,012,038	1,914,031	17,926,069
Deductions:			
Benefits payments	9,446,637	860,025	10,306,662
Administration fees	111,252	31,945	143,197
Total deductions	9,557,889	891,970	10,449,859
Change in restricted net position	6,454,149	1,022,061	7,476,210
Restricted net position:			
Beginning of year	146,845,104	4,773,072	151,618,176
End of year	$ 153,299,253	$ 5,795,133	$ 159,094,386

Note 13. OPEB - Connecticut 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 OPEB 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.

Benefit provisions: There are two types of the healthcare 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 Supplemental 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 healthcare 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 healthcare 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 Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision and Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor healthcare 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 Supplemental Plans, as long as they do not remarry.

Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)

Eligibility:

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

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

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

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-1832, 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

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

Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)

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 pension liability	$ -
State's proportionate share of the net pension liability associated with the Town	30,436,453
	$ 30,436,453

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 ($10,110,972) in Exhibit II for on-behalf amounts for the benefits provided by the State.

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%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	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.

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 Statement No. 74 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%).

Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)

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.

Sensitivity of the net OPEB liability to changes in the healthcare 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 healthcare 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.

Note 14. Defined Contribution Plan

The Town established a defined contribution plan for certain employee groups. Employees are eligible to participate after completing one year of service as follows:

Highway/Fleet maintenance: For employees hired after January 1, 2013, the Town contributes 6.5% of wages and the employee contributes up to 6.5%.

Sanitation/facilities: For employees hired after January 1, 2013, the Town contributes 6.5% of wages with a mandatory employee contribution of 6.5%.

Unaffiliated Town: For employees hired after June 1, 2013, the Town contributes 3% of wages and the employees contribute a minimum of 2% with a maximum of 3%.

The vesting schedules vary by employee group, but employees are fully vested after ten years of service.

Employees have the right to self-direct their contributions in the defined contribution plan among the investment options offered by the plan administrator as selected by the Town.

During the fiscal years ended June 30, 2019 and 2018, employees contributed $103,685, and 71,585, respectively and the Town contributed matching employer contributions of $106,611 and 88,781, respectively. Covered payroll totaled $2,809,857.

Note 15. Risk Management

The Town is a member of CIRMA's Liability, Automobile, Property (LAP) pool program and as well as CIRMA's Workers' Compensation pool program. CIRMA is a not-for-profit association of Connecticut municipalities, school districts, and local public agencies established in 1980. CIRMA has 151 LAP members and 208 Workers' Compensation Pool members (not including six self-insured members). The Town maintains insurance to provide for losses of property or the results of litigation. The insurance policy provisions cover general business liabilities and umbrella liability, as well as various other coverages. There are various deductibles dependent on the type of coverage. There were no significant reductions from the previous year in insurance coverages during the fiscal year ended June 30, 2019. All policy deductibles and uninsured losses are funded by insurance accounts included under Administrative Services in the General Fund. The Town had no settlements which exceeded insurance coverage for the fiscal years ended June 30, 2017, 2018 or 2019.

The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The program type is guaranteed cost effective 7/1/2018. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains $1,000,000 per occurrence plus a $1,000,000 annual aggregate deductible. All claims above this retention are fully reinsured.

Premiums were paid by the Town and Board of Education in the amount of $433,393 and $378,140 respectively, for the LAP pool program and for excess liability coverage.

The deposit contribution (premium) paid for the Workers' Compensation for the year ended June 30, 2019 was $1,198,838, inclusive of the Board of Education.

Town Health benefits are provided through an Internal Service Fund. The Health Insurance Reserve Fund accounts for medical claim activity and service fees on a self-insured basis. Town liability is limited through the purchase of Individual Stop Loss (ISL) and Aggregate Stop Loss (ASL) coverage. Anthem, ConnectiCare and Delta Dental are the Town's medical providers and they each administer payment of claims directly to the providers. The Town works with ha consultant to analyze claims, calculate the incurred but not reported (IBNR) claims liability at year-end and advise the Town on all health insurance related issues throughout the year. The Town adheres to a conservative reserve policy that, at a minimum, requires the Town to maintain a reserve level that will meet the total of the difference between the maximum liability and amounts budgeted, the incurred but not reported claims and ten percent (10%) of budgeted health care premiums. Approval of the Town Council is required for the use of any excess reserves and is limited to offset future health related costs.

