

Final Official Statement Dated November 3, 2021

REFUNDING ISSUE: Book-Entry-Only

**RATINGS: Moody's Investors Service: "Aaa"
S&P Global Ratings: "AAA"**

In the opinion of Bond Counsel, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. (See "Tax Status of the Bonds" herein.)



Town of Glastonbury, Connecticut \$7,555,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable)

Dated: Date of Delivery

**Due: October 1, 2022-2033
as shown below:**

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2022	\$ 240,000	0.520%	0.520%	377298S62	2028	\$ 800,000	1.770%	1.770%	377298T46
2023	230,000	0.620%	0.620%	377298S70	2029	780,000	1.850%	1.850%	377298T53
2024	720,000	0.890%	0.890%	377298S88	2030	765,000	1.950%	1.950%	377298T61
2025	730,000	1.210%	1.210%	377298S96	2031	560,000	2.050%	2.050%	377298T79
2026	835,000	1.360%	1.360%	377298T20	2032	545,000	2.150%	2.150%	377298T87
2027	815,000	1.570%	1.570%	377298T38	2033	535,000	2.250%	2.250%	377298T95

The General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (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 subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

The Bonds will bear interest payable semiannually on April 1 and October 1 in each year until maturity, commencing April 1, 2022. 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, CityPlace I, 185 Asylum Street, Hartford, Connecticut 06103 will serve as the Registrar, Transfer Agent, Paying Agent, Escrow Agent and Certifying Agent for the Bonds.

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The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 16, 2021.

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

¹ 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 – "2020 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 "Form of Opinion of Bond Counsel" herein), and makes no representation that it has independently verified the same.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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

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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.

Issuer:	Town of Glastonbury, Connecticut (the "Town").
Issue:	\$7,555,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the "Bonds").
Dated Date:	November 16, 2021.
Principal and Interest Due:	Principal due serially October 1, 2022 through October 1, 2033. Interest due April 1 and October 1 in each year until maturity, commencing April 1, 2022.
Authorization and Purpose:	The Bonds are being issued to refund at or prior to maturity all or a portion of the Town's outstanding bonds. See "Authorization and Purpose" and "Plan of Refunding" herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security:	The Bonds will be general obligations of the Town of 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 a "AAA" rating from S&P Global Ratings ("S&P") on the Bonds.
Tax Status:	See "Tax Status of the Bonds" herein.
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, Paying Agent and Escrow Agent:	U.S. Bank National Association, CityPlace I, 185 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 878-4945.
Legal Opinion:	Pullman & Comley LLC, 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 November 16, 2021. 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 \$7,555,000 General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the “Bonds”) of the Town.

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.

Global Health Emergency Risk

The COVID-19 Outbreak

The outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence of COVID-19 will not materially affect local, state, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took and continues to take steps designed to mitigate the spread and impacts of COVID-19. Public schools began to operate remotely immediately following the outbreak and continued remotely through the 2019/2020 school year. For the 2020/2021 school year, schools were permitted to reopen and school districts were given the discretion to choose in-person learning, virtual learning or a hybrid model. For the 2021/2022 year, the Town’s public schools have returned to full time, in-person learning.

Connecticut’s COVID-19 vaccination plan commenced on December 14, 2020. The State is currently making vaccinations available to all individuals aged 12 and over, and reports that it is preparing to make booster shots available in accordance with CDC guidelines.

The Governor regularly reviews conditions and, accordingly, expands or reduces restrictions. In response to the Spring 2021 decline in the number of positive COVID-19 cases and hospitalizations, effective May 19, 2021, all capacity restrictions related to establishments and social/recreational gatherings were eliminated. Given the increase in positive COVID-19 cases since July 2021, face-covering requirements remain in effect at this time for unvaccinated individuals. Businesses and state and local government offices have the option to require masks be worn by everyone in their establishments. Effective August 5, 2021, municipal leaders have the option of requiring that masks be worn by everyone, regardless of vaccination status, in indoor public places within their respective towns and cities. Although the Town currently does not have such a mandate in place, all individuals entering Town buildings must wear face coverings regardless of vaccination status.

The potential long-term impact of the COVID-19 pandemic on the Town cannot be predicted at this time. The continued efforts to mitigate the spread of the outbreak and any prolonged effects on the national, State and local economy could have a materially adverse effect on the Town's finances, credit ratings and ability to pay debt service on the Bonds in the future.

COVID-19 Outbreak – Municipal Tax Relief Programs

On April 1, 2020, in response to the COVID-19 emergency, Governor Ned Lamont issued Executive Order No. 7S (“Order 7S”), as amended by Executive Order No. 7W on April 9, 2020 (“Order 7W”), which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body. One program defers tax payments and benefit assessments by three months for taxpayers based on a showing of need, while the other reduces the interest chargeable on overdue tax and assessment payments for all taxpayers in the municipality for three months.

All municipalities were directed to notify the Secretary of the Office of Policy and Management (“OPM”) no later than April 25, 2020 which program or programs it intended to elect. On April 21, 2020, the Town adopted the “Deferment Program” for eligible taxpayers and landlords, with landlords required to apply for the program. The “Deferment Program” delays by three months payments due on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges (the “Taxes and Charges”). Landlords were required to demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19.

On December 16, 2020, the Governor issued Executive Order 9R (“Order 9R”), which applies the two tax relief programs to tax deadlines for Taxes and Charges that become due and payable on January 1, 2021. As of December 30, 2020, the Town was deemed to have adopted the Deferment Program. The Deferment Program deferred any Taxes and Charges that were due on January 1, 2021 through and to April 1, 2021 without penalty.

For Fiscal Year 2021, the Town did not experience a material negative financial impact as a result of the Deferment Program. The Town has collected approximately 99.49% of Fiscal Year 2021 budgeted taxes, with 99.41% having been collected at the same time last year for Fiscal Year 2020 and 99.51% having been collected at the same time in Fiscal Year 2019.

Government Response to COVID-19's Impact on the Economy

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provided in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion was appropriated to states and other units of government for activities that are directly related to COVID-19. The State received approximately \$1.4 billion in such funding, and it was given the discretion to provide those funds to local governments.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program (the “Program”) which established a process by which Connecticut municipalities can receive funds from the State to offset non-budgeted COVID-19 related expenditures that were incurred between March 1, 2020 and December 30, 2020. In Fiscal Year 2020, the Town and Board of Education did not received any reimbursement from the Program and FEMA for pandemic-related costs. The Town and Board of Education has received \$872,000 in reimbursement from the two programs in Fiscal Year 2021.

On December 27, 2020, President Trump signed into law the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, which extends certain programs and benefits first authorized by the CARES Act. The relief package includes, among other items, over \$900 billion in stimulus for various COVID-19 relief programs, \$8.75 billion for vaccine distribution, \$54.3 billion of Elementary and Secondary School Emergency Relief Funds, \$4.1 billion for the Governors Emergency Education Relief Fund, and an allocation of \$284 billion of Paycheck Protection Program funds to support eligible small businesses and non-profits, and the legislation expands and modifies the program by allowing second draw loans for certain borrowers.

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”). The Rescue Plan relief package includes, amongst other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds may be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State's K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

Over the next two years, the Town and Board of Education expect to receive \$11.9 million in federal funding as a result of the Rescue Plan. The Town received its first installment of \$5.1 million in funding from this program. The Town is developing a plan for the use of such funds that will focus on infrastructure improvements that comply with the program eligibility criteria.

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 October 1, 2022 through 2033, 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 April 1 and October 1 in each year until maturity, commencing April 1, 2022. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth business day of March and September, 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, CityPlace I, 185 Asylum Street, 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 Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut. See Appendix B "Form of Opinion of Bond Counsel".

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Redemption Provisions

The Bonds maturing on or before October 1, 2029 are not subject to redemption prior to maturity. The Bonds maturing on October 1, 2030 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after October 1, 2029 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
October 1, 2029 and thereafter	100%

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

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

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

Authorization and Purpose

The Bonds are issued pursuant to 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 October 12, 2021 in an amount not to exceed \$9,000,000.

Plan of Refunding

The Bonds are being issued to refund all or a portion of the Town’s General Obligation Bonds as set forth 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
2011B - Taxable	11/1/2011	11/01/2022	4.000%	\$ 195,000	12/16/2021	100.00%
		11/01/2023	4.000%	195,000	12/16/2021	100.00%
		11/01/2024	4.000%	195,000	12/16/2021	100.00%
		11/01/2025	4.000%	195,000	12/16/2021	100.00%
		11/01/2026	4.000%	190,000	12/16/2021	100.00%
		11/01/2027	4.000%	190,000	12/16/2021	100.00%
		11/01/2028	4.500%	190,000	12/16/2021	100.00%
		11/01/2029	4.500%	190,000	12/16/2021	100.00%
		11/01/2030	4.500%	190,000	12/16/2021	100.00%
Sub-Total				\$ 1,730,000		
2013 - Taxable	10/10/2013	10/01/2024	3.750%	\$ 500,000	10/1/2023	100.00%
		10/01/2025	4.000%	530,000	10/1/2023	100.00%
		10/01/2026	4.100%	530,000	10/1/2023	100.00%
		10/01/2027	4.200%	530,000	10/1/2023	100.00%
		10/01/2028	4.300%	530,000	10/1/2023	100.00%
		10/01/2029	4.500%	530,000 ¹	10/1/2023	100.00%
		10/01/2030	4.500%	530,000 ¹	10/1/2023	100.00%
		10/01/2031	4.625%	530,000 ²	10/1/2023	100.00%
		10/01/2032	4.625%	530,000 ²	10/1/2023	100.00%
		10/01/2033	4.625%	530,000 ²	10/1/2023	100.00%
Sub-Total				\$ 5,270,000		
Grand-Total				\$ 7,000,000		

¹ Term Bond maturing October 1, 2030.

² Term Bond maturing October 1, 2033.

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 non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including, United States Treasury securities, including SLGs, Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLMC”) securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”) and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds. The Town may enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of and redemption premium, if any, and interest on 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:	<u>This Issue</u>
Par Amount of the Bonds	\$ 7,555,000.00
Net Original Issue Premium	-
Total Sources	<u>\$ 7,555,000.00</u>
Uses:	
Deposit to Escrow Deposit Fund	\$ 7,425,635.20
Costs of Issuance	103,556.05
Underwriter's Discount	25,808.75
Total Uses	<u>\$ 7,555,000.00</u>

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or 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.

Tax Status of the Bonds

Federal Income Taxes

In the opinion of Bond Counsel, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Code.

United States Tax Consequences

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Bonds, and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Bond at its issue price, which is the first price at which a substantial amount of the Bonds is sold to the public, and who hold Bonds as “capital assets” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar. This summary is applicable only to a person (a “United States Holder”) who or that is the beneficial owner of Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

United States Holders

Payments of Stated Interest. In general, for a United States Holder, interest on a Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner’s method of accounting for tax purposes.

Bonds Purchased at a Market Discount. A Bond will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Bond is less than the Bond’s adjusted issue price, unless such difference is less than a specified de minimis amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Bond. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service (“IRS”). If an election is made to include market discount in income currently, the tax basis of the Bond in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Bond in an amount not exceeding the accrued market discount on such Bond until maturity or disposition of the Bond.

Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Bond purchased at a discount, whether at the date of original issue or subsequent thereto.

Bonds Purchased at Original Issue Premium. The initial public offering price of certain maturities of the Bonds are greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The offering prices relating to the yields set forth on the inside cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of each maturity of the Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a Bond may elect to treat such excess as “amortizable bond premium”, in which case the amount of interest required to be included in the taxpayer’s income each year with respect to interest on the Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond’s yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer’s adjusted basis in the Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the IRS. Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Bond purchased at a premium.

Purchase, Sale, Exchange, and Retirement of Bonds. A United States Holder’s tax basis in a Bond generally will equal its cost, increased by any market discount included in the United States Holder’s income with respect to the Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder’s tax adjusted basis in the Bond. Except to the extent described above under *Bonds Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Bond will be capital gain or loss and will be long-term capital gain or loss if the Bond was held for more than one year. The material modification of the terms of any Bond may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

Backup Withholding. United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Bonds, if they fail to provide an accurate Form W-9, “Request for Taxpayer Identification Number and Certification,” or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder’s United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

Medicare Tax Affecting United States Holders. For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the United States Holder’s “net investment income” for the taxable year and (2) the excess of the United States Holder’s modified adjusted gross income for the taxable year over a certain threshold. A United States Holder’s net investment income will generally include its interest income and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

Information Reporting

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax (currently at a rate of 24%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Bonds.

Any payments of interest and original issue discount on the Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences of the purchase, ownership, and disposition of the Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Taxes

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based 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.

Prospective 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 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 the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

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. 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 a Bond. 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.

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 low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation 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 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.***

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 Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

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 a “AAA” rating from S&P Global Ratings (“S&P”) on the Bonds. The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating, 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 agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

Bond Insurance

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

Underwriting

The Bonds are being purchased by Raymond James & Associates, Inc. (the “Underwriter”) pursuant to a bond purchase agreement with the Town (the “Bond Purchase Agreement”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town at the net aggregate purchase price of \$7,529,191.25, (consisting of the principal amount of \$7,555,000 less Underwriter’s discount of \$25,808.75). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices stated on the cover page of this Official Statement, and such public offering prices may be changed, from time to time, by the Underwriter.

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II. The Issuer



Connecticut

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. As of 2020, Glastonbury had a population of 34,810.

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. With a land area of 53 square miles, Glastonbury is the eleventh largest town in Connecticut. Approximately 58% of the total land area is zoned for residential development, 11% for commercial and industrial development, and 31% is flood zone or open space. Glastonbury has more documented colonial era standing houses and buildings built before the 1900 than any other town in the United States and is home to the oldest continuously operating ferry in the United States.

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.

The Glastonbury community strikes an effective balance of housing opportunities, open space and recreation, historic preservation, river access, outstanding public schools and high-quality economic development.

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. Data from the 2019 American Community Survey by the U.S. Census Bureau indicates that Glastonbury's median household income was \$120,837 in 2019, compared to the State's \$78,833. The median age of a Glastonbury resident was 45.2 years in 2019, compared to the State's 41.2 years.

Glastonbury's unemployment rate ranks better than the region. The Town's unemployment rate was 4.0% as of August 2021 as compared to the State of Connecticut at 6.1%. Glastonbury's unemployment rate decreased approximately 1.8% from August 2020 to August 2021.

The net taxable Grand List of October 1, 2020 was \$4.313 billion, representing an increase of 0.87% from 2019. 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 0.74%, the personal property segment increased 1.69%, and the motor vehicle list increased 1.93% over the net 2019 totals.

In 2020, the area real estate market entered into new territory as the effects of the pandemic improved the residential real estate market as out-of-town purchasers added to the already heightened demand for good quality suburban properties. Annual (January through December 2020) growth in the volume of residential sales in Glastonbury increased from 569 to 586 (3%) over the previous year. In addition, the average sales price increased from \$369,399 to \$403,254 (9%), highlighting vigorous year over year growth. These results are similar to comparable towns and are attributed to the effects of COVID-19, limited supply, favorable demographics (aging millennials) and historically low interest rates.

Key indicators of sustained growth included new home permits issued and the number of home renovations and additions. New home construction totaled 45 units this year, compared to 50 units last year. The continued success of two relatively large subdivisions and two mid-sized developments buoyed the market, while one emerging mid-sized project and several small projects offered sustained continuity of local housing supply and demand. Permits for additions and residential alterations increased from 463 to 473 projects, a 2% increase as homeowners furthered investment in their homes.

The personal property sector increased by 1.69%. The largest increase came from two public utilities, together comprising \$5.1 million. Overall personal property reporting shows continued reinvestment and upgrading of equipment by existing businesses. The continued growth in personal property is directly related to the Town's overall strong business climate.

The Town's economic base remains strong with private investments continuously made through new development and redevelopment projects. The northern area of Main Street has revitalized into a new shopping and destination opportunity for the Town and the region. The Shops on Main project at 2941-2955 Main Street added two additional buildings for retail, office and restaurant space. Heading south on Main Street, a new Edge Fitness facility recently opened. This facility contains a total of 30,000 sq. ft. with an 8,000 sq. ft. mezzanine.

Naubuc Avenue has experienced new economic growth as well. Ten new townhomes constructed at 25 Naubuc Avenue are fully occupied. Two 3,000 sq. ft. medical/professional office buildings were recently completed at the intersection of Naubuc Avenue and Putnam Boulevard, and two other recently completed commercial office spaces at 480 and 476 Naubuc Avenue are nearing full occupancy.

The Hebron Avenue corridor has also been very active in terms of new development. The recently constructed commercial building at 400 Hebron Avenue that has 20,000 sq. ft. of retail, office and restaurant space currently has the Hartford Baking Company as a tenant. Another 20,000 sq. ft. professional office building is nearing completion at 340 Hebron Avenue with the top floor occupied by the building owners Gotfried and Somberg LLC. Lastly, the new 3,500 sq. ft. bank at the corner of Hebron Avenue and New London Turnpike is under construction.

Growth is also happening in the industrial sector. A 10,000 sq. ft. building at 80 Sequin Drive and a 7,500 sq. ft. building at 108 Sequin Drive are complete and occupied. On Oak Street, recent developments include a 10,000 sq. ft. daycare facility and a new 5,000 sq. ft. building for a car wash business. Reuse of an existing 100,000+ square foot warehouse on Eastern Boulevard as an Amazon distribution hub was recently approved and is currently under construction.

