



July 13, 2017

**MEMORANDUM TO PROSPECTIVE BIDDERS**

**Re: TOWN OF ENFIELD, CONNECTICUT  
\$10,000,000 General Obligation Bonds, Issue of 2018  
Dated: August 8, 2018 Due: August 1, 2019-38**

**Date of Sale: Wednesday, July 25, 2018  
Time of Sale: 11:30 A.M. (E.D.T)**

As per the Notice of Sale, electronic bids via DALCOMP/PARITY for the Bonds will be accepted until 11:30 A.M. (E.D.T) on **Wednesday, July 25, 2018.**

**HILLTOP SECURITIES INC.**

July 13, 2018

**MEMORANDUM TO PROSPECTIVE BIDDERS**

**Re: TOWN OF ENFIELD, CONNECTICUT  
\$30,000,000 General Obligation Bond Anticipation Notes  
Dated: August 8, 2018 Due: August 7, 2019**

**Date of Sale: Wednesday, July 25, 2018  
Time of Sale: 12:00 Noon (E.D.T)**

As per the Notice of Sale, bids are to be opened by Town Officials at Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, CT until 12:00 Noon (E.D.T) on Wednesday, July 25, 2018.

Electronic bids via DALCOMP/PARITY for the Notes will be accepted until 12:00 Noon (E.D.T). Telephone bids for the Notes will be accepted until 12:00 Noon (E.D.T).

Arrangements have been made to assist with delivery of your bid for the above-mentioned Notes. Should you wish to submit a signed but incomplete bid form in advance of the sale, please direct your proposal to the attention of:

**Susan Caron  
Vice President  
Hilltop Securities Inc.  
175 Capital Boulevard, Suite 402  
Rocky Hill, Connecticut 06067**

**Telephone: 860-290-3000**

We ask that you submit your final figures by telephone at **860-290-3000** by **12:00 Noon (E.D.T)** on **Wednesday, July 25, 2018**.

**HILLTOP SECURITIES INC.**

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 13, 2018**

**NEW ISSUE**

**S&P GLOBAL RATINGS: AA**

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds and Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on certain corporations. Interest on the Bonds and Notes may be includable in the calculation of certain taxes under the Code, as described under Appendix B-1, "Form of Opinion of Bond Counsel and Tax Exemption – The Bonds" and Appendix B-2, "Form of Opinion of Bond Counsel and Tax Exemption – The Notes" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and Notes 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.

**TOWN OF ENFIELD, CONNECTICUT  
\$10,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2018  
(BOOK-ENTRY-ONLY)**

<u>Dated</u>						<u>Due</u>			
Date of Delivery	MATURITY SCHEDULE					August 1, as shown below			
Due August 1	Principal Amount	Coupon	Yield	CUSIP <sup>1</sup>	Due August 1	Principal Amount	Coupon	Yield	CUSIP <sup>1</sup>
2019	\$500,000			292749	2029	\$500,000			292749
2020	500,000			292749	2030	500,000			292749
2021	500,000			292749	2031	500,000			292749
2022	500,000			292749	2032	500,000			292749
2023	500,000			292749	2033	500,000			292749
2024	500,000			292749	2034	500,000			292749
2025	500,000			292749	2035	500,000			292749
2026	500,000			292749	2036	500,000			292749
2027	500,000			292749	2037	500,000			292749
2028	500,000			292749	2038	500,000			292749

Electronic proposals via PARITY® for the Bonds will be received until 11:30 A.M. (EDT) on Wednesday, July 25, 2018 at Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, as described in the Notice of Sale for the Bonds (See Appendix D herein).

Interest on the Bonds will be payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 in each year until maturity or redemption prior to maturity.

The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption".

**S&P GLOBAL RATINGS: SP-1+**

**\$30,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES  
(BOOK-ENTRY-ONLY)**

<u>Dated: August 8, 2018</u>			<u>Due: August 7, 2019</u>
<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP<sup>1</sup></u>
\$30,000,000			292749

Telephone proposals and electronic proposals via PARITY® for the Notes will be received until 12:00 NOON (EDT) on Wednesday, July 25, 2018 at Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, as described in the Notice of Sale for the Notes (See Appendix D herein). All telephone proposals for the purchase of the Notes must be given by telephone to the Town's financial advisor, Ms. Susan Caron, Vice President, Hilltop Securities Inc. at 860-290-3000 by 12:00 NOON (EDT), on Wednesday, July 25, 2018. All electronic proposals for the purchase of the Notes must be submitted through PARITY by 12:00 NOON (EDT), on Wednesday, July 25, 2018.

The Notes are not subject to redemption prior to maturity. Enfield

The Bonds and Notes will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds and Notes. Purchasers of the Bonds and Notes will not receive certificates representing their ownership interest in the Bonds and Notes. Principal of, redemption premium if any, and interest on the Bonds and Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds and Notes. Ownership of the Bonds and Notes may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

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

The certifying bank, registrar, transfer and paying agent for the Bonds and Notes will be U.S. Bank National Association, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and Notes will be made in book-entry form to DTC in New York, New York on or about August 8, 2018.

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

<sup>1</sup> Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds and Notes. 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 and Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and Notes 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 and Notes.

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

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

## BOND ISSUE SUMMARY

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

<b>Date of Sale:</b>	<b><u>Wednesday, July 25, 2018 11:30 A.M. (EDT).</u></b>
<b>Location of Sale:</b>	Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067.
<b>Issuer:</b>	Town of Enfield