Note 15. Risk Management (Continued)

The following is a schedule of changes in the aggregate liabilities for claims:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2018 - 2019	$ 1,228,863	$ 19,059,546	$ 19,195,487	$ 1,092,922
2017 - 2018	1,450,656	16,980,273	17,202,066	1,228,863

Premiums are paid into the Self-Insurance Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. All liabilities are expected to be paid within one year.

Note 16. Operating Leases

The Town has several operating leases for various computer equipment for use at various schools. The leases are classified as operating leases, which do not give rise to property rights or lease obligations. In most cases, management expects leases will be renewed or replaced by other leases in the normal course of business.

Rental expense for all operating leases for the year ended June 30, 2019 was $753,586.

The following is a schedule of future payments on operating leases:

Year ending June 30:	
2020	$ 716,805
2021	742,243
2022	742,625
	$ 2,201,673

Note 17. Commitments and Contingencies

The Town is currently a defendant in a number of lawsuits. Management and legal counsel believe that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the granter agencies. Such audits could lead to requests for reimbursement to the granter 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.

Note 18. Accounting Standards Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

The impact of the following accounting pronouncements are currently being assessed by the Town as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the Town's financial statements.

GASB Statement No. 84, "Fiduciary Activities." This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.

GASB Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

GASB Statement No. 90, "Majority Equity Interests, an Amendment of GASB Statements No. 14 and No. 61." The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquired a 100 percent equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 91, "Conduit Debt Obligations." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.

Earlier application of these statements is encouraged. For original pronouncements, please visit the GASB's website, www.gasb.org.

Management is in the process of determining what impact, if any, implementation of the above statements may have on the financial statements of the Town.

Note 19. Subsequent Events

On July 25, 2019, the Town issued $1,710,000 of General Obligation Bond Anticipation Notes with an interest rate of 2.00% and a maturity date of July 24, 2020.

The Bond Anticipation notes of $1,305,000 maturing on July 25, 2019 were paid off through the notes issued on July 25, 2019.

Required Supplementary Information

Required Supplementary Information - Unaudited
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 150,395,708	$ 150,395,708	$ 151,222,713	$ 827,005
Licenses and permits	1,126,100	1,126,100	1,429,480	303,380
Intergovernmental	7,070,570	8,331,504	8,878,993	547,489
Charges for services	1,611,570	1,645,470	1,778,807	133,337
Unrealized (gain) loss	-	-	183,370	183,370
Investment income	800,000	800,000	1,317,030	517,030
Other revenue	771,841	771,841	759,100	(12,741)
Total revenues	161,775,789	163,070,623	165,569,493	2,498,870
Expenditures:				
Current:				
General government	3,364,593	3,412,793	3,280,357	132,436
Community development	2,103,418	2,116,491	2,043,759	72,732
Administrative services	6,074,814	6,122,340	6,031,188	91,152
Public safety	14,085,496	14,300,607	14,073,683	226,924
Physical services	7,075,183	7,105,183	7,053,345	51,838
Sanitation	804,477	824,892	804,153	20,739
Human services	2,979,232	2,968,271	2,760,010	208,261
Leisure/culture	5,528,789	5,941,986	5,698,826	243,160
Education	105,366,982	107,393,635	106,834,222	559,413
Debt service	8,459,085	8,117,585	8,076,119	41,466
Total expenditures	155,842,070	158,303,783	156,655,662	1,648,121
Excess of revenues over expenditures	5,933,719	4,766,840	8,913,831	4,146,991
Other Financing Sources (Uses):				
Transfers in:				
Use of fund balance	575,000	1,975,000	1,400,000	(575,000)
Transfers out	(6,508,719)	(6,935,219)	(6,850,219)	85,000
Total other financing sources (uses)	(5,933,719)	(4,960,219)	(5,450,219)	(660,000)
Net change in fund balance	$ -	$ (193,379)	3,463,612	$ 3,656,991
Budgetary fund balance at beginning of year			25,757,528	
Budgetary fund balance at end of year			$ 29,221,140	

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios Pension
Last Six Fiscal Years*