The office condominium development approved at the intersection of Eastern Boulevard and Addison Road began construction in summer 2021. This development will include 18 condominium units within four new colonial-style buildings purposed for medical and professional office space.

Development in other parts of Glastonbury also continue to thrive. In August 2020, the Town Plan and Zoning Commission approved 17 town house style rental units at the corner of Salmon Brook Drive and House Street. A 29-lot subdivision at the north end of Bell Street and a seven lot subdivision at 1040 Main Street were approved in 2021.

Despite recent economic impacts of the COVID-19 pandemic experienced nationally and globally, the Town is confident that Glastonbury will remain resilient and its strong economic base will continue to attract high quality development and redevelopment projects for many years into the future.

Long Range Financial Planning

Glastonbury has a highly successful Capital Improvement Program (CIP) which allocates cash resources, grants, donations and long-term debt, as applicable, to fund the care and maintenance of the Town's infrastructure and to fund new capital projects.

Each year, as part of the formal budget process, Town departments and agencies present capital projects and recommendations to the Town Manager. The Town Manager reviews this information and prepares and updates a five-year capital budget document including projects recommended for new or additional funding effective the respective July 1st. The document shows projects contemplated for the next five years with preliminary project cost estimates, approved and potential grants, phasing, funding options (cash or borrowing) and other such information. By February 1st, the five-year planning and funding plan is presented by the Town Manager to the Town Council and Board of Finance. This serves as the basis for the respective year budget process and long-term planning for the care, maintenance and improvements to the Town's infrastructure.

The Town's Capital Improvement Program Policy (CIP Criteria) establishes the purpose of the Capital Program, standards and requirements for capital funding, projects to be funded through capital resources, schedules, protocols and policies for long-term financing and other such criteria to guide the Town's Capital Program. The Town manages a Capital Reserve Fund that allows many capital and non-recurring items to be funded on a pay as you go, cash basis. Other sources of funding include grants, donations and long-term financing subject to voter approval.

In addition to identifying the type of capital items to be included in the capital program, the Town Council also annually reviews the goals and limits of reserves and authorizations that are set forth in the CIP Criteria. Modifications are made by the Town Council, as needed. The CIP Criteria 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, \$34 million has been approved at referendum for land acquisition and preservation. Through this program, the Town has acquired approximately 2,500± acres of land and open space. Most recently, this included 542 acres of open space and forest

land purchased from the Pension Fund of the Metropolitan District, thereby realizing a 30+ year goal of the Town. The purchase of this land occurred on January 15, 2020. Subsequently, two additional acquisitions were made, including a 1.01± acre parcel off Cotton Hollow Road, which was purchased to preserve the remaining walls of the Cotton Hollow Mill dating back to the early 1800's, and a 30 acre parcel off Hill Street, which is adjoined by open space owned by the Kongscut Land Trust and Manchester Water Company. A 10± acre parcel off of Welles Street recently received all local approvals and is pending closing for Town acquisition. This is a key parcel within the Downtown area that has a number of potential beneficial uses.

The Town continues to fund 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 2020-2021 fiscal year was \$5,750,000 and for the 2021-2022 fiscal year is \$5,250,000.

For the 2021-2022 fiscal year, the Town Council appropriated \$8.75 million for the Capital Reserve Fund, \$250k for the Sewer Sinking Fund and \$461k for Town Aid Road. Some major projects approved for funding include improvements to Town roads, sidewalks, bicycle/pedestrian improvements, multi-school locker replacement, Public Safety Communications and various other building improvements. In addition to the \$5.25 million of funding from the General Fund (appropriation to the Capital Reserve) and Sewer Funds, the Capital Improvement Plan program also takes advantage of significant grant resources, as available.

The Town continues to evaluate proposals for purchase and development of the remaining two parcels, totaling approximately 11 acres, of the Town-owned Gateway Corporate area. A site plan is approved for two medical office buildings totaling 15,000 and 30,000 sq. ft. for the Town-owned site located off of Western Boulevard. Discussions continue with the developer of this project for the timing of construction. Subject to this project moving forward, the purchase price to the Town approximates \$1.4 million.

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.

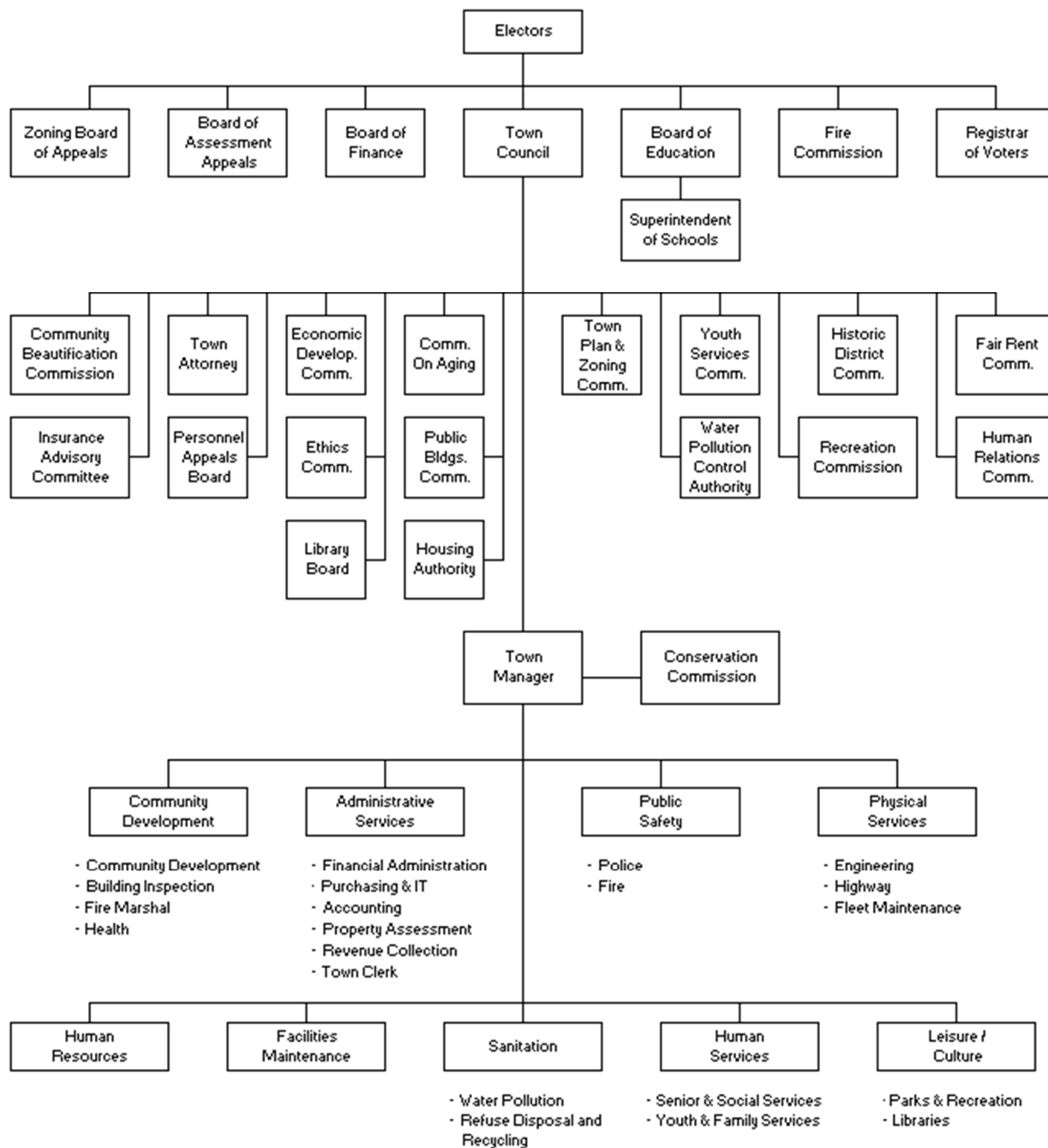
The Town Manager is appointed by the Town Council and is the Chief Executive Officer. The Town Manager ensures that the laws and policies adopted by the Town Council are carried out and oversees the day-to-day operations of the town. The Town Manager also appoints all employees, excluding the Board of 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 establishes 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	10 years ¹	Retired
Board of Finance Chairperson.....	Constantine Constantine	Elected	38 years	Attorney
Town Manager.....	Richard J. Johnson	Appointed	41 years	Town Manager
Superintendent of Schools.....	Alan B. Bookman	Appointed	38 years	Superintendent
Director of Finance and Administrative Services.....	Julie Twilley	Appointed	4 years	CFO for Operations/FP&A (Travelers /The Hartford)
Chief of Police.....	Marshall Porter	Appointed	4 years	Farmington Police Department (Captain)
Community Development Director.....	Rebecca Augur	Appointed	1 years	Planning Consultant
Building Official.....	Peter Carey	Appointed	35 years	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 and one part-time employee.

Facilities Maintenance: The Facilities Maintenance Division is also a division within General Government. The division is comprised of twelve full-time and thirteen part-time employees whose responsibility is the care and maintenance of Town-owned buildings. They maintain twenty-six 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 eighteen full-time employees and two part-time employees.

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

Police: The Glastonbury Police Department (GPD), has an authorized staff of seventy-nine full-time and five part-time employees. The agency is divided into four divisions: The Office of the Chief of Police (three employees), Services (twenty-five employees, including twelve Public Safety Dispatchers), Criminal Investigations (sixteen employees) and Patrol (thirty-nine employees).

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 was reaccredited for the tenth time in March 2020.

The Police Department maintains a fleet of approximately thirty-five vehicles and one boat. The department provides dispatch services for the Glastonbury Fire Department, the Glastonbury EMS, as well as police, fire, and EMS dispatch services for the Town of East Hampton.

Fire Department: The Town of Glastonbury is served by a paid-on-call Fire Department, consisting of four stations made up of a cross section of citizens that reside within the community or in the adjacent towns. The general taxpayers, through the operating budget administered by the Town Manager, fund the department's operations, which include stipends, apparatus and equipment, facility maintenance and compliance with the national standards associated with the fire service. The Fire Chief reports directly to the Town Manager. Within the Town's Charter, the Fire Chief serves as a liaison to the Fire Commission. The Board of Fire Commissioners is responsible for the protection of life and property in the town, and for the enforcement of the laws, ordinances and regulations relating to fire prevention and fire safety.

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 276 Town and 88 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 operates a refuse and recycling transfer station and has a staff that includes two full-time employees who are supported by part-time employees. The refuse transfer station transports an average of 1,550 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 accepted 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. The Division also operates a bulky waste landfill.

Service Contract - Solid Waste Disposal: The Town has executed a service contract (the "Service Contract") with The Materials Innovation and Recycling Authority (MIRA), formerly the Connecticut Resources Recovery Authority, for the disposal of solid waste and recyclables. 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 MIRA all acceptable solid waste and acceptable recyclables generated within its corporate boundaries. The tipping fee was \$91/ton on July 1, 2020 and increased to \$105/ton on July 1, 2021. At the same time, ongoing efforts to increase recycling and composting have decreased annual municipal solid waste tonnage, to largely 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 provides a wide range of traditional and modern library resources for public use including access to books and media in all formats for educational, recreational and business use. Professional librarians provide reference and readers advisory service to all ages. The Children's Department offers a variety of programs and services for children from birth to grade 6, and our Teen Scene provides programs and services starting with grade 7. 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. During the COVID-19 pandemic, the library continues to offer a variety of virtual programs for all ages, a robust digital collection, and limited hours for the public to browse.

In November 2018, voters approved \$6.5 Million to renovate and expand the library. After considering donations 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 3,000 square feet of new space. This new space will include more space for children's and teen activities, a dedicated makerspace for all ages and additional public spaces. The competitive bid process is complete with favorable pricing, well below the estimated project cost. Construction began in January 2021 and is expected to be completed by January 2022.

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. The Department is responsible for administration of the municipally owned golf course and farmland leases. 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. Prior to the COVID-19 pandemic, over 200 recreation activities were sponsored annually, reflecting approximately 80,000 in program registrations and facility reservations. In 2021, the Division has resumed pre-COVID numbers of programs and activities. In addition, this division operates a banquet facility at the Glastonbury Boathouse in Riverfront Park, and oversees the newly formed Park Ranger Program.

Youth and Family Services: Glastonbury Youth and Family is a municipal agency dedicated to providing programs and services that respond to the needs of Glastonbury youth and families at home, in school and in the community. Clinician Services, Creative Experiences, Outreach Services, and Substance Abuse Prevention Services are the four components of this department. These four components address the social and emotional development and needs of children and families through ongoing counseling, crisis intervention, parenting programs, and consultation with community providers. Clinicians and Outreach School Social Workers provide support to students and consultation to school personnel in all Glastonbury Public Schools. Substance abuse awareness and prevention efforts and positive youth development programs are offered within schools, in the community, and after school at Youth and Family Services. This department has a full-time staff of eleven as well as two part-time employees.

Senior & Social Services: The Senior & Social Services Department, with a staff of six full-time employees, and several part-time employees, administers the Riverfront Community Center, which provides a variety of activities and services to the Town's older population, and those with disabilities, as well as outreach services to any Town resident. Transportation, senior center programming, nutritional lunch program, back-to-school program, holiday programs, information and referral services, fuel bank, food bank, case management, and home visits are examples of the programs and services provided. This department also provides assistance to families and individuals who lack or have insufficient resources to meet the needs of daily living and/or necessary medical treatment. Services also include crisis intervention and advocacy for residents, as well as assistance in finding solutions to personal, family and financial social problems. Additional services offered, due to the COVID-19 Pandemic, include a contactless food pantry, wellness calls, virtual programming, and providing free masks to the community. The Senior Center is accredited by the National Institute of Senior Centers, and is a Community Focal Point for Aging Services Designee by the North Central Area Agency on Aging (NCAAA).

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Town Employees ¹

	2021	2020	2019	2018	2017
General Government.....	239	240	239	243	241
Board of Education.....	797	795	776	786	802
Total.....	1,036	1,035	1,015	1,029	1,043

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).....	72	6/30/2021 ¹
International Union of Operating Engineers (IUOE).....	42	6/30/2020 ¹
Water Pollution/Facilities Maintenance, (AFSCME).....	16	6/30/2021 ¹
Total Unionized General Government Employees.....	130	
Board of Education Groups		
Glastonbury Education Association.....	492	6/30/2022
Glastonbury School Administrators Association.....	37	6/30/2025
Custodians/Maintenance/General Personnel CILU.....	77	6/30/2022
Nurses (AFSCME).....	12	6/30/2025
Secretaries/Paraprofessionals (AFSCME).....	119	6/30/2025
Part-Time Paraprofessional (AFSCME).....	117	6/30/2022
Total Unionized Board of Education Employees.....	854	
Total Employees.....	984	

¹ In negotiations.

Source: Town of Glastonbury

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n 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, 2021 was 5,624, including 86 in the Eastbury Program. The rated capacity of the system facilities is 7,407.

School Enrollment

<i>Historical</i>					
<i>School Year</i>	<i>Pre-K-6</i>	<i>7 - 8</i>	<i>9 - 12</i>	<i>Out of District</i>	<i>Total</i>
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
2020-2021	2,843	911	1,929	36	5,719
2021-2022	2,867	865	1,870	36	5,638
<i>Projected</i>					
<i>School Year</i>	<i>K-6</i>	<i>7 - 8</i>	<i>9 - 12</i>	<i>Out of District</i>	<i>Total</i>
2022-2023	2,880	844	1,834	36	5,594
2023-2024	2,965	845	1,764	36	5,610
2024-2025	3,022	872	1,720	36	5,650
2025-2026	3,107	892	1,666	36	5,701

Source: Town of Glastonbury, Board of Education

School Facilities

<i>School</i>	<i>Grades</i>	<i>Date of Construction (Additions, Remodeling)</i>	<i>Number of Classrooms</i>	<i>10/1/2021 Enrollment</i>	<i>Rated Capacity</i>
Glastonbury High School.....	9-12	1953 (1956, 1973, 1990, 1992, 2006)	117	1,870	2,300
Gideon Welles School.....	6	1967 (2000)	47	511	750
Smith Middle School.....	7-8	1999	82	865	1,100
Buttonball School.....	K-5	1955 (1960, 1996)	29	429	556
Eastbury Program.....	Pre K-Post Grad	1949 (1964, 1996)	21	86	402
Hebron Avenue School.....	K-5	1958 (1959, 1996)	28	453	534
Hopewell School.....	K-5	1962 (1996)	29	472	578
Naubuc School.....	K-5	1929 (1949, 1969, 1996)	27	427	512
Nayaug School.....	K-5	2007	35	511	675
Total.....			415	5,624	7,407

Note: Does not include out of district students.

Source: Town of Glastonbury, Board of Education.

III. Economic and Demographic Information

Population and Density

Year	Population ¹	% Increase (Decrease)	Density ²
2019 ³	34,564	0.4%	658.4
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 2015-2019

Age Distribution of the Population

Age	Town of Glastonbury		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,505	4.4%	183,808	5.1%
5 to 9 years	2,078	6.0	198,000	5.5
10 to 14 years	2,824	8.2	221,325	6.2
15 to 19 years	2,194	6.3	244,249	6.8
20 to 24 years	1,467	4.2	244,597	6.8
25 to 34 years	2,818	8.2	441,742	12.4
35 to 44 years	4,313	12.5	424,739	11.9
45 to 54 years	5,767	16.7	508,428	14.2
55 to 59 years	2,610	7.6	264,804	7.4
60 to 64 years	2,756	8.0	242,329	6.8
65 to 74 years	3,424	9.9	336,422	9.4
75 to 84 years	1,927	5.6	174,887	4.9
85 years and over	881	2.5	89,744	2.5
Total.....	34,564	100.0%	3,575,074	100.0%
Median Age (Years) 2019.....	45.2		41.0	
Median Age (Years) 2010.....	42.7		40.0	

Sources: American Community Survey 2015-2019

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.....	78	0.8%	24,799	2.8%
\$10,000 to \$14,999.....	21	0.2	16,037	1.8
\$15,000 to \$24,999.....	166	1.8	38,364	4.3
\$25,000 to \$34,999.....	217	2.3	48,110	5.4
\$35,000 to \$49,999.....	503	5.4	77,010	8.6
\$50,000 to \$74,999.....	567	6.0	123,980	13.9
\$75,000 to \$99,999.....	1,032	11.0	116,676	13.1
\$100,000 to \$149,999.....	2,229	23.7	186,246	20.8
\$150,000 to \$199,999.....	1,502	16.0	109,258	12.2
\$200,000 or more.....	3,071	32.7	152,958	17.1
Total.....	9,386	100.0%	893,438	100.0%

Source: American Community Survey 2015-2019

Income Levels

	Town of Glastonbury	State of Connecticut
Per Capita Income, 2019.....	\$60,863	\$44,496
Per Capita Income, 2010.....	\$47,833	\$36,775
Median Family Income, 2019.....	\$146,328	\$100,418
Median Family Income, 2010.....	\$120,351	\$84,170

*Source: U.S. Department of Commerce, Bureau of Census, 2010
American Community Survey 2015-2019*

Educational Attainment Years of School Completed Age 25 and Over

	Town of Glastonbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	180	0.7%	99,837	4.0%
9th to 12th grade, no diploma.....	466	1.9	132,826	5.3
High School graduate (Inc. equivalency).....	3,780	15.4	666,828	26.9
Some college, no degree.....	2,950	12.0	416,175	16.8
Associate degree.....	1,677	6.8	191,964	7.7
Bachelor's degree.....	7,209	29.4	541,380	21.8
Graduate or professional degree.....	8,234	33.6	434,085	17.5
Total.....	24,496	100.0%	2,483,095	100.0%
Percent high school graduate or higher.....		97.4%		90.6%
Percent bachelor's degree or higher.....		63.0%		39.3%

Source: American Community Survey 2015-2019

Employment by Industry Employed Persons 16 Years and Over

Sector	Town of Glastonbury		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	48	0.3%	7,057	0.4%
Construction.....	880	4.9	109,467	6.0
Manufacturing.....	1,887	10.6	189,162	10.4
Wholesale trade.....	276	1.6	44,344	2.4
Retail trade.....	1,449	8.1	191,756	10.6
Transportation warehousing, and utilities...	470	2.6	76,439	4.2
Information.....	418	2.3	39,585	2.2
Finance, insurance, real estate, and leasing.	2,465	13.8	162,153	8.9
Professional, scientific, management, administrative, and waste management....	3,195	18.0	208,379	11.5
Education, health and social services.....	4,566	25.7	484,166	26.7
Arts, entertainment, recreation, accommodation and food services.....	906	5.1	152,041	8.4
Other services (except public admin.).....	508	2.9	84,915	4.7
Public Administration.....	731	4.1	66,172	3.6
Total Labor Force, Employed.....	17,799	100.0%	1,815,636	100.0%

Source: American Community Survey 2015-2019

**Major Employers
As of October 2021**

Employer	Type of Business	Approximate Number of Employees
Town of Glastonbury.....	Municipal Government	1,000-4,999
Healthtrax Inc.....	Health Clubs Studios & Gymnasiums	1,000-4,999
Fiserv.....	Data Processing Service	250 - 499
Big Fish Promotions.....	Marketing Consultants	100 - 249
Glastonbury Health Care Ctr.....	Convalescent Homes	100 - 249
Highway Safety Corp Inc.....	Safety Consultants	100 - 249
Home Depot.....	Home Centers	100 - 249
J Gilbert's Wood-Fired Steaks.....	Full-Service Restaurant	100 - 249
Mc Mahon Co Inc.....	Insurance	100 - 249
Monaco Ford.....	Automobile Dealers-New Cars	100 - 249
Mystic Logistics Inc.....	Transportation Services	100 - 249
Next Street.....	Driving Instruction	100 - 249
Salmon Brook Nurse & Rehab Ctr.....	Nursing & Convalescent Homes	100 - 249
Smith Brothers Insurance LLC.....	Insurance	100 - 249
Super Stop & Shop.....	Grocers-Retail	100 - 249
TCA Consulting Group.....	Employment Contractors-Temporary Help	100 - 249
Topcoder Inc.....	Financing	100 - 249
USI Consulting Group.....	Employee Benefit Consultants	100 - 249
Whole Foods Market.....	Grocers-Retail	50 - 99

Source: Telephone Survey of Employers

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

**Employment Data
By Place of Residence**

Period	Town of Glastonbury		Percentage Unemployed		
	Employed	Unemployed	Town of Glastonbury	Hartford Labor Market	State of Connecticut
September 2021	17,482	589	3.3	5.4	5.4
Annual Average					
2020.....	18,021	949	5.0	7.0	7.3
2019.....	18,751	507	2.6	3.8	3.7
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

Source: Department of Labor, State of Connecticut

Age Distribution of Housing

Year Built	Town of Glastonbury		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,475	10.5%	334,845	22.1%
1940 to 1969.....	3,998	28.6	532,280	35.1
1970 to 1979.....	2,745	19.6	203,700	13.4
1980 to 1989.....	2,518	18.0	188,655	12.4
1990 to 1999.....	1,949	13.9	116,028	7.7
2000 or 2009.....	927	6.6	103,075	6.8
2010 or later.....	375	2.7	38,046	2.5
Total Housing Units	13,987	100.0%	1,516,629	100.0%

Source: American Community Survey 2015-2019

Housing Inventory

Housing Units	Town of Glastonbury		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	10,291	73.6%	893,531	58.9%
1-unit, attached.....	1,364	9.8	81,832	5.4
2 units.....	336	2.4	124,082	8.2
3 or 4 units.....	651	4.7	130,863	8.6
5 to 9 units.....	202	1.4	82,695	5.5
10 to 19 units.....	171	1.2	57,281	3.8
20 or more units.....	834	6.0	134,093	8.8
Mobile home.....	127	0.9	11,826	0.8
Boat, RV, van, etc.....	11	0.1	426	0.0
Total Inventory.....	13,987	100.0%	1,516,629	100.0%

Source: American Community Survey 2015-2019

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Glastonbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	44	0.4%	17,522	1.9%
\$50,000 to \$99,999.....	132	1.2	28,440	3.1
\$100,000 to \$149,999.....	319	3.0	78,467	8.7
\$150,000 to \$199,999.....	799	7.5	137,944	15.2
\$200,000 to \$299,999.....	2,714	25.4	248,431	27.4
\$300,000 to \$499,999.....	4,457	41.6	244,855	27.0
\$500,000 to \$999,999.....	2,120	19.8	107,504	11.9
\$1,000,000 or more.....	120	1.1	42,518	4.7
Total.....	10,705	100.0%	905,681	100.0%
Median Value.....	\$348,000		\$275,400	

Source: American Community Survey 2015-2019

Building Permits

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

Fiscal Year	Residential		Comm./Industrial		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2021	47	\$ 14,313	12	\$ 3,236	3,406	\$ 48,600	3,465	\$ 66,149
2020	42	10,369	15	4,886	3,063	38,727	3,120	53,982
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

Source: Town of Glastonbury, Building Official

Land Use Summary

Land Use Category	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential	18,637	58.2%	12,730	39.7%	5,907	18.4%
Commercial/Industrial	3,552	11.1%	3,064	9.6%	488	1.5%
Open Space	9,841	30.7%	161	0.5%	9,680	30.2%
Total	32,030	100.0%	15,955	49.8%	16,075	50.2%

Source: Town of Glastonbury, Community Development

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IV. Tax Base Data

Property Tax – Assessments

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 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 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 (2017), 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 Rate

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at (1) 39.00 mills for the assessment year commencing October 1, 2016 and ending June 30, 2018, and (2) 45.00 mills for the assessment year commencing October 1, 2017, and each assessment year thereafter. Section 4-661 of the General Statutes, as amended, establishes the municipal revenue sharing amount which provides that sales tax revenue diverted to the fund shall mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2020 assessment year (Fiscal Year ending June 30, 2022) is 37.32 mills.

COVID-19 Outbreak – Municipal Tax Relief Programs

On April 1, 2020, the Connecticut Governor issued Executive Order No. 7S, which, among other things, calls for Connecticut municipalities, including the Town of Glastonbury, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90-day Deferment Program or a 90-day Low Interest Rate Program. The Town elected to participate in the 90-day Deferment Program plan. In addition, on December 16, 2020, the Connecticut Governor issued Executive Order 9R, which, among other things, provided an extended grace period, through and including April 1, 2021, for tax bills that became due and payable on January 1, 2021. Please see the discussion above under the caption "*State and Local Efforts to Mitigate the Ongoing Impact of COVID-19*".

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 lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after 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 older 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	Commercial Residential & Industrial				Motor Vehicles	Gross Taxable Grand List (000s)	Exemptions, Veterans Relief and Disabled (000s)	Net Taxable Grand List (000s)	Percent Growth
	Real Property (%)	Real Property (%)	Personal Property (%)	Personal Property (%)					
2020	71.2	16.7	4.4	7.7	\$ 4,345,305	\$ 32,396	\$ 4,312,909	0.9%	
2019	71.3	16.7	4.4	7.6	4,301,502	25,707	4,275,795	1.2%	
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%	

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 6/30/2021
2020 ^{1,2}	2022	\$ 4,312,909	37.32	\$ 159,941,360	<i>IN COLLECTION</i>		
2019 ¹	2021	4,275,795	36.90	153,835,952	99.5%	0.5%	0.5%
2018	2020	4,225,059	36.36	153,623,145	99.4%	0.6%	0.1%
2017 ³	2019	4,179,095	36.00	148,933,708	99.5%	0.5%	0.0%
2016	2018	3,969,657	37.45	147,321,145	99.6%	0.4%	0.0%
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 ³	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%

¹ Subject to audit.

² Adjusted annual levy for grand list 10/1/2020 does not yet include adjustments such as Supplemental Property Taxes.

³ Revaluation.

Source: Town of Glastonbury, Tax Collector

Ten Largest Taxpayers

Name of Taxpayer	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List¹
Connecticut Light & Power Co.....	Public Utility	\$ 58,599,080	1.36%
Shops At Somerset Square LLC.....	Retail Center	28,696,520	0.67%
New London Turnpike Apts Investors LLC....	Apartments	27,997,330	0.65%
SCT Glastonbury LLC.....	Office Building	18,736,700	0.43%
Glastonbury Developers LLC.....	Apartments	18,619,780	0.43%
Glastonbury MZL LLC.....	Retail Plaza	17,850,000	0.41%
Connecticut Natural Gas Corp.....	Public Utility	17,533,700	0.41%
SHP V Glastonbury LLC.....	Assisted Living	16,775,950	0.39%
Siebar Glastonbury LLC.....	Office Building	15,933,200	0.37%
Brixmor Residual Shoppes at Fox Run LLC.....	Retail Center	15,604,700	0.36%
Total.....		\$ 236,346,960	5.48%

¹ Based on the Net Taxable Grand List of October 1, 2020 of \$4,312,908,521.

Source: Town of Glastonbury, Assessor's Office.

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V. Debt Summary
Principal Amount of Indebtedness
As of November 16, 2021
(Pro Forma)

Long-Term Debt:

Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding²	Fiscal Year of Maturity
7/12/12	General Purpose Refunding	2.00-5.00	\$ 2,870,000	\$ 690,000	2026
7/12/12	Schools Refunding	2.00-5.00	11,675,000	4,970,000	2026
10/10/13	General Purpose (Taxable).....	3.00-4.30	8,950,000	900,000	2034
5/15/14	General Purpose Refunding	2.00-5.00	3,095,000	1,770,600	2029
5/15/14	Schools Refunding	2.00-5.00	6,385,000	1,794,400	2029
7/26/18	General Purpose - Series A.....	2.00-5.00	2,735,000	2,330,000	2038
7/26/18	General Purpose Refunding - Series B.....	5.00	2,970,000	1,396,000	2026
7/26/18	Schools Refunding - Series B.....	5.00	830,000	199,000	2026
2/25/20	General Purpose Refunding- Series A.....	5.00	2,531,000	1,927,000	2025
2/25/20	Schools Refunding - Series A.....	5.00	5,574,000	4,273,000	2025
7/24/20	General Purpose - Series B.....	2.00-4.00	10,390,000	9,875,000	2041
12/10/20	Schools Refunding - Series C.....	3.00-5.00	1,116,000	995,000	2030
12/10/20	Sewers Refunding - CWF Loan 454 - C-Series C ¹	2.00-5.00	8,895,000	7,705,000	2031
Total Outstanding Bonded Debt.....			\$ 68,016,000	\$ 38,825,000	
This Issue					
11/16/21	General Purpose Refunding (Taxable)	0.52-2.25	\$ 7,555,000	\$ 7,555,000	2034
Total This Issue.....			\$ 7,555,000	\$ 7,555,000	
Grand Total.....			\$ 75,571,000	\$ 46,380,000	

¹ The Sewer Debt is self-supporting. Debt service payments 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 on the Sewer Sinking Fund.

² Excludes bonds refunded or defeased.

Note: The Town anticipates issuing bonds of approximately \$2,500,000 in the 4th quarter of 2021. That issue is not listed in the table above.

Short-Term Debt
As of November 16, 2021
(Pro Forma)

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

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Annual Bonded Debt Maturity Schedule ¹
As of November 16, 2021
(Pro Forma)

Fiscal Year Ended 6/30	Existing Debt ²			This Issue - Refunding Bonds		Total Principal	Cumulative Principal Retired %
	Principal Payments	Interest Payments	Total Debt Service	General Purpose	Total		
2022 ¹	\$ 3,030,000	\$ 750,113	\$ 3,780,113	\$ -	\$ -	\$ 3,030,000	6.5%
2023	5,675,000	1,310,494	6,985,494	240,000	240,000	5,915,000	19.3%
2024	5,805,000	1,047,672	6,852,672	230,000	230,000	6,035,000	32.3%
2025	4,415,000	794,600	5,209,600	720,000	720,000	5,135,000	43.4%
2026	3,550,000	595,600	4,145,600	730,000	730,000	4,280,000	52.6%
2027	2,675,000	460,872	3,135,872	835,000	835,000	3,510,000	60.2%
2028	2,155,000	362,631	2,517,631	815,000	815,000	2,970,000	66.6%
2029	2,205,000	272,872	2,477,872	800,000	800,000	3,005,000	73.0%
2030	1,840,000	201,000	2,041,000	780,000	780,000	2,620,000	78.7%
2031	1,160,000	158,525	1,318,525	765,000	765,000	1,925,000	82.8%
2032	655,000	133,825	788,825	560,000	560,000	1,215,000	85.5%
2033	660,000	116,700	776,700	545,000	545,000	1,205,000	88.1%
2034	660,000	102,100	762,100	535,000	535,000	1,195,000	90.6%
2035	660,000	87,500	747,500	-	-	660,000	92.1%
2036	660,000	72,900	732,900	-	-	660,000	93.5%
2037	660,000	58,300	718,300	-	-	660,000	94.9%
2038	660,000	43,613	703,613	-	-	660,000	96.3%
2039	660,000	28,838	688,838	-	-	660,000	97.8%
2040	520,000	16,250	536,250	-	-	520,000	98.9%
2041	520,000	5,525	525,525	-	-	520,000	100.0%
Total.....	\$ 38,825,000	\$ 6,619,930	\$ 45,444,930	\$ 7,555,000	\$ 7,555,000	\$ 46,380,000	

¹ Excludes \$2,820,000 principal and \$811,484 interest payments made from July 1, 2021 through November 16, 2021.

² Excludes refunded bonds.

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 November 16, 2021
(Pro Forma)

Long-Term Debt Outstanding: ¹	
General Purpose (Includes This Issue).....	\$ 26,443,600
Schools	12,231,400
Sewers	7,705,000
Total Long-Term Debt	46,380,000
Short-Term Debt	-
Total Direct Debt	46,380,000
Less: School Construction Grants Receivable (As of June 30, 2021) ²	-
Self-Supporting Sewer Debt ³	(7,705,000)
Total Net Direct Debt	38,675,000
Overlapping/Underlying Debt	-
Total Overall Net Debt	\$ 38,675,000

¹ Excludes refunded bonds.

² Includes school building grants receivable for previously issued school bonds.