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	$ 3,202,640	$ 3,546,691	$ 3,830,151	$ 3,976,246	$ 4,159,188	$ 4,215,987
Interest	10,850,500	11,234,997	11,748,111	12,330,029	12,876,054	13,355,205
Effect of plan changes	-	-	(26,085)	11,568	(33,783)	(3,313)
Effect of economic/demographic gains or losses	-	(711,983)	(316,829)	2,217,622	2,427,429	525,669
Effect of assumption changes or inputs	-	927,997	2,408,881	550,555	3,835,590	812,083
Benefit payments, including refunds of member contributions	(6,386,200)	(6,801,280)	(7,173,284)	(7,657,362)	(8,604,504)	(9,446,637)
Net change in total pension liability	7,666,940	8,196,422	10,470,945	11,428,658	14,659,974	9,458,994
Total pension liability - beginning	149,596,650	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589
Total pension liability - ending	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589	211,478,583
Plan fiduciary net position:						
Contributions - employer	5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372
Contributions - member	1,675,096	1,627,914	1,631,107	1,705,360	1,861,582	1,874,604
Net investment income (loss)	17,267,726	1,126,546	(1,510,983)	15,358,365	10,469,718	6,229,061
Benefit payments, including refunds of member contributions	(6,386,200)	(6,801,280)	(7,158,404)	(7,657,362)	(8,604,504)	(9,446,637)
Administrative expense	(141,637)	(204,307)	(152,285)	(94,494)	(97,854)	(111,251)
Net change in plan fiduciary net position	18,186,381	1,750,458	(1,071,941)	15,637,232	10,766,065	6,454,149
Plan fiduciary net position - beginning	101,576,909	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104
Plan fiduciary net position - ending	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104	153,299,253
Net pension liability - ending	$ 37,500,300	$ 43,946,264	$ 55,489,150	$ 51,280,576	$ 55,174,485	$ 58,179,330
Plan fiduciary net pension as a percentage of the total pension liability	76.15%	73.44%	68.46%	72.63%	72.69%	72.49%
Covered payroll	$ 24,455,208	$ 27,153,582	$ 26,362,701	$ 27,677,315	$ 28,655,358	$ 29,581,276
Net pension liability as a percentage of covered payroll	153.34%	161.84%	210.48%	185.28%	192.55%	196.68%

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

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Town of Glastonbury, Connecticut

Required Supplementary Information - Unaudited
Schedule of Employer Contributions - Pension
Last Ten Fiscal Years

	2010	2011	2012	2013
Actuarially determined contribution	$ 5,054,637	$ 4,930,505	$ 4,753,626	$ 5,130,000
Contributions in relation to the actuarially determined contribution	4,002,757	4,782,742	4,753,626	5,130,000
Contribution deficiency (excess)	$ 1,051,880	$ 147,763	$ -	$ -
Covered payroll	$ 24,409,943	$ 24,923,408	$ 25,346,833	$ 26,408,569
Contributions as a percentage of covered payroll	16.40%	19.19%	18.75%	19.43%

(1) The actuarially determined contribution was fully funded in FY2018 and included funding of 99.2% by the Town and 0.8% by an increase the actuarially determined contribution calculation.

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 percent, closed, 14 years remaining
Asset valuation method	5 years
Inflation	2.75%
Salary increases	Graded salary growth with an ultimate rate of 3.00%
Investment rate of return	6.50% for Non-Hybrid plan, 5.000% for Hybrid plan
Retirement age	Age 65 for non-police; age 55 for police with 25 years of service hired on or after January 1, 2013; age 55 for police with 20 years of service hired before January 1, 2013
Mortality	Healthy: RP-2000 Mortality Table for employees and healthy annuitants, with separate male and female rates, with generational projection per Scale AA Disabled: RP-2000 Disabled Mortality Table for males and females

2014	2015	2016	2017	2018 [1]	2019
$ 5,771,396	$ 6,001,585	$ 6,118,624	$ 6,325,363	$ 7,193,600	$ 7,908,372
5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372
$ -	$ -	$ -	$ -	$ 56,477	$ -
$ 24,455,208	$ 27,153,582	$ 26,362,701	$ 27,677,315	$ 28,655,358	$ 29,581,276
23.60%	22.10%	23.21%	22.85%	24.91%	26.73%

to employee payroll deductions for pension costs. The increase to employee payroll deductions was made subsequent to

Required Supplementary Information - Unaudited
Schedule of Investment Returns - Pension
Last Six Fiscal Years*