³ The Sewer Debt is self-supporting. Debt service payments 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

Current Debt Ratios
As of November 16, 2021
(Pro Forma)

Population (2019) ¹	34,810
Net Taxable Grand List (10/1/20)	\$ 4,312,908,521
Estimated Full Value (70%).....	\$ 6,161,297,887
Equalized Grand List (10/1/19) ²	\$ 6,506,346,765
Money Income per Capita (2019) ¹	\$ 60,863

	Total Direct Debt	Net Direct Debt / Total Overall Net Debt
	\$ 46,380,000	\$ 38,675,000
Per Capita.....	\$ 1,332.38	\$ 1,111.03
Ratio to Net Taxable Grand List.....	1.08%	0.90%
Ratio to Estimated Full Value.....	0.75%	0.63%
Ratio to Equalized Grand List.....	0.71%	0.59%
Debt per Capita to Money Income per Capita (2019).....	2.19%	1.83%

¹ Source: American Community Survey 2015-2019

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 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.

The Town of Glastonbury participates in this program and has issued a PLO which is being refinanced with this issue.

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 November 16, 2021
(Pro Forma)**

Total Tax Collections (including interest and lien fees) received by the Treasurer for year ended June 30, 2021 ³	\$ 158,144,311
Reimbursement For Revenue Loss (Tax relief for elderly).....	-
Base for Debt Limitation Computation	<u>\$ 158,144,311</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension</u>
Debt Limitation:					
2 ¹ / ₄ times base.....	\$ 355,824,699	-	-	-	-
4 ¹ / ₂ times base.....	-	\$ 711,649,399	-	-	-
3 ³ / ₄ times base.....	-	-	\$ 593,041,166	-	-
3 ¹ / ₄ times base.....	-	-	-	\$ 513,969,010	-
3 times base.....	-	-	-	-	\$ 474,432,932
Total Debt Limitation	<u>355,824,699</u>	<u>711,649,399</u>	<u>593,041,166</u>	<u>513,969,010</u>	<u>474,432,932</u>
Indebtedness:					
Bonds Outstanding	18,888,600	12,231,400	7,705,000 ¹	-	-
Bonds – This Issue.....	7,555,000	-	-	-	-
Debt Authorized But Unissued.....	6,198,500	-	-	-	-
Total Indebtedness	<u>32,642,100</u>	<u>12,231,400</u>	<u>7,705,000</u>	<u>-</u>	<u>-</u>
Less:					
State School Grants Receivable ²	-	-	-	-	-
Total Net Indebtedness	<u>32,642,100</u>	<u>12,231,400</u>	<u>7,705,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS					
OF OUTSTANDING INDEBTEDNESS	<u>\$ 323,182,599</u>	<u>\$ 699,417,999</u>	<u>\$ 585,336,166</u>	<u>\$ 513,969,010</u>	<u>\$ 474,432,932</u>

¹ The Sewer Debt is self-supporting. Debt service payments 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 on the Sewer Sinking Fund.

² Includes school building grants receivable for previously issued school bonds.

³ Subject to audit.

Note: The Town anticipates issuing bonds of approximately \$2,500,000 in the 4th quarter of 2021. That issue is not listed in the table above.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,107,010,176

**Authorized but Unissued Debt
As of November 16, 2021
(Pro Forma)**

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded or Paid-down</u>	<u>Authorized but Unissued</u>
Land Acquisition - 2017	\$ 3,000,000	\$ 2,306,500	\$ 693,500
Land Acquisition - 2020	3,000,000	-	3,000,000
Library Renovation/Expansion	6,500,000	3,995,000	2,505,000
Total	<u>\$ 12,500,000</u>	<u>\$ 6,301,500</u>	<u>\$ 6,198,500</u>

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

Long-Term Debt	2021 ¹	2020	2019	2018	2017
Bonds.....	\$ 40,425,000	\$ 35,085,000	\$ 41,020,000	\$ 44,925,000	\$ 51,735,000
Short-Term Debt					
Bond Anticipation Notes.....	-	6,395,000	1,305,000	1,650,000	1,650,000
Total.....	\$ 40,425,000	\$ 41,480,000	\$ 42,325,000	\$ 46,575,000	\$ 53,385,000

¹ Subject to audit.

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		Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ³
				Assessed Value (%)	Estimated Full Value (%)			
2021 ⁴	\$ 4,275,795	\$ 6,108,279	\$ 40,425,000	0.95%	0.66%	34,564	1,169.57	1.92%
2020	4,225,059	6,035,799	35,085,000	0.83%	0.58%	34,564	1,015.07	1.67%
2019	4,179,095	5,970,136	41,020,000	0.98%	0.69%	34,564	1,186.78	1.95%
2018	3,969,657	5,670,939	44,925,000	1.13%	0.79%	34,564	1,299.76	2.14%
2017	3,915,202	5,593,146	51,735,000	1.32%	0.92%	34,564	1,496.79	2.46%

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 (2015-2019), Money Income Per Capita \$60,863.

⁴ Subject to audit.

Source: Town of Glastonbury Audited Financial Reports.

Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures ¹	Ratio of Total Debt Service To General Fund Expenditures
2022 ²	\$ 7,036,742	\$ 172,723,330	4.07%
2021 ²	6,722,101	169,658,084	3.96%
2020	6,809,882	181,290,080	3.76%
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 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.

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.

The Town of Glastonbury has received the GFOA Distinguished Budget Award for the budget years 1996 through 2017, 2020 and 2021.

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, 2020, the financial statements of the Town were audited by the firm of RSM US LLP. For the fiscal year ended June 30, 2021, the financial statements of the Town are currently being 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, 2020. 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.

For fiscal year end 2020, the Town is one of ten Connecticut municipalities 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 2021-22	Fiscal 2022-23	Fiscal 2023-24	Fiscal 2024-25	Fiscal 2025-26	Total
General Government	\$ 485,000	\$ 480,000	\$ 250,000	\$ 230,000	\$ 230,000	\$ 1,675,000
Public Safety	780,000	1,555,000	1,444,000	550,000	2,500,000	6,829,000
Physical Services	6,251,300	3,980,000	5,600,000	3,525,000	3,325,000	22,681,300
Parks & Recreation	475,000	2,680,000	570,000	350,000	2,075,000	6,150,000
Library	-	-	-	-	-	-
Refuse	50,000	50,000	50,000	50,000	-	200,000
Education	710,000	1,500,000	1,340,000	1,984,000	1,900,000	7,434,000
Total	\$ 8,751,300	\$ 10,245,000	\$ 9,254,000	\$ 6,689,000	\$ 10,030,000	\$ 44,969,300

Funding Sources	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24	Fiscal 2024-25	Fiscal 2025-26	Total
Grants	\$ 2,801,300	\$ 80,000	\$ 1,680,000	\$ 666,029	\$ -	\$ 5,227,329
Pay As You Go / Bonding..	5,950,000	10,165,000	7,574,000	6,022,971	10,030,000	39,741,971
Total Funding Sources ..	\$ 8,751,300	\$ 10,245,000	\$ 9,254,000	\$ 6,689,000	\$ 10,030,000	\$ 44,969,300

Pensions

Pension Trust Fund

The Town of Glastonbury administers 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, 2021 were as follows:

Total Pension Liability	\$	252,780,014
Plan Fiduciary Net Position		(207,450,125)
Town's Net Pension Liability	\$	<u>45,329,889</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.07%

The following presents the net pension liability of the Town, calculated using the discount rate of 6.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Town's Net Pension Liability	\$ 77,721,386	\$ 45,329,889	\$ 18,805,001

Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Percentage of ARC Contributed
6/30/2022 ¹	\$ 10,762,848	\$ 10,762,848	100.0%
6/30/2021 ^{1,2}	9,832,273	10,880,190	100.0%
6/30/2020	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 for FYE 6/30/2021 was estimated at \$9,880,190, which was funded. Subsequently, the final ADC was calculated at \$9,832,273. In April 2021, a subsequent \$1m contribution was made to the Pension.

³ 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

Source: Finance Department

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.

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.

	2021 ¹	2020	2019	2018	2017
Actuarially Determined Employer Contribution (ADEC).....	\$ 1,743,050	\$ 1,684,686	\$ 1,614,992	\$ 1,392,913	\$ 1,321,393
Contributions in Relation to the ADEC.....	1,743,050	1,684,686	1,579,862	1,392,915	925,241
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ 35,130	\$ (2)	\$ 396,152
Covered Employee Payroll.....	\$ 74,692,514	\$ 67,020,668	\$ 67,020,668	\$ 68,158,459	\$ 68,158,459
Contributions as a Percentage of					
Covered Employee Payroll.....	2.33%	2.51%	2.36%	2.04%	1.36%

¹ Estimated amount and subject to audit.

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
7/1/2021	\$ 9,385,504	\$ 22,253,737	\$ (12,868,233)	42.17%	\$ 74,692,514	17.23%
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%

Risk Management

Beginning in fiscal 2021, the Town's insurance coverage for Liability, Automobile, Property (LAP) and Workers' Compensation is provided by Travelers. Supplemental policies are provided by other carriers. 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, 2021. 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 through 2021. The Workers' Compensation program type is guaranteed cost. The contribution (premium) is subject to payroll audit at the close of the coverage period.

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. The Town has a sole health insurance provider, Anthem, with Delta Dental as the dental insurance provider. The Town's health insurance provider administers payment of claims directly to the healthcare 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.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impacted and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including but not limited to, multi-factor authentication, user training, and intrusion detection and prevention. In addition, the Town invests in cybersecurity insurance, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town is susceptible to significant winter storms, hurricanes and tropical storms. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

In an effort to mitigate damage from future storms, response de-briefings are held following significant events. Equipment needed during/subsequent to such an event is routinely evaluated and funding is provided in the Capital Improvement Plan for improved disaster preparedness. In addition, the Town actively identifies ways to increase sustainability and was one of 5 communities statewide to receive the Silver Level Sustainable Communities Certification (the highest available).

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 over investing 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 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. 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's budget. For 2020, actual debt service expenditures represented approximately 4.5% of actual expenditures. Outstanding general obligation bonds at June 30, 2020 totaled \$35,085,000. 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, 2020, in accordance with GASB 54, the Town's General Fund unassigned fund balance represented 17.8% of budgeted expenditures and 18.0% of budgeted 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 considering 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 36a-333.

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% equity and 35% fixed income. The Board of Finance reviews the fund performance quarterly to monitor adherence to the Investment Policy Statement guidelines. The actuarial valuation assumptions are reviewed and revised accordingly. Since approximately 2009, the investment rate of return has been reduced from 8.75% to 6.25% (effective with the July 1, 2020 valuation). Recognizing the budget impact of the investment rate of return reduction on the actuarially determined contribution, the Town used a phased in approach over a number of years to minimize its effect on the Town’s operating budget. The Town funds 100% of the Actuarially Determined Contribution. The PUB-2010 mortality tables have been fully implemented, effective with the July 1, 2019 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.

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
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And Adopted Budgets (Budgetary Basis)

	Adopted Budget ¹ 2021-22	Estimated Actual ² 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17
Revenues:						
Property Taxes	\$ 160,940,802	\$ 158,107,350	\$ 154,180,697	\$ 151,222,713	\$ 147,560,197	\$ 142,041,710
Licenses and Permits	1,313,100	1,705,759	1,286,420	1,429,480	1,442,652	1,447,584
Intergovernmental	6,945,258	8,743,516	8,680,429	8,878,993	8,166,349	9,719,044
Charges for Services	1,400,303	1,687,825	1,544,491	1,778,807	1,518,887	1,855,146
Investment Income	195,000	218,003	1,058,331	1,317,030	793,946	410,843
Unrealized Investment Income	-	(94,400)	214,189	183,370	(181,482)	(84,495)
Other Revenues	953,867	1,785,149	2,327,334	739,778	1,420,512	1,640,843
State Payment for Teachers						
Retirement System	-	-	15,355,215	6,976,796	20,613,490	18,586,525
Total Revenues	171,748,330	172,153,202	184,647,106	172,526,967	181,334,551	175,617,200
Expenditures:						
General Government	3,562,535	3,285,488	3,291,033	3,280,357	3,038,972	2,943,450
Community Development	2,506,646	2,060,397	2,170,762	2,043,759	1,857,926	1,881,332
Administrative Services	6,484,723	7,227,793	6,280,513	6,136,354	5,948,465	6,784,987
Public Safety	16,244,074	15,288,763	14,368,396	14,217,513	13,634,227	12,774,935
Physical Services	7,446,713	7,078,191	7,206,812	7,053,345	6,943,112	6,734,016
Sanitation	906,340	947,668	791,896	804,153	725,610	732,410
Human Services	3,139,625	2,407,526	2,710,890	2,760,010	2,787,792	2,792,577
Leisure/Culture	6,168,270	5,139,886	5,341,978	5,698,826	5,239,873	5,172,573
Education	113,931,325	112,700,771	109,568,703	107,298,945	105,358,616	101,370,626
State Payment for Teachers						
Retirement System	-	-	15,355,215	6,976,796	20,613,490	18,586,525
Debt Service	7,036,742	6,722,101	6,809,882	8,153,656	8,662,536	8,984,959
Capital Outlays	-	-	-	-	-	-
Total Expenditures	167,426,993	162,858,584	173,896,080	164,423,714	174,810,619	168,758,390
Revenues over (under) expenditures	4,321,337	9,294,618	10,751,026	8,103,253	6,523,932	6,858,810
Other Financing Sources Uses:						
Refunding Bonds Issued.....	-	10,015,000	8,105,000	3,800,000	-	-
Payment to Refunded Bond Escrow Agent..	-	(11,814,581)	(9,014,455)	(4,094,446)	-	-
Premium on Bonds.....	-	1,901,429	1,007,096	371,983	-	-
Sale of General Capital Assets	-	1,576	54,588	19,322	11,485	679,670
Operating Transfers In	975,000	-	600,000	1,400,000	-	-
Operating Transfers (Out)	(5,296,337)	(6,846,700)	(7,394,000)	(6,136,500)	(7,433,600)	(7,945,000)
Total other Financing Sources (uses)	(4,321,337)	(6,743,276)	(6,641,771)	(4,639,641)	(7,422,115)	(7,265,330)
Revenues and other financing sources over (under) expenditures and other financing (uses)						
	\$ -	\$ 2,551,342	\$ 4,109,255	\$ 3,463,612	\$ (898,183)	\$ (406,520)
Fund Equity, Beginning of Year.....	35,881,737	33,330,395	29,221,140	25,757,528	26,655,711	27,062,231
Fund Equity, End of Year.....	\$ 35,881,737	\$ 35,881,737	\$ 33,330,395	\$ 29,221,140	\$ 25,757,528	\$ 26,655,711

¹ Budgetary basis, subject to audit.

² Subject to audit.

Analysis of General Fund Balance

	Adopted Budget ¹ 2021-22	Estimated Actual ² 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17
Nonspendable.....	N/A	\$ 239,651	\$ 212,291	\$ 225,431	\$ 202,704	\$ 218,628
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	3,960,388	3,044,292	1,394,049	1,678,597	2,121,442
Unassigned.....	N/A	31,681,698	30,073,812	27,601,660	23,876,227	24,315,641
Total Fund Balance.....	N/A	\$35,881,737	\$33,330,395	\$29,221,140	\$25,757,528	\$26,655,711

¹ Budgetary basis, subject to audit.

² 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 fiscal 2022-2023 biennium budget legislation adopted by the General Assembly in June 2021 provides funding for the municipal revenue sharing grant for the fiscal years ending June 30, 2022 and June 30, 2023. The Town does not expect to receive a municipal revenue sharing grant in fiscal year 2021-2022.

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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 Underwriter 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 which will certify, to the best of said officials' knowledge and belief, as of the date of the execution of the Bond Purchase Agreement, 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 Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached hereto as Appendix B.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.
6. A copy of the Escrow Agreement.
7. Any other documents or certifications required by the Bond Purchase Agreement.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at office of U.S. Bank National Association of Hartford, Connecticut, 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: November 3, 2021

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Appendix A

2020 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, 2020. 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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Independent Auditor's Report

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, 2020, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 18, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 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 23, 2020

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Town of Glastonbury, Connecticut
Management's Discussion and Analysis – Unaudited
June 30, 2020

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, 2020. 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 \$243 million. Of the Town's total net position at June 30, 2020, \$2.8 million, or 1.1%, 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 \$4.9 million or 2.0%, from \$238 million to \$243 million. Government-wide expenses were \$201 million, while revenues were \$206 million. The increase in net position of \$4.9 million is attributable to the overall management of Town operations in a fiscally responsible manner. The majority of this increase was generated by a net position increase of the General Fund. Additional detail is available under MD&A Financial Analysis of the Government's Funds, General Fund.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$64.7 million, an increase of \$4.0 million from the prior fiscal year. Of the total \$64.7 million fund balance as of June 30, 2020, \$29 million is available for spending at the Town's discretion and represents the combined unassigned balance in the General Fund net of the fund deficits in the Capital Nonrecurring Expenditure Fund and nonmajor governmental funds. The deficits in both Funds 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 \$33.3 million, an increase of approximately \$4.1 million from the prior fiscal year. Of that total fund balance, \$30.1 million is unassigned. The unassigned General Fund balance at year-end represents 18.1% of total General Fund expenditures and transfers out (\$165.8 million on a budget basis).
- The Town's total bonded indebtedness decreased \$5.9 million during the fiscal year. The Town issued \$8,105,000 of General Obligation Refunding Bonds during the year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The 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 2011 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 28 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, Connecticut Card, 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, Library Renovation 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 69.

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 28-68 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 70-81 of this report.

Additional required supplementary information on comparative data for the general fund budgeted revenues and expenditures is shown on page 69.

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 \$243 million on June 30, 2020.

Town of Glastonbury, Connecticut Summary Statement of Net Position June 30, 2020 and 2019 (In 000's)

	Governmental Activities	
	2020	2019
Current and other assets	\$ 85,624	\$ 76,919
Capital assets, net	294,596	291,476
Total assets	380,220	368,395
Deferred outflows of resources:		
Deferred charge on refunding	921	1,045
Change in pension actuarial experience	5,647	2,786
Change in pension assumptions	13,212	3,798
Net change in pension investment experience	1,019	1,374
Change in OPEB actuarial experience	792	924
Change in OPEB assumptions	435	508
Net change in OPEB investment experience	67	4
Total deferred outflows of resources	22,093	10,439
Long-term liabilities outstanding	142,726	132,238
Other liabilities	15,159	7,704
Total liabilities	157,885	139,942
Deferred inflows of resources:		
Advance tax payments	149	397
OPEB related items	987	-
Pension related items	18	105
Total deferred inflows of resources	1,154	502
Net position:		
Net investment in capital assets	240,502	236,341
Restricted	9	9
Unrestricted	2,763	2,040
Total net position	\$ 243,274	\$ 238,390

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.

Town of Glastonbury, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2020 and 2019
(In 000's)

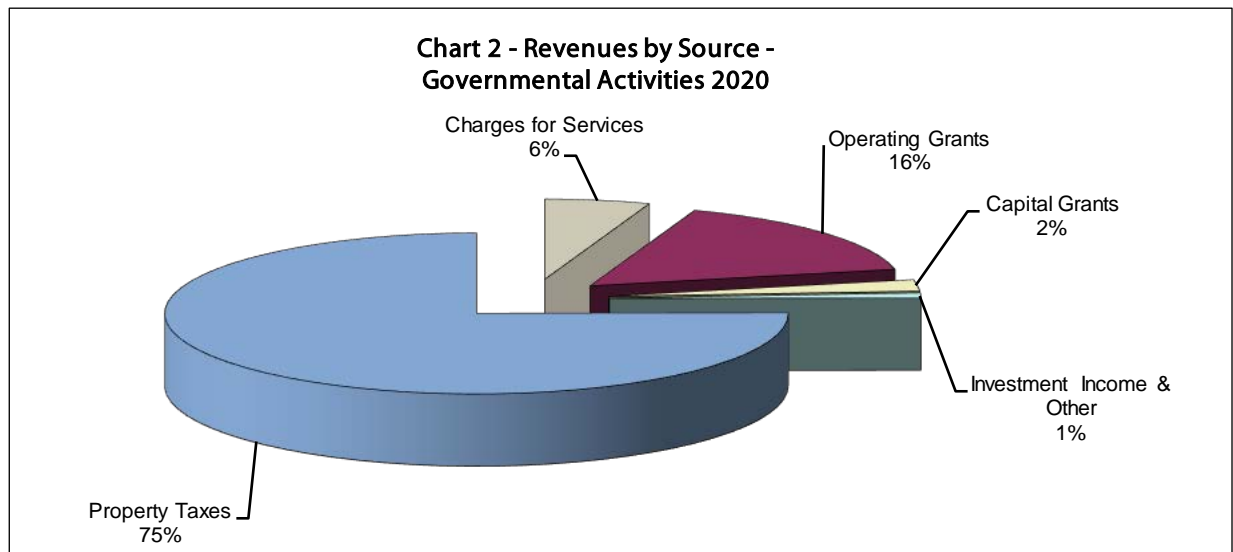
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 11,215	\$ 11,857
Operating grants and contributions	33,388	18,407
Capital grants and contributions	4,660	3,521
General revenues:		
Property taxes	154,354	150,507
Grants and contributions not restricted to specific programs	228	257
Investment income and other	2,011	2,432
Total revenues	205,856	186,981
Expenses:		
General government services	3,615	3,558
Community development	2,243	2,086
Administrative services	6,666	6,574
Public safety	16,396	16,125
Physical services	13,183	11,834
Sanitation	3,943	3,960
Human services	3,004	2,962
Leisure/culture	8,473	8,399
Education	141,549	124,973
Interest on long-term debt	1,900	2,049
Total expenses	200,972	182,520
Change in net position	4,884	4,461
Net position, beginning	238,390	233,929
Net position, ending	\$ 243,274	\$ 238,390

Glastonbury's net position increased \$4.9 million during the fiscal year. This increase is attributable to the overall management of Town operations in a fiscally responsible manner.

Governmental Activities

On March 10, 2020, the Connecticut Governor declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. Fiscal 2020 had a gain on operations, in spite of experiencing pandemic related challenges during the last few months of the fiscal year. Many efforts were taken to reduce non-business critical expenditures to help offset reductions in revenue. Combined operating revenue accounts met and exceeded original budget and overall expenditures for Town operations fell below budget.

Approximately 75.0% of the revenues were derived from property taxes, followed by 16.2% from operating grants and contributions, 5.4% from charges for services, 2.3% from capital grants and contributions and the remaining 1.1% capital contributions, investment earnings and grants and contributions.



Major revenue factors included:

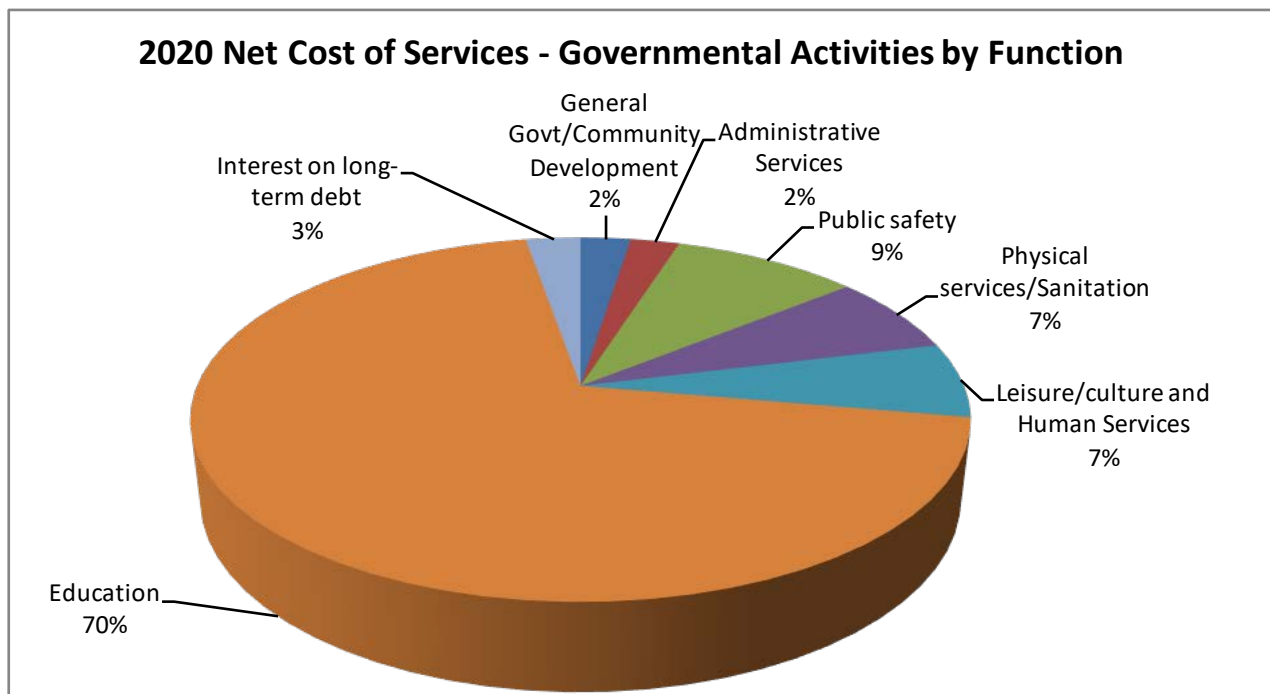
- Property tax revenues recorded for fiscal year 2020 totaled \$154.4 million, which represents an increase of 2.6% over 2019 tax revenues. The tax increase for the 2019/20 budget was 1.0%, with the mill rate increasing from 36.0 to 36.36 mills. For the 2019/20 budget, the 2018 Grand List increased 1.1%, from \$4.18 billion to \$4.23 billion, generating approximately \$1.65 million in new tax revenue. In addition, the actual tax collection rate exceeded the assumed rate, 99.51% versus 99.1%, respectively.
- Investment income decreased by \$0.3 million or 19.6%, primarily due to decreases in the interest rate during the year.
- Operating grants and contributions increased by \$15 million or 81% primarily due to the increase in the State payment for the teacher's retirement system which increased \$8.4 million in FY2020.

With respect to governmental activities, 70.4% of the Town's expenses are related to education. Physical services and sanitation accounted for 8.5%, public safety accounted for 8.2%, leisure and culture, comprised of parks and recreation and library services, accounted for 4.2% and administrative services, which includes finance, accounting, revenue collection, assessment, town clerk, property and casualty insurances, legal costs and information technology accounted for 3.3% of expenses. The remaining 5.4% relates to general government, community development, human services and interest on long-term debt.

Overall, expenses increased \$18.5 million or 10.1% over the prior year. Major expenditure factors include:

- Physical services expenses increased \$1.3 million or 11.4%, primarily due to depreciation expense on capital assets.
- Education expenses increased \$16.6 million or 13.3%. The primary reason for this increase is the \$8.4 million increase in the State of Connecticut's contribution to the State Teachers Retirement System on behalf of the Town, offset by wage and pension increases.

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, 2020, the Town of Glastonbury's governmental funds reported combined ending fund balances of \$64.7 million, an increase of \$4.0 million over the previous year. Approximately \$35.6 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 \$29.0 million of fund balance is unassigned, comprised of the net of the General Fund balance of \$30.1 million and deficit offsets in the Capital and Nonrecurring Expenditures Fund of \$1.0 million. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements 2020.

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 \$30.1 million while total fund balance reached \$33.3 million.

The Town's General Fund balance increased \$4.1 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, which included.
 - A one-time settlement for Riverfront Park of \$1.65 million was made to the General Fund.
 - A final repayment of \$0.6m was made to the General fund from the Elementary School Air Conditioning Capital Improvement Project.
 - Actual intergovernmental revenue exceeded estimated revenues by \$0.5 million, primarily due to increase in State funding for Education.
 - Property taxes collected exceeded estimates by \$0.6 million (actual collection rate of 99.41% versus 99.1% assumed).
 - Licenses and permits exceeded budget estimates by approximately \$0.1 million due to building permit revenue received during the year.
 - Investment income earned \$0.4 million less than budget estimates, due to decrease in interest rate since March 2020.
- General Fund expenditures came in \$3.5 million under budget. Savings were realized when numerous programs and activities sponsored by Town departments were canceled due to COVID-19. These savings were achieved throughout various departments largely through part-time wage and program reductions. Additionally, a number of full-time position vacancies were left unfilled to achieve wage and benefit savings.
- It should be noted that not included in the operations at June 30, 2020 is approximately \$0.56 million in encumbrances and capital carry forwards attributable to commitments and capital purchases not made in the current year and \$1.5 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.

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 \$7.4 million, representing a decrease of \$2.4 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 \$0.4 million increase. Income was generated primarily from sewer connection assessments collected during the year of \$0.2 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 fiscal 2021, this note was refunded.

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 \$7.2 million for various capital projects and improvements. The fund balance increased \$3.6 million for a total of \$11.6 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 decreased \$0.8 million. In addition to \$6.2 million transferred in from the General Fund and \$0.23 million from closed capital projects, \$4.1 million was received from state and federal grants and \$0.17 million from investment income. \$11.5 million was transferred to the Capital Reserve Projects Fund for capital expenditures. The \$1 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 decreased \$1.3 million, due to the land purchases (most significantly 542 +/- acres of land owned by the Pension Fund of the Metropolitan District was purchased by the Town) of \$8.4 million, offset by \$1 million from the General Fund that will be reimbursed by the state grant.

General Fund Budgetary Highlights

The difference between the original budget and the final amended expenditure budget was \$3.3 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 \$1.39 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 \$0.8 million.
- Increased appropriations by \$1.0 million to fund MDC land acquisition.

During the year, actual revenues on a budgetary basis were \$169.3 million which was more than budgetary estimates by \$2.5 million. Significant contributions to this increase, where actuals exceeded estimate, include: \$1.6 million settlement for the Riverfront Park, \$0.6 million of property tax collections, \$0.5 million of intergovernmental revenues, and \$0.1 million of licenses and permits. These favorable variances were somewhat offset by \$0.5m of shortfalls in investment income and charges for services, both of which were impacted by the pandemic.

Actual expenditures and transfers out on a budgetary basis totaled \$165.8 million, which is approximately \$3.5 million less than the amended budget of \$169.4 million. This variance is attributable to various savings across all departments of the Town and is largely related to pandemic-related cost reduction efforts.

Capital Asset and Debt Administration

Capital Assets. The Town’s investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$552.9 million on a gross basis and \$294.6 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 increase in the Town’s investment in capital assets before depreciation for the fiscal year was \$15.1 million.

**Town of Glastonbury
Capital Assets
June 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Land	\$ 53,701	\$ 45,310
Development rights	4,109	4,109
Construction in progress	597	546
Land improvements	42,821	42,765
Building and improvements	232,615	230,528
Machinery and equipment	58,039	54,660
Computer software	894	872
Infrastructure	160,167	159,038
Total	\$ 552,943	\$ 537,828

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

- Major additions to Construction in Progress (CIP) include replacement of Fisher Hill bridge, air conditioning installation at Gideon Welles school, and upgrading Cider Mill pump station. Completed portions of the projects have been capitalized from CIP.
- Purchase of land totaling \$8.4 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 \$35.1 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 \$1.059 million. As of June 30, 2020, the Town's recorded long-term debt of \$35.1 million is well below its statutory debt limits.

In February 2020, the Town issued \$8.1 million in refunding bonds to refund outstanding principal of the 2010 bond issue. The net present value savings were \$0.5 million over the remaining life of the bonds. The Town also had bond anticipation notes outstanding in the amount of \$6.4 million as of June 30, 2020.

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 significant 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. As pandemic conditions persist, Town operations and related revenues and expenditures will continue to evolve. Glastonbury is well positioned to respond to the challenges and opportunities that such changes present.

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

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Statement of Net Position
June 30, 2020

	Primary Government <u>Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 61,502,283
Receivables, net of allowance of \$199,459	2,572,087
Inventory	226,781
Investments	21,300,374
Other assets	22,284
Total current assets	<u>85,623,809</u>
Noncurrent assets:	
Capital assets not being depreciated	58,406,929
Capital assets being depreciated, net of accumulated depreciation	236,189,056
Total noncurrent assets	<u>294,595,985</u>
Total assets	<u>380,219,794</u>
Deferred outflows of resources	
Deferred charge on refunding	920,904
Deferred outflows related to OPEB	1,294,313
Deferred outflows related to Pension	19,877,885
Total deferred outflows of resources	<u>22,093,102</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	7,003,938
Due to developers for escrow deposits	637,570
Due to others for escrow deposits	252,029
Long-term liabilities due within one year	6,448,922
Unearned revenue	454,237
Accrued interest payable	362,643
Total current liabilities	<u>15,159,339</u>
Noncurrent liabilities:	
Due in more than one year	142,725,854
Total noncurrent liabilities	<u>142,725,854</u>
Total liabilities	<u>157,885,193</u>
Deferred Inflows of Resources	
Advance tax payments	149,000
Deferred inflows related to OPEB	986,910
Deferred inflows related to pension	17,934
Total deferred inflows of resources	<u>1,153,844</u>
Net Position	
Net investment in capital assets	240,501,623
Restricted for:	
Trust funds, nonexpendable	8,527
Unrestricted	2,763,709
Total net position	<u>\$ 243,273,859</u>

See notes to the financial statements.

Town of Glastonbury, Connecticut

Exhibit II

Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
Primary government:					
Governmental activities:					
General government services	\$ 3,614,713	\$ -	\$ 834,393	\$ -	\$ (2,780,320)
Community development	2,243,010	907,328	-	-	(1,335,682)
Administrative services	6,666,251	2,909,636	-	-	(3,756,615)
Public safety	16,395,752	997,572	463,339	47,650	(14,887,191)
Physical services	13,182,845	410,437	-	4,542,824	(8,229,584)
Sanitation	3,943,412	3,411,741	18,213	-	(513,458)
Human services	3,003,813	157,857	75,425	51,278	(2,719,253)
Leisure/culture	8,473,077	1,184,885	27,001	-	(7,261,191)
Education	141,549,173	1,235,387	31,969,381	17,800	(108,326,605)
Interest on long-term debt	1,899,237	-	-	-	(1,899,237)
Total primary government	\$ 200,971,283	\$ 11,214,843	\$ 33,387,752	\$ 4,659,552	(151,709,136)
General revenues:					
					154,354,447
					227,721
					2,010,841
					<u>156,593,009</u>
					4,883,873
					238,389,986
					<u>\$ 243,273,859</u>

See notes to the financial statements.