	2014	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	16.50%	0.92%	(1.20)%	12.43%	7.51%	4.14%

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

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan
Last Five Fiscal Years*

	2015	2016	2017	2018	2019
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	120,207,941	130,053,006	170,434,778	161,548,380	152,253,528
Total	$ 120,207,941	$ 130,053,006	$ 170,434,778	$ 161,548,380	$ 152,253,528
Town's covered payroll	$ 46,123,485	$ 47,748,108	$ 47,896,842	$ 48,175,430	$ 49,982,895
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	61.51%	59.50%	52.26%	55.93%	57.69%

Notes to Schedule:

Changes in benefit terms	Beginning January 1, 2018, member contribution increased from 6% to 7% of salary.
Changes of assumptions	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	Entry age
Amortization method	Level percent of salary, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.0%, net of investment related expense

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

Required Supplementary Information - Unaudited
Schedule of Changes in Net OPEB Liability and Related Ratios OPEB
Last Three Fiscal Years*

	2017	2018	2019
Total OPEB liability:			
Service cost	$ 514,970	$ 490,603	$ 522,802
Interest	1,141,882	1,207,883	1,343,105
Differences between expected and actual experience	-	1,187,489	-
Changes of assumptions	(124,569)	653,120	-
Benefit payments	(696,124)	(698,550)	(860,025)
Net change in total OPEB liability	836,159	2,840,545	1,005,882
Total OPEB liability - beginning	16,496,900	17,333,059	20,173,604
Total OPEB liability - ending	17,333,059	20,173,604	21,179,486
Plan fiduciary net position:			
Contributions - employer	925,241	1,392,915	1,579,962
Net investment income	372,700	274,274	334,069
Benefit payments	(696,124)	(698,550)	(860,025)
Administrative expense	(3,897)	(11,157)	(31,945)
Net change in plan fiduciary net position	597,920	957,482	1,022,061
Plan fiduciary net position - beginning	3,217,670	3,815,590	4,773,072
Plan fiduciary net position - ending	3,815,590	4,773,072	5,795,133
Net OPEB liability - ending	$ 13,517,469	$ 15,400,532	$ 15,384,353
Plan fiduciary net OPEB as a percentage of the total OPEB liability	22.01%	23.66%	27.36%
Covered payroll	$ 68,158,459	$ 68,158,459	$ 67,020,668
Net OPEB liability as a percentage of covered payroll	19.83%	22.60%	22.95%

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

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Town of Glastonbury, Connecticut

Required Supplementary Information - Unaudited
Schedule of Employer Contributions - OPEB
Last Ten Fiscal Years

	2010	2011	2012	2013
Actuarially determined contribution	$ 1,212,300	$ 1,264,000	$ 1,330,000	$ 1,478,000
Contributions in relation to the actuarially determined contribution	775,900	814,000	1,220,000	1,141,000
Contribution deficiency (excess)	$ 436,400	$ 450,000	$ 110,000	$ 337,000
Covered payroll	N/A	N/A	N/A	$ 62,606,000
Contributions as a percentage of covered payroll	N/A	N/A	N/A	1.82%

Notes to Schedule:

Valuation date:	July 1, 2017
Measurement date:	June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.70%
Healthcare cost trend rates	5.48% - 4.50%, over 56 years
Salary increases	3.50%, average, including inflation
Investment rate of return	6.625%, net of pension plan investment expense, including inflation

2014	2015	2016	2017	2018	2019
$ 1,556,000	$ 1,528,458	$ 1,634,197	$ 1,321,393	$ 1,392,913	$ 1,614,992
1,088,000	1,381,616	1,522,386	925,241	1,392,915	1,579,962
$ 468,000	$ 146,842	$ 111,811	$ 396,152	$ (2)	$ 35,030
$ 62,606,000	$ 64,192,394	$ 64,192,394	$ 68,158,459	$ 68,158,459	$ 67,020,668
1.74%	2.15%	2.37%	1.36%	2.04%	2.36%

Required Supplementary Information - Unaudited
Schedule of Investment Returns - OPEB
Last Three Fiscal Years*

	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	10.80%	6.09%	6.11%

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

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan
Last Two Fiscal Years*

	2018	2019
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	41,580,719	30,436,453
Total	$ 41,580,719	$ 30,436,453
Town's covered payroll	$ 48,175,430	$ 47,141,707
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	1.79%	1.49%