Balance Sheet - Governmental Funds
June 30, 2020

	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	\$ 30,869,682	\$ 2,745,627	\$ 9,564,077	\$ -	\$ 209,512	\$ 6,775,527	\$ 50,164,425
Receivables, net of allowances for collection losses	1,833,541	520,081	-	32,623	-	185,707	2,571,952
Due from other funds	-	-	745,247	-	-	-	745,247
Inventory	192,122	-	-	-	-	34,659	226,781
Investments	7,394,447	10,135,746	2,285,844	-	50,074	1,434,263	21,300,374
Other assets	20,169	-	-	-	-	2,115	22,284
Total assets	\$ 40,309,961	\$ 13,401,454	\$ 12,595,168	\$ 32,623	\$ 259,586	\$ 8,432,271	\$ 75,031,063
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)							
Liabilities:							
Accounts payable and other payables	\$ 4,414,016	\$ -	\$ 960,507	\$ -	\$ -	\$ 567,381	\$ 5,941,904
Due to other funds	611,800	-	-	745,247	-	-	1,357,047
Due to developers for escrow deposits	637,570	-	-	-	-	-	637,570
Due to others for escrow deposits	108,593	143,436	-	-	-	-	252,029
Unearned revenue	63,577	-	-	334,251	-	56,409	454,237
Total liabilities	5,835,556	143,436	960,507	1,079,498	-	623,790	8,642,787
Deferred inflows of resources:							
Unavailable revenue - property taxes	995,010	-	-	-	-	-	995,010
Unavailable revenue - special assessments	-	506,428	-	-	-	19,887	526,315
Unavailable revenue - other	-	-	-	-	-	10,494	10,494
Advance tax payments	149,000	-	-	-	-	-	149,000
Total deferred inflows of resources	1,144,010	506,428	-	-	-	30,381	1,680,819
Fund balances (deficits):							
Nonspendable	212,291	-	-	-	-	45,301	257,592
Restricted	-	-	-	-	-	1,460,337	1,460,337
Committed	-	12,751,590	11,634,661	-	259,586	6,275,371	30,921,208
Assigned	3,044,292	-	-	-	-	-	3,044,292
Unassigned	30,073,812	-	-	(1,046,875)	-	(2,909)	29,024,028
Total fund balances (deficits)	33,330,395	12,751,590	11,634,661	(1,046,875)	259,586	7,778,100	64,707,457
Total liabilities, deferred inflows of resources and fund balances	\$ 40,309,961	\$ 13,401,454	\$ 12,595,168	\$ 32,623	\$ 259,586	\$ 8,432,271	\$ 75,031,063

See notes to the financial statements.

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2020

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

Total fund balances (Exhibit III)		\$ 64,707,457
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	\$ 552,943,834	
Less accumulated depreciation	<u>(258,347,849)</u>	
Net capital assets		294,595,985
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	1,521,325	
Other receivables greater than 60 days	10,494	
Pension deferred outflows	19,877,885	
OPEB deferred outflows	1,294,313	
Deferred charges on refunding	<u>920,904</u>	
		23,624,921
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.		
		10,887,759
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	(35,085,000)	
Bonds anticipation notes	(6,395,000)	
Bond premium, net of amortization	(2,424,723)	
Clean Water loans payable	(10,870,758)	
Interest payable on bonds	(362,643)	
Compensated absences	(3,939,131)	
Net pension liability	(75,965,391)	
Deferred pension inflows	(17,934)	
Deferred OPEB inflows	(986,910)	
Net OPEB liability	(14,324,289)	
Other payable	<u>(170,484)</u>	
		<u>(150,542,263)</u>
Net position of governmental activities (Exhibit I)		<u>\$ 243,273,859</u>

See notes to the financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) –
Governmental Funds
For the Year Ended June 30, 2020**

	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	\$ 154,180,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,180,697
Licenses and permits	1,286,420	-	-	-	-	-	1,286,420
Intergovernmental	8,680,429	-	-	4,082,526	-	3,286,310	16,049,265
Charges for services	1,544,491	203,189	-	-	-	5,457,594	7,205,274
Investment income	1,058,331	256,463	-	168,229	20,998	77,850	1,581,871
Unrealized investment gain	214,189	214,781	-	-	-	-	428,970
Other revenues	2,327,334	454	-	48,657	18,869	549,631	2,944,945
State payment for teacher's retirement / health account system	15,355,215	-	-	-	-	-	15,355,215
Total revenues	184,647,106	674,887	-	4,299,412	39,867	9,371,385	199,032,657
Expenditures:							
Current:							
General government	3,291,033	-	-	-	-	-	3,291,033
Community development	2,170,762	-	-	-	-	-	2,170,762
Administrative services	6,280,513	-	-	-	-	183,182	6,463,695
Public safety	14,368,396	-	-	-	-	736,302	15,104,698
Physical services	7,206,812	-	-	-	-	-	7,206,812
Sanitation	791,896	-	-	-	-	1,763,554	2,555,450
Human services	2,710,890	-	-	-	-	-	2,710,890
Leisure/culture	5,341,978	-	-	-	-	1,471,010	6,812,988
Education	109,568,703	-	-	-	-	4,241,757	113,810,460
State payment for teacher's retirement / health account system	15,355,215	-	-	-	-	-	15,355,215
Debt service:							
Principal	5,160,000	-	-	-	-	921,253	6,081,253
Interest and other charges	1,649,882	-	-	-	-	227,426	1,877,308
Capital outlay	-	-	7,074,333	-	8,379,331	2,720,463	18,174,127
Total expenditures	173,896,080	-	7,074,333	-	8,379,331	12,264,947	201,614,691
Revenues over (under) expenditures	10,751,026	674,887	(7,074,333)	4,299,412	(8,339,464)	(2,893,562)	(2,582,034)
Other financing sources (uses):							
Issuance of bonds	8,105,000	-	-	-	5,990,000	405,000	14,500,000
Payment to escrow agent	(9,014,455)	-	-	-	-	-	(9,014,455)
Premium on bonds issued	1,007,096	-	-	-	-	-	1,007,096
Transfers in	600,000	-	11,486,806	6,407,838	1,000,000	486,978	19,981,622
Transfers out	(7,394,000)	(256,463)	(844,353)	(11,486,806)	-	-	(19,981,622)
Sale of general capital assets	54,588	-	-	-	-	-	54,588
Total other financing sources (uses)	(6,641,771)	(256,463)	10,642,453	(5,078,968)	6,990,000	891,978	6,547,229
Net change in fund balances (deficits)	4,109,255	418,424	3,568,120	(779,556)	(1,349,464)	(2,001,584)	3,965,195
Fund balances (deficits) at beginning of year	29,221,140	12,333,166	8,066,541	(267,319)	1,609,050	9,779,684	60,742,262
Fund balances (deficits) at end of year	\$ 33,330,395	\$ 12,751,590	\$ 11,634,661	\$ (1,046,875)	\$ 259,586	\$ 7,778,100	\$ 64,707,457

(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, 2020**

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)		\$ 3,965,195
<p>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.</p>		
Capital outlay	15,986,716	
Depreciation expense	(12,735,724)	
Disposals	(130,667)	
	3,120,325	3,120,325
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes collected after 60 days	173,480	
Sewer assessments collected after 60 days	7,655	
Other receivables collected after 60 days	(1,729)	
	179,406	179,406
<p>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.</p>		
Deferred outflow - change related to pension items		11,920,789
Deferred outflow - change related to OPEB items		(141,604)
Deferred inflow - change related to pension items		87,162
Deferred outflow - change related to OPEB items		(986,911)
<p>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.</p>		
Change in accrued interest	(21,929)	
Principal payments on bonds	5,160,000	
Issuance of bonds		
Premiums on bonds issued	(1,007,096)	
Issuance of bonds	(14,500,000)	
Payment to escrow agent	8,880,000	
Principal payments on Clean Water loans payable	921,253	
Amortization of bond premiums	306,701	
Amortization of deferred charge on refunding	(124,587)	
	(385,658)	(385,658)
<p>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.</p>		
Change in long-term compensated absences	(24,860)	
Change in retainage	53,105	
Change in pension liability	(17,786,061)	
Change in OPEB liability	1,060,064	
	(16,697,752)	(16,697,752)
<p>The net revenue of certain activities of internal service funds is reported in governmental activities</p>		
		3,822,921
Change in net position of governmental activities (Exhibit II)		\$ 4,883,873

See notes to the financial statements.

Statement of Net Position - Proprietary Funds
June 30, 2020

	Governmental Activities
	<u>Internal Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,337,858
Accounts receivable, net	135
Due from other funds	<u>611,800</u>
Total assets	<u><u>11,949,793</u></u>
Liabilities	
Current liabilities:	
Claims payable	904,262
Administration expense payable	<u>157,772</u>
Total liabilities	<u><u>1,062,034</u></u>
Net Position	
Unrestricted	<u><u>\$ 10,887,759</u></u>

See notes to the financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds
For the Year Ended June 30, 2020**

	Governmental Activities Internal Service Fund
Operating revenues:	
Employer contributions	\$ 19,470,279
Employee contributions	4,155,439
Total operating revenues	<u>23,625,718</u>
Operating expenses:	
Claims incurred	17,654,477
Administration	2,222,664
Total operating expenses	<u>19,877,141</u>
Operating income	<u>3,748,577</u>
Nonoperating revenue:	
Investment income	74,344
Total nonoperating revenue	<u>74,344</u>
Change in net position	3,822,921
Net position, beginning	<u>7,064,838</u>
Net position, ending	<u><u>\$ 10,887,759</u></u>

See notes to the financial statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2020**

	Governmental Activities <u>Internal Service Fund</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 23,535,452
Claims paid	(17,843,137)
Payments for administration	<u>(2,256,970)</u>
Net cash provided by operating activities	<u>3,435,345</u>
Cash flows from investing activities:	
Investment income	<u>74,344</u>
Net cash provided by investing activities	<u>74,344</u>
Net increase in cash and cash equivalents	3,509,689
Cash and cash equivalents:	
Beginning	<u>7,828,169</u>
Ending	<u>\$ 11,337,858</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,748,577
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from other funds	(90,266)
Decrease in claims payable	(188,660)
Decrease in administration payable	<u>(34,306)</u>
Net cash provided by operating activities	<u>\$ 3,435,345</u>

See notes to the financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,317,599	\$ 1,411,145
Investments, at fair value:		
Mutual funds	153,790,679	-
Pooled funds	4,397,213	-
Limited partnerships	9,408,035	-
Total assets	<u>168,913,526</u>	<u>1,411,145</u>
Liabilities		
Due to student groups	-	1,361,984
Due to others	-	49,161
Total liabilities	<u>-</u>	<u>1,411,145</u>
Net Position		
Restricted for pension and OPEB benefits	<u>\$ 168,913,526</u>	<u>\$ -</u>

See notes to the financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2020**

	Pension and Other Employee Benefit Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 9,855,594
Employee	2,015,320
Total contributions	<u>11,870,914</u>
Investment Income:	
Net change in fair value of investments	5,851,593
Interest and dividends	3,628,326
	<u>9,479,919</u>
Less investment expenses:	
Investment management fees	127,533
Net investment income	<u>9,352,386</u>
Total additions	<u>21,223,300</u>
Deductions:	
Benefit payments	11,313,983
Administration fees	90,177
Total deductions	<u>11,404,160</u>
Change in net position	9,819,140
Net position:	
Beginning of year	<u>159,094,386</u>
End of year	<u>\$ 168,913,526</u>

See notes to the financial statements.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

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.

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.

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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 3-27d and 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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Inventories: All inventories are stated at cost, determined on the first-in, first out basis. 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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 1. Summary of Significant Accounting Policies (Continued)

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

	<u>Years</u>
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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 1. Summary of Significant Accounting Policies (Continued)

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.
- *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, 2020 following the payable date, a lien is placed on the property.

On April 1, 2020, the Connecticut Governor issued Executive Order No. 7S, which, among other things, calls for Connecticut municipalities, including the Town of Glastonbury, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90-day Deferment Program or a 90-day Low Interest Rate Program. Both programs are applicable to amounts payable or delinquent during the period from April 1, 2020 to and including July 1, 2020 and apply to taxes on real property, personal property or motor vehicles, and water, sewer and electric rates, charges and assessments. The Deferment Program provides for a 90-day deferment from the time the amount becomes due and payable. However, financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

The Glastonbury Town Council at a special meeting held April 21, 2020 elected to participate in the 90-day Deferment Program. Additionally, the Town Council elected to not require residential homeowners to demonstrate loss or hardship as a result of COVID -19 to participate the Deferment Program. However, any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee shall only be eligible for either program if said landlord provides documentation to the Town that the parcel has or will suffer a significant income decline on account of impact by COVID-19, or that commensurate forbearance was offered to his/her/its tenants or lessees. Finally, financial institutions and mortgage servicers that hold property tax payments in escrow on behalf of a borrower shall continue to remit property taxes to the municipality, so long as the borrower remains current on their mortgage or is in a forbearance or deferment program, irrespective of the borrower's eligibility for or participation in the Deferment Program.

The Town currently estimates that the revenue reduction associated with Executive Order No. 7S will be minimal. As of October 31, 2020, the revenue collection rate on the current levy exceeded the rate for the prior two years, at the same time period. At this time, the Town expects to meet or exceed the budgeted collection rate of 99.1%.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

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, 2020, supplemental appropriations in the amount of \$3,345,377 (which included \$115,621 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, 2020:

Capital Projects:

Capital and nonrecurring expenditures	\$ 1,046,875
Camp sunrise	2,909

Deficits in the Capital and Nonrecurring Expenditures Fund and the Camp sunrise 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.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

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

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:

As of June 30, 2020:

	Min. Weight	Max. Weight
Asset class:		
Money market	0.0%	7.5%
Fixed income	25.0%	40.0%
Domestic equities	25.0%	45.0%
International equities	10.0%	30.0%
Real estate	0.0%	7.5%
Other	0.0%	7.5%

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 \$33,300,000 of the Town's approximate bank balance of \$58,511,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 33,299,640
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	3,699,960
Total amount subject to custodial credit risk	<u><u>\$ 36,999,600</u></u>

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

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. 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.

Cash and cash equivalents:	
Deposits with financial institutions	\$ 64,231,027
Total cash and cash equivalents	<u>64,231,027</u>
Investments:	
General Fund:	
Certificates of deposit	7,394,447
Special Assessment Fund:	
Certificates of deposit	10,135,746
Capital Reserve Projects Fund:	
Certificates of deposit	2,285,844
Land Acquisition Fund:	
Certificates of deposit	50,074
Nonmajor governmental funds:	
Certificates of deposit	1,434,263
Total government investments	<u>21,300,374</u>
Pension Trust Funds:	
Mutual funds	153,790,679
Pooled funds	4,397,213
Limited partnerships	9,408,035
Total pension investments	<u>167,595,927</u>
Total cash, cash equivalents and investments	<u>\$ 253,127,328</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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

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

	<u>Primary Government</u>
Statement of Net Position:	
Cash and cash equivalents	\$ 61,502,283
Investments	<u>21,300,374</u>
	<u>82,802,657</u>
Fiduciary Funds:	
Cash and cash equivalents	2,728,744
Investments	<u>167,595,927</u>
	<u>170,324,671</u>
Total cash, cash equivalents and investments	<u><u>\$ 253,127,328</u></u>

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:

Type of Investment	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1 Year	1 - 10 Years	Greater Than 10 Years
Certificates of deposit	*	\$ 21,300,334	\$ 5,282,967	\$ 16,017,367	\$ -
Other investments:					
Mutual funds	N/A	153,790,679			
Pooled Funds	N/A	4,397,213			
Limited partnerships	N/A	9,408,035			
Total investments		<u><u>\$ 188,896,261</u></u>			

N/A - Not Applicable

* Subject to coverage by federal depository insurance and collateralization.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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

At June 30, 2020, the Town's cash equivalents amounted to approximately \$27,752,000. 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.

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

* Not rated.

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, 2020:

	June 30, 2020	<u>Fair Value Measurements Using</u>		
		Level 1	Level 2	Level 3
Mutual funds	\$ 153,790,679	\$ 153,790,679	\$ -	\$ -
Pooled funds	4,397,213	-	4,397,213	-
Investments measured at net asset value (NAV):				
Limited liability corporation	9,408,035			
Total investments	<u>\$ 167,595,927</u>	<u>\$ 153,790,679</u>	<u>\$ 4,397,213</u>	<u>\$ -</u>

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

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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

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	\$ 9,408,035	\$ -	Quarterly	60 days
Total investments measured at NAV	<u>\$ 9,408,035</u>			

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, 2020, 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*	\$ 1,444,422	\$ -	\$ -	\$ -	\$ 1,444,422
Assessments and use charges	-	562,728	-	77,986	640,714
Allowance for collection losses	(132,600)	(56,300)	-	(10,559)	(199,459)
Net taxes and assessments receivable	1,311,822	506,428	-	67,427	1,885,677
Intergovernmental	521,719	-	32,623	45,550	599,892
Other receivables	-	13,653	-	72,730	86,383
Net receivables	<u>\$ 1,833,541</u>	<u>\$ 520,081</u>	<u>\$ 32,623</u>	<u>\$ 185,707</u>	<u>\$ 2,571,952</u>

* Interest on delinquent taxes are not included along with \$135 recorded in the Internal Service Fund.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 45,309,997	\$ 8,391,090	\$ -	\$ 53,701,087
Development rights	4,108,701	-	-	4,108,701
Construction in progress	546,465	5,006,306	4,955,630	597,141
Total capital assets, not being depreciated	49,965,163	13,397,396	4,955,630	58,406,929
Capital assets, being depreciated:				
Land improvements	42,765,160	56,240	-	42,821,400
Buildings and improvements	230,527,580	2,087,873	-	232,615,453
Machinery and equipment	54,660,483	4,250,033	871,540	58,038,976
Computer software	872,133	21,722	-	893,855
Infrastructure	159,038,139	1,129,082	-	160,167,221
Total capital assets, being depreciated	487,863,495	7,544,950	871,540	494,536,905
Less accumulated depreciation for:				
Land improvements	18,707,655	2,045,995	-	20,753,650
Buildings and improvements	75,718,959	4,493,474	-	80,212,433
Machinery and equipment	29,684,899	2,892,691	740,873	31,836,717
Computer software	616,137	97,792	-	713,929
Infrastructure	121,625,348	3,205,772	-	124,831,120
Total accumulated depreciation	246,352,998	12,735,724	740,873	258,347,849
Total capital assets, being depreciated, net	241,510,497	(5,190,774)	130,667	236,189,056
Governmental activities capital assets, net	\$ 291,475,660	\$ 8,206,622	\$ 5,086,297	\$ 294,595,985

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

Governmental activities:	
General government	\$ 265,416
Community development	11,399
Administrative services	74,472
Public safety	939,305
Physical services	3,604,994
Sanitation	1,323,934
Human services	203,797
Leisure/culture	1,322,388
Education	4,990,019
Total depreciation expense - governmental activities	\$ 12,735,724

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 6. Capital Assets (Continued)

Construction commitments:

The Town has the following construction commitments as of June 30, 2020:

	Project Authorization	Expended to June 30, 2020	Outstanding Construction Commitments
Capital reserve projects:			
Police Building Windows	\$ 142,500	\$ 8,216	\$ 133,088
Multi-Use Trail	1,228,000	215,180	816,035
Hebron Ave/House St Improvement	1,975,000	1,515,716	236,763
Bridge Replacement/Rehabilitation	5,105,000	3,502,211	1,154,834
Glastonbury Blvd Paving	2,200,000	302	1,823,382
GHS Kitchen Upgrades	1,675,000	283,358	1,286,173
Total	<u>\$ 12,325,500</u>	<u>\$ 5,524,983</u>	<u>\$ 5,450,275</u>

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, 2020 is presented below:

Receivable Fund	Payable Fund	Amount
Internal Service	General Fund	\$ 611,800
Capital Projects Reserve Fund	Capital Nonrecurring expenditure fund	745,247
		<u>\$ 1,357,047</u>

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, 2020 were as follows:

	Transfers In						Total
	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition Fund	Nonmajor Governmental Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ -	\$ 6,174,000	\$ 1,000,000	\$ 220,000	\$ 7,394,000
Special Assessment Fund	-	-	-	233,838	-	-	233,838
Capital Reserve Projects Fund	600,000	-	-	-	-	266,978	866,978
Capital and Nonrecurring Expenditures Fund	-	-	11,486,806	-	-	-	11,486,806
Total transfers in	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 11,486,806</u>	<u>\$ 6,407,838</u>	<u>\$ 1,000,000</u>	<u>\$ 486,978</u>	<u>\$ 19,981,622</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 7. Interfund Receivable and Payable Balances (Continued)

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, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 41,020,000	\$ 8,105,000	\$ 14,040,000	\$ 35,085,000	\$ 5,050,000
Bond anticipation notes	-	6,395,000	-	6,395,000	-
Premium on bonds	1,724,328	1,007,096	306,701	2,424,723	440,980
Clean Water loans payable	11,792,011	-	921,253	10,870,758	939,848
Compensated absences	3,914,271	492,094	467,234	3,939,131	18,094
Net pension liability	58,179,330	17,786,061	-	75,965,391	-
Net OPEB liability	15,384,353	-	1,060,064	14,324,289	-
Other	223,589	-	53,105	170,484	-
Total long-term liabilities	\$ 132,237,882	\$ 33,785,251	\$ 16,848,357	\$ 149,174,776	\$ 6,448,922

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:									
Refunding bonds	\$ 19,555,000	11/15/10	05/15/25	2.00-5.00%	\$ 7,480,000	\$ -	\$ 7,480,000	\$ -	\$ -
School bonds	2,715,000	11/15/11	05/15/29	2.00-3.00%	1,630,000	-	155,000	1,475,000	155,000
Refunding bonds	11,675,000	06/27/12	06/30/26	2.00-5.00%	7,390,000	-	1,210,000	6,180,000	1,210,000
Refunding bonds	6,385,000	05/15/14	08/01/28	2.00-5.00%	1,848,000	-	17,800	1,830,200	17,900
Refunding bonds	830,000	07/26/18	06/30/26	0.05	784,000	-	186,000	598,000	189,000
Refunding bonds	5,574,000	02/25/20	05/15/25	0.05	-	5,574,000	-	5,574,000	1,301,000
Total schools					19,132,000	5,574,000	9,048,800	15,657,200	2,872,900
General purpose:									
Refunding bonds	8,995,000	11/15/10	05/15/25	2.00-5.00%	3,415,000	-	3,415,000	-	-
Land	3,680,000	11/15/11	11/01/30	2.00-3.00%	2,315,000	-	195,000	2,120,000	195,000
Refunding bonds	2,870,000	06/27/12	06/30/26	2.00-5.00%	1,515,000	-	415,000	1,100,000	410,000
Improvement bonds	8,950,000	10/10/13	10/01/33	3.00-4.625%	7,465,000	-	425,000	7,040,000	425,000
Refunding bonds	3,095,000	05/15/14	08/01/28	2.00-5.00%	1,807,000	-	12,200	1,794,800	12,100
Improvement bonds	2,735,000	07/26/18	06/30/39	2.00-5.00%	2,735,000	-	135,000	2,600,000	135,000
Refunding bonds	2,970,000	07/26/18	06/30/26	5.00%	2,636,000	-	394,000	2,242,000	396,000
Refunding bonds	2,531,000	02/25/20	05/15/25	5.00%	-	2,531,000	-	2,531,000	604,000
Total general purpose					21,888,000	2,531,000	4,991,200	19,427,800	2,177,100
Total general obligation bonds					\$ 41,020,000	\$ 8,105,000	\$ 14,040,000	\$ 35,085,000	\$ 5,050,000

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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:			
2021	\$ 5,050,000	\$ 1,410,668	\$ 6,460,668
2022	4,650,000	1,189,052	5,839,052
2023	4,635,000	993,586	5,628,586
2024	4,715,000	784,114	5,499,114
2025	3,785,000	576,818	4,361,818
2026-2030	8,690,000	1,369,548	10,059,548
2031-2035	3,000,000	337,994	3,337,994
2036-2040	560,000	34,650	594,650
	<u>\$ 35,085,000</u>	<u>\$ 6,696,430</u>	<u>\$ 41,781,430</u>

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:			
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	1,018,058	130,622	1,148,680
2026-2030	5,977,947	339,789	6,317,736
	<u>\$ 10,870,758</u>	<u>\$ 1,190,375</u>	<u>\$ 12,061,133</u>

Subsequent event: The Clean Water Fund loans were refunded in December 2020.

Bond anticipation notes payable:

Bond anticipation notes totaling \$1,350,000, which were issued to temporarily finance land acquisitions, matured in July 2019. During July 2019, bond anticipation notes totaling \$1,710,000 were issued with an interest rate of 2.0%, which mature on July 24, 2020. During January 2020, bond anticipation notes totaling \$4,680,000 were issued with an interest rate of 1.75%, which also mature on July 24, 2020. (See Note 14)

Bond anticipation note transactions for the year ended June 30, 2020 were as follows:

Outstanding, July 1, 2019	\$ 1,305,000
New borrowings	6,395,000
Repayments	(1,305,000)
Outstanding, June 30, 2020	<u>\$ 6,395,000</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 8. Long-Term Liabilities (Continued)

Bonds authorized but unissued:

The bonds authorized and unissued at June 30, 2020 are \$6,907,062 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	\$ 340,400,003	\$ 32,729,862	\$ 307,670,141
Schools	680,800,005	15,657,200	665,142,805
Sewers	567,333,338	10,870,758	556,462,580
Urban Renewal	491,688,893	-	491,688,893
Pension Deficit	453,866,670	-	453,866,670

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation \$1.059 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.

In February 2020, the Town issued \$8.1 million in refunding bonds to refund outstanding principal of the 2010 bond issue. The net present value savings were \$0.5 million over the remaining life of the bonds.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 9. Fund Balance (Deficits)

The components of fund balance (deficit) for the governmental funds at June 30, 2020 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	\$ 20,169	\$ -	\$ -	\$ -	\$ -	\$ 2,115	\$ 22,284
Inventory	192,122	-	-	-	-	34,659	226,781
Required to be retained in perpetuity	-	-	-	-	-	8,527	8,527
Restricted for:							
Law enforcement acquisitions	-	-	-	-	-	31,074	31,074
Education	-	-	-	-	-	446,068	446,068
Road construction and maintenance	-	-	-	-	-	198,088	198,088
Library acquisitions	-	-	-	-	-	113,647	113,647
Riverfront community center	-	-	-	-	-	171,577	171,577
Human services programs	-	-	-	-	-	10,952	10,952
Parks and recreation	-	-	-	-	-	85,385	85,385
Public safety programs	-	-	-	-	-	316,838	316,838
Other programs	-	-	-	-	-	86,708	86,708
Library renovation	-	-	-	-	-	103,400	103,400
Committed to:							
Town facility improvements	-	-	848,708	-	-	-	848,708
School improvements	-	-	2,597,465	-	-	-	2,597,465
Public safety programs	-	-	257,223	-	-	-	257,223
Land acquisition	-	-	88,955	-	259,586	-	348,541
Street improvements and realignment	-	-	4,106,182	-	-	-	4,106,182
Bridge and dam replacement/ maintenance	-	-	1,647,789	-	-	-	1,647,789
Sewer infrastructure	-	12,751,590	-	-	-	1,873,193	14,624,783
Other capital projects	-	-	250,000	-	-	47,506	297,506
Sewer plant operations	-	-	-	-	-	1,726,165	1,726,165
Police private duty	-	-	-	-	-	581,759	581,759
Recreation programs	-	-	1,838,339	-	-	699,163	2,537,502
Insurance reserve	-	-	-	-	-	696,806	696,806
Riverfront Park operations	-	-	-	-	-	260,833	260,833
Planetarium operations	-	-	-	-	-	82,471	82,471
Golf course maintenance	-	-	-	-	-	204,075	204,075
Assigned to:							
Subsequent year's budget	975,000	-	-	-	-	-	975,000
Capital outlay in subsequent year	234,711	-	-	-	-	-	234,711
Education surplus carried to subsequent year	1,513,756	-	-	-	-	-	1,513,756
Continued appropriations	320,825	-	-	-	-	-	320,825
Unassigned	30,073,812	-	-	(1,046,875)	-	(2,909)	29,024,028
Total fund balances (deficits)	\$ 33,330,395	\$ 12,751,590	\$ 11,634,661	\$ (1,046,875)	\$ 259,586	\$ 7,778,100	\$ 64,707,457

Significant encumbrances of \$5,740,755 are included in the Capital Reserve Projects Fund, at June 30, 2020.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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 2.00% 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, 2019, the date of the latest actuarial valuation:

Retirees, vested beneficiaries and other inactives	347
Terminated employees	130
Actives	433
Total	<u>910</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 10. Employee Retirement Plan (Continued)

Contributions: Participants are required to contribute a percent of payroll, which varies by group. As of June 30, 2020, 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; 6.75% for dispatchers; and 8.50% 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 as of June 30, 2020:

Asset Class	Target Allocation
Short Term Liquidity	0.50%
Fixed Income	33.50%
Domestic Equity	40.00%
International Equity	16.00%
Real Estate	6.00%
Inflation Protection	4.00%
	100.00%

Rate of return: For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the town: The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$ 237,990,783
Plan fiduciary net position	(162,025,392)
Town's net pension liability	\$ 75,965,391

Plan fiduciary net position as a percentage of the total pension liability	68.08%
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Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date of June 30, 2020:

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 assumptions were updated from the RP-2000 Mortality Table with generational projection per Scale AA to the Pub-2010 Mortality Table with generational projection per MP Ultimate Scale. PubS-2010 tables were used for public safety and blue collar groups and PubG-2010 tables were used for all others.

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, 2020 (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. Core Fixed Income	2.18%
U.S. Equity Market	3.52%
Non-U.S. Equity	4.70%
U.S. REITs	3.42%

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, 2020, based on a July 1, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c)
Balances as of July 1, 2019	\$ 211,478,583	\$ 153,299,253	\$ 58,179,330
Changes for the year:			
Service cost	4,373,500	-	4,373,500
Interest on total pension liability	13,683,978	-	13,683,978
Effect of plan changes	9,905	-	9,905
Effect of economic/demographic gains or losses	4,942,368	-	4,942,368
Effect of assumptions changes or inputs	13,908,457	-	13,908,457
Benefit payments	(10,406,008)	(10,406,008)	-
Employer contributions	-	8,170,908	(8,170,908)
Member contributions	-	2,015,320	(2,015,320)
Net investment income (loss)	-	9,023,607	(9,023,607)
Administrative expenses	-	(77,688)	77,688
Net changes	26,512,200	8,726,139	17,786,061
Balances as of June 30, 2020	\$ 237,990,783	\$ 162,025,392	\$ 75,965,391

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% for non-hybrid employees, 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	\$ 106,571,087	\$ 75,965,391	\$ 50,850,453

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2020, the Town recognized pension expense of \$13,949,018. At June 30, 2020, 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	\$ 5,646,722	\$ 17,934
Changes of assumptions	13,212,260	-
Net difference between projected and actual earning on pension plan investments	1,018,903	-
	\$ 19,877,885	\$ 17,934

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

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:

2021	\$	5,484,432
2022		6,261,450
2023		5,120,750
2024		2,993,319
	\$	<u>19,859,951</u>

Note 11. Pension - Connecticut Teachers' Retirement Plan

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

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

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

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

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

Contributions:

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made the State was \$14,946,709 and is recognized in the General Fund as intergovernmental revenues and expenses.

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	197,460,513
	<u>\$ 197,460,513</u>

The net pension liability was measured as of June 30, 2019, 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, 2020, 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 \$24,251,517 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

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.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, 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 current capital market assumptions and the target asset allocation as provided by the Treasurer's office are summarized in the following table:

Asset Class	Target Allocation	Expected Return
Public Equity - US Equity	20.0%	8.1%
Public Equity - International Developed Equity	11.0%	8.5%
Public Equity - Emerging Markets Equity	9.0%	10.4%
Fixed Income - Core Fixed Income	16.0%	4.6%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%
Fixed Income - High Yield	6.0%	6.5%
Fixed Income - Emerging Market Debt	5.0%	5.2%
Private Equity	10.0%	9.8%
Real Estate	10.0%	7.0%
Alternative Investments - Real Assets	4.0%	8.2%
Alternative Investments - Hedge Funds	3.0%	5.4%
Liquidity Fund	1.0%	2.9%
	<u>100.0%</u>	

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Note 12. 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, 2019. 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, 2019, valuation the date of the last actuarial valuation.