Notes to Schedule:

Changes in benefit terms	The Plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the Plan, changed the “base plan” to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a System sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.
Changes of assumptions	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. 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 TOL as of the June 30, 2018 measurement date. 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. The assumed age related annual percentage increases in expected annual per capita healthcare 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. Long-term healthcare 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. 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 healthcare plan option in the future, was updated to better reflect anticipated plan experience. The 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. The post-disablement 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. The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.
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

* This schedule is intended to show information for ten years. Additional years’ information will be displayed as it becomes 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 Glastonbury
Glastonbury, Connecticut

We have represented the Town of Glastonbury, Connecticut as Bond Counsel in connection with the issuance by the Town of $8,105,000 General Obligation Refunding Bonds, Issue of 2020, Series A, dated as of February 25, 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 Glastonbury 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.

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.

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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 25, 2020 by the Town of Glastonbury, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of $8,105,000 General Obligation Refunding Bonds, Issue of 2020, Series A, dated as of February 25, 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 February 12, 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, 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 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 Director of Finance and Administrative Services, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance and Administrative Services is Town Hall, 2155 Main Street, Glastonbury, Connecticut 06033.

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 GLASTONBURY

By _____
Richard J. Johnson
Town Manager

By _____
Julie B. Twilley
Treasurer

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Appendix D

Notice of Sale and Bid Form

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NOTICE OF SALE
$8,205,000*
Town of Glastonbury, Connecticut
General Obligation Refunding Bonds, Issue of 2020, Series A
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the Town of Glastonbury, Connecticut at the Office of the Town Manager, Town Hall, 2155 Main Street, Glastonbury, Connecticut, until **11:30 A.M. Eastern Time on WEDNESDAY**,

FEBRUARY 12, 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

$8,205,000* General Obligation Refunding Bonds, Issue of 2020, Series A
Payable annually on May 15 as follows:

$1,900,000* in 2021
$1,585,000* in 2022
$1,900,000* in 2023
$1,905,000* in 2024
$915,000* in 2025

* Preliminary, subject to change. See "Adjustment of Maturity Schedule".

The Bonds will be dated February 25, 2020, with interest payable on May 15, 2020 and thereafter semiannually on each November 15th and May 15th.

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 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 and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The 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.

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* Preliminary, subject to change.

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 last business day of April and October.

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. **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.

Adjustment of Maturity Schedule. The Town reserves the right to change the maturity schedule after the determination of the winning bidder. In such event, the final aggregate principal amount of the Bonds will be

increased or decreased by a net amount of such change or changes in the principal amount of one or more maturities, which net change in aggregate principal amount of the Bonds will not exceed ten percent (10%). The Town anticipates that the final maturity schedule will be communicated to the successful bidder within four (4) hours of the Town's receipt of the reoffering prices and yields for the Bonds from the successful bidder. The dollar amount bid by the bidder will be adjusted to reflect any adjustments in the final maturity schedule and the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Town as stated herein. **The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices provided as a result of any changes made to the principal amounts within these limits.**

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 25, 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 Agent, Paying Agent and Escrow Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will also act as Registrar, Paying Agent and Escrow 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 <u>not</u> 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 <u>not</u> 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 Glastonbury 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 Glastonbury has prepared a preliminary Official Statement for the Bond issue which is dated February 4, 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 25 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 25, 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. Matthew A. Spoerndle, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 878-4945) or from Ms. Julie B. Twilley, Treasurer, Town of Glastonbury, Town Hall, 2155 Main Street, Glastonbury, Connecticut 06033 (telephone: (860) 652-7586).

RICHARD J. JOHNSON,
Town Manager

JULIE B. TWILLEY,
Treasurer

February 4, 2020

APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE

Competitive Sale Requirements Satisfied

TOWN OF GLASTONBURY, CONNECTICUT
$8,205,000* GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2020, SERIES A

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 February 12, 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 Glastonbury, 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

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* Preliminary, subject to change.

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

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Competitive Sale Requirements Not Satisfied - 10% Test Applied

TOWN OF GLASTONBURY, CONNECTICUT
$8,205,000* GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2020, SERIES A

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 Glastonbury, 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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* Preliminary, subject to change.

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