Retirees and beneficiaries currently receiving benefits	149
Active plan members	932
Total	<u>1,081</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.01%. 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 July 1, 2019 based on a July 1, 2019 actuarial valuation. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating actuarial assumptions. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB liability	\$ 21,212,423
Plan fiduciary net position	6,888,134
Town's net OPEB liability	<u>\$ 14,324,289</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>32.47%</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 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
Discount Rate	6.50%
Healthcare cost trend rates	5.30% - 4.50% over 52 years

Mortality assumptions were updated from the RP-2000 Mortality Table with generational projection per Scale AA to the Pub-2010 Mortality Table with generational projection per MP-2019. PubS-2010 tables were used for public safety and blue collar groups and PubG-2010 tables were used for all others. For teachers and administrators the assumptions used in the June 30, 2018 valuation of the Connecticut State Teachers' Retirement System.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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. Cash	0.04%	0.88%
U.S. Core Fixed Income	31.04%	2.28%
U.S. Inflation-Indexed Bonds	10.08%	1.27%
U.S. Equity Market	35.19%	4.73%
Non-U.S. Equity	23.65%	6.28%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 6.50%. 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, 2019	\$ 21,179,486	\$ 5,795,133	\$ 15,384,353
Changes for the year:			
Service cost	624,662	-	624,662
Interest on total OPEB liability	1,414,931	-	1,414,931
Effect of plan changes	21,595	-	21,595
Effect of economic/demographic gains or losses	(464,486)	-	(464,486)
Effect of assumptions changes or inputs	(655,790)	-	(655,790)
Benefit payments	(907,975)	(907,975)	-
Employer contributions	-	1,684,686	(1,684,686)
Net investment income	-	328,778	(328,778)
Administrative expenses	-	(12,488)	12,488
Net changes	32,937	1,093,001	(1,060,064)
Balances as of June 30, 2020	\$ 21,212,423	\$ 6,888,134	\$ 14,324,289

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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 (5.50%) or 1 percentage point higher (7.50%) than the current discount rate:

	1% Decrease (5.500)%	Current Discount Rate (6.500)%	1% Increase (7.500)%
Town's net OPEB liability	\$ 16,823,411	\$ 14,324,289	\$ 12,192,079

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 (4.30% - 3.50%) or 1 percentage point higher (6.30% - 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Town's net OPEB liability	\$ 11,719,395	\$ 14,324,289	\$ 17,473,675

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,753,135. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 791,660	\$ 409,190
Changes of assumptions	435,413	577,720
Net difference between projected and actual earning on pension plan investments	67,240	-
	<u>\$ 1,294,313</u>	<u>\$ 986,910</u>

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

Year ending June 30:	
2021	\$ 88,296
2022	88,298
2023	88,073
2024	87,157
2025	71,146
Thereafter	(115,567)
	<u>\$ 307,403</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 13. 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	\$ 1,300,419	\$ 17,180	\$ 1,317,599
Investments, at fair value:			
Mutual funds	146,919,725	6,870,954	153,790,679
Pooled funds	4,397,213	-	4,397,213
Limited partnerships	9,408,035	-	9,408,035
Total assets	<u>162,025,392</u>	<u>6,888,134</u>	<u>168,913,526</u>
Net position:			
Restricted for Pension and OPEB benefits	<u>\$ 162,025,392</u>	<u>\$ 6,888,134</u>	<u>\$ 168,913,526</u>

Pension and OPEB combining statement of changes in net position:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 8,170,908	\$ 1,684,686	\$ 9,855,594
Employee	2,015,320	-	2,015,320
Total contributions	<u>10,186,228</u>	<u>1,684,686</u>	<u>11,870,914</u>
Investment income:			
Net change in fair value of investments	5,670,489	181,104	5,851,593
Interest and dividends	3,480,651	147,675	3,628,326
	<u>9,151,140</u>	<u>328,779</u>	<u>9,479,919</u>
Less investment expenses:			
Investment management fees	127,533	-	127,533
Net investment income	<u>9,023,607</u>	<u>328,779</u>	<u>9,352,386</u>
Total additions	<u>19,209,835</u>	<u>2,013,465</u>	<u>21,223,300</u>
Deductions:			
Benefits payments	10,406,008	907,975	11,313,983
Administration fees	77,688	12,489	90,177
Total deductions	<u>10,483,696</u>	<u>920,464</u>	<u>11,404,160</u>
Change in restricted net position	8,726,139	1,093,001	9,819,140
Restricted net position:			
Beginning of year	<u>153,299,253</u>	<u>5,795,133</u>	<u>159,094,386</u>
End of year	<u>\$ 162,025,392</u>	<u>\$ 6,888,134</u>	<u>\$ 168,913,526</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 14. OPEB - Connecticut Teachers' Retirement Plan

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

Benefit provisions: The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 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 that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug 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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 14. OPEB - Connecticut Teachers' Retirement Plan (Continued)

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made the State was \$408,506 and is recognized in the General Fund as intergovernmental revenues and expenses.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183z of the Connecticut General Statutes.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 14. 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, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	30,795,082
	<u>\$ 30,795,082</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2019. At June 30, 2019, the Town has no proportionate share of the net OPEB liability. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and (revenue) of (\$2,253,479) 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
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 long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 75 valuation process. Several factors are considered in the evaluation of 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 (0.41%).

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 14. OPEB - Connecticut Teachers' Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2018. Based on those assumptions, the 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 of the single equivalent rate.

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 15. 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, 2020 and 2019, employees contributed \$135,983, and \$103,685, respectively, and the Town contributed matching employer contributions of \$140,473 and \$106,611, respectively. Covered payroll totaled \$2,104,685.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 16. Risk Management

Through June 30, 2020 the Town was 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. During 2020, CIRMA had 151 LAP members and 208 Workers' Compensation Pool members (not including six self-insured members). After completing a competitive proposal process for this coverage, the Town moved coverage in fiscal 2021 to the Travelers for Liability, Automobile, Property (LAP) and Workers' Compensation.

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, 2020. 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 through 2020.

Through June 30, 2020, the Workers' Compensation Pool provided statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The program type was guaranteed cost effective July 1, 2018. The contribution (premium) was subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retained \$1,000,000 per occurrence plus a \$1,000,000 annual aggregate deductible. All claims above this retention were fully reinsured.

Premiums were paid by the Town and Board of Education in the amount of \$358,428 and \$350,490 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, 2020 was \$1,209,818, 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. As a result of a formal request for proposal, in fiscal 2021, the Town is transitioning from two healthcare providers (Anthem and ConnectiCare) to a sole health insurance provider, Anthem, with Delta Dental as the dental insurance provider. The Town's health insurance providers each administer payment of claims directly to the healthcare providers. The Town works with 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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 16. 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,
2019 - 2020	\$ 1,092,922	\$ 17,654,477	\$ 17,843,137	\$ 904,262
2018 - 2019	1,228,863	19,059,546	19,195,487	1,092,922

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 17. 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, 2020 was \$678,754.

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

Year ending June 30:	
2021	\$ 697,626
2022	720,348
2023	866,566
	<u>\$ 2,284,540</u>

Note 18. 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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 19. 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*, is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

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 are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates 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 are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Town/City is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

GASB Statement No. 92, *Omnibus 92*. Statement No. 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include:

-Modification of the effective date of Statement No. 87, *Leases*, as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports;

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 19. Accounting Standards Not Yet Effective (Continued)

-Reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan;

-The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement No. 67 and No. 68, as amended, and Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for pensions and OPEB;

-The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to pension and OPEB arrangements; and

-Measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition.

The requirements of Statement 92 that relate to the effective date of Statement 87 and its associated implementation guidance are effective upon issuance. The provisions related to the application of Statement 84 are effective for periods beginning after June 15, 2021. The amendments related to intra-entity transfers of assets and applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021. The remaining requirements related to asset retirement obligations are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement No. 87, Leases. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 20. Subsequent Events

On July 24, 2020, the Town issued \$10,390,000 of General Obligation Bonds, Issue of 2020, Series B with interest rates from 2.00% to 4.00% and a maturity date of July 15, 2040.

The Bond Anticipation notes of \$1,710,000 and \$4,685,000 maturing on July 24, 2020 were paid off through the bonds issued on July 24, 2020.

On December 10, 2020, the Town issued \$10,015,000 of General Obligation Refunding Bonds, Issue of 2020, Series C with interest rates from 2.00% to 5.00% and a maturing date of October 1, 2030. General Obligation Bonds, Issue of 2011, Series A and Project Loan Obligation dated May 31, 2011 (Clean Water Fund Loan) were paid off through the bonds issued on December 10, 2020.

Note 21. Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 11, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenue from property taxes. While the Town has not experienced any significant increase in the amount of delinquent from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

**Required Supplementary
Information**

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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, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 153,589,767	\$ 153,589,767	\$ 154,180,697	\$ 590,930
Licenses and permits	1,150,800	1,150,800	1,286,420	135,620
Intergovernmental	6,781,043	8,146,340	8,680,430	534,090
Charges for services	1,636,765	1,648,895	1,544,490	(104,405)
Unrealized (gain) loss	-	-	214,189	214,189
Investment income	1,500,000	1,500,000	1,058,331	(441,669)
Other revenue	774,251	774,251	2,381,923	1,607,672
Total revenues	165,432,626	166,810,053	169,346,480	2,536,427
Expenditures:				
Current:				
General government	3,311,802	3,521,437	3,291,033	230,404
Community development	2,201,929	2,226,919	2,170,763	56,156
Administrative services	6,213,738	6,288,026	6,148,554	139,472
Public safety	14,580,054	14,680,484	14,174,529	505,955
Physical services	7,457,270	7,457,270	7,206,811	250,459
Sanitation	859,961	881,622	791,897	89,725
Human services	2,964,504	2,964,504	2,710,890	253,614
Leisure/culture	5,744,767	5,719,600	5,341,979	377,621
Education	108,699,846	110,636,686	109,122,930	1,513,756
Debt service	7,157,157	6,810,857	6,712,241	98,616
Total expenditures	159,191,028	161,187,405	157,671,627	3,515,778
Excess of revenues over expenditures	6,241,598	5,622,648	11,674,853	6,052,205
Other Financing Sources (Uses):				
Transfers in:				
Use of fund balance	575,000	575,000	600,000	25,000
Transfers out	(6,816,598)	(8,165,598)	(8,165,598)	-
Total other financing sources (uses)	(6,241,598)	(7,590,598)	(7,565,598)	25,000
Net change in fund balance	\$ -	\$ (1,967,950)	\$ 4,109,255	\$ 6,077,205
Budgetary fund balance at beginning of year			<u>29,221,140</u>	
Budgetary fund balance at end of year			<u>\$ 33,330,395</u>	

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

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	\$ 3,202,640	\$ 3,546,691	\$ 3,830,151	\$ 3,976,246	\$ 4,159,188	\$ 4,215,987	\$ 4,373,500
Interest	10,850,500	11,234,997	11,748,111	12,330,029	12,876,054	13,355,205	13,683,978
Effect of plan changes	-	-	(26,085)	11,568	(33,783)	(3,313)	9,905
Effect of economic/demographic gains or losses	-	(711,983)	(316,829)	2,217,622	2,427,429	525,669	4,942,368
Effect of assumption changes or inputs	-	927,997	2,408,881	550,555	3,835,590	812,083	13,908,457
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)	(10,406,008)
Net change in total pension liability	7,666,940	8,196,422	10,470,945	11,428,658	14,659,974	9,458,994	26,512,200
Total pension liability - beginning	149,596,650	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589	211,478,583
Total pension liability - ending	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589	211,478,583	237,990,783
Plan fiduciary net position:							
Contributions - employer	5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372	8,170,908
Contributions - member	1,675,096	1,627,914	1,631,107	1,705,360	1,861,582	1,874,604	2,015,320
Net investment income (loss)	17,267,726	1,126,546	(1,510,983)	15,358,365	10,469,718	6,229,061	9,023,607
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)	(10,406,008)
Administrative expense	(141,637)	(204,307)	(152,285)	(94,494)	(97,854)	(111,251)	(77,688)
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	8,726,139
Plan fiduciary net position - beginning	101,576,909	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104	153,299,253
Plan fiduciary net position - ending	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104	153,299,253	162,025,392
Net pension liability - ending	\$ 37,500,300	\$ 43,946,264	\$ 55,489,150	\$ 51,280,576	\$ 55,174,485	\$ 58,179,330	\$ 75,965,391
Plan fiduciary net pension as a percentage of the total pension liability	76.15%	73.44%	68.46%	72.63%	72.69%	72.49%	68.08%
Covered payroll	\$ 24,455,208	\$ 27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276	\$ 28,602,606
Net pension liability as a percentage of covered payroll	153.34%	161.84%	210.48%	185.28%	192.55%	196.68%	265.59%

*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**

	2011	2012	2013	2014
Actuarially determined contribution	\$ 4,930,505	\$ 4,753,626	\$ 5,130,000	\$ 5,771,396
Contributions in relation to the actuarially determined contribution	4,782,742	4,753,626	5,130,000	5,771,396
Contribution deficiency (excess)	\$ 147,763	\$ -	\$ -	\$ -
Covered payroll	\$ 24,923,408	\$ 25,346,833	\$ 26,408,569	\$ 24,455,208
Contributions as a percentage of covered payroll	19.19%	18.75%	19.43%	23.60%

(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 to employee payroll deductions for pension costs. The increase to employee payroll deductions was made subsequent to the actuarially determined contribution calculation.

Notes to Schedule:

Valuation date: July 1, 2019
Measurement date: June 30, 2020

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	PubS-2010 Mortality Table generationally projected with MP Ultimate Scale for Public Safety and Blue Collar employees; PubG-2010 for all others

RSI-3

	2015	2016	2017	2018 ⁽¹⁾	2019	2020
\$	6,001,585	\$ 6,118,624	\$ 6,325,363	\$ 7,193,600	\$ 7,908,372	\$ 8,170,908
	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372	8,170,908
\$	-	\$ -	\$ -	\$ 56,477	\$ -	\$ -
\$	27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276	\$ 28,602,606
	22.10%	23.21%	22.85%	24.91%	26.73%	28.57%

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

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	16.50%	0.92%	(1.20)%	12.43%	7.51%	4.14%	5.75%

*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 Six Fiscal Years***

	2015	2016	2017	2018	2019	2020
Town's proportion of the net pension liability	0.00%	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	197,460,513
Total	\$ 120,207,941	\$ 130,053,006	\$ 170,434,778	\$ 161,548,380	\$ 152,253,528	\$ 197,460,513
Town's covered payroll	\$ 46,123,485	\$ 47,748,108	\$ 47,896,842	\$ 48,175,430	\$ 49,982,895	\$ 50,770
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule:

Changes in benefit terms

During 2019, HB 7424 made the following provision changes:

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.

Beginning January 1, 2018, member contribution increased from 6% to 7% of salary.

Changes of assumptions

During 2019, the Board adopted new assumptions in conjunction with HB 7424:

- Reduce the inflation assumption from 2.75% to 2.50%
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

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

6.90%, 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 Four Fiscal Years*

	2017	2018	2019	2020
Total OPEB liability:				
Service cost	\$ 514,970	\$ 490,603	\$ 522,802	\$ 624,662
Interest	1,141,882	1,207,883	1,343,105	1,414,931
Plan changes	-	-	-	21,595
Differences between expected and actual experience	-	1,187,489	-	(464,486)
Changes of assumptions	(124,569)	653,120	-	(655,790)
Benefit payments	(696,124)	(698,550)	(860,025)	(907,975)
Net change in total OPEB liability	836,159	2,840,545	1,005,882	32,937
Total OPEB liability - beginning	16,496,900	17,333,059	20,173,604	21,179,486
Total OPEB liability - ending	17,333,059	20,173,604	21,179,486	21,212,423
Plan fiduciary net position:				
Contributions - employer	925,241	1,392,915	1,579,962	1,684,686
Net investment income	372,700	274,274	334,069	328,778
Benefit payments	(696,124)	(698,550)	(860,025)	(907,975)
Administrative expense	(3,897)	(11,157)	(31,945)	(12,488)
Net change in plan fiduciary net position	597,920	957,482	1,022,061	1,093,001
Plan fiduciary net position - beginning	3,217,670	3,815,590	4,773,072	5,795,133
Plan fiduciary net position - ending	3,815,590	4,773,072	5,795,133	6,888,134
Net OPEB liability - ending	\$ 13,517,469	\$ 15,400,532	\$ 15,384,353	\$ 14,324,289
Plan fiduciary net OPEB as a percentage of the total OPEB liability	22.01%	23.66%	27.36%	32.47%
Covered payroll	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668	\$ 67,020,668
Net OPEB liability as a percentage of covered payroll	19.83%	22.60%	22.95%	21.37%

*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**

	2011	2012	2013	2014
Actuarially determined contribution	\$ 1,264,000	\$ 1,330,000	\$ 1,478,000	\$ 1,556,000
Contributions in relation to the actuarially determined contribution	814,000	1,220,000	1,141,000	1,088,000
Contribution deficiency (excess)	\$ 450,000	\$ 110,000	\$ 337,000	\$ 468,000
Covered payroll	N/A	N/A	\$ 62,606,000	\$ 62,606,000
Contributions as a percentage of covered payroll	N/A	N/A	1.82%	1.74%

Notes to Schedule:

Valuation date: July 1, 2019
 Measurement date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	18 years
Asset valuation method	5-year
Inflation	2.70%
Healthcare cost trend rates	5.30% - 4.50%, over 52 years
Salary increases	Graded based on service for Teachers and Administrators; Graded based on age for Town
Discount rate	6.50%

RSI-7

	2015	2016	2017	2018	2019	2020
\$	1,528,458	\$ 1,634,197	\$ 1,321,393	\$ 1,392,913	\$ 1,614,992	\$ 1,684,686
	1,381,616	1,522,386	925,241	1,392,915	1,579,962	1,684,686
\$	146,842	\$ 111,811	\$ 396,152	\$ (2)	\$ 35,030	\$ -
\$	64,192,394	\$ 64,192,394	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668	\$ 67,020,668
	2.15%	2.37%	1.36%	2.04%	2.36%	2.51%

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

	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	10.80%	6.09%	6.11%	5.01%

*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 Three Fiscal Years*

	2018	2019	2020
Town's proportion of the net OPEB liability	0.00%	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	30,795,082
Total	\$ 41,580,719	\$ 30,436,453	\$ 30,795,082
Town's covered payroll	\$ 48,175,430	\$ 47,141,707	\$ 50,770,080
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	The discount rate was decreased from 3.87% to 3.50 % to reflect the change in the Municipal Bond index rate. Additionally, expected annual per capita claim cost were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.
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	3.00%, 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

Form of Opinion of Bond Counsel

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APPENDIX B – FORM OF OPINION OF BOND COUNSEL

November __, 2021

Town of Glastonbury
2155 Main Street
Glastonbury, CT 06033

We have acted as Bond Counsel in connection with the issuance by the Town of Glastonbury, Connecticut (the “Town”), of its \$_____ General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable) (the “Bonds”) dated November __, 2021. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, and such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

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

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

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

We are of the opinion that, under existing law, interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

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

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

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Although we have rendered an opinion that interest on the Bonds is excluded from gross income for state income tax purposes, state income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

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 the 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 the Bonds.

Continuing Disclosure Agreement

This Continuing Disclosure Agreement ("Agreement") is made as of November __, 2021 by the Town of Glastonbury, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ General Obligation Refunding Bonds, Issue of 2021 (Federally Taxable), dated as of November __, 2021 (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 November __, 2021 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, 2021) 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, CONNECTICUT

By: _____
RICHARD J. JOHNSON
Town Manager

By: _____
JULIE B. TWILLEY
Treasurer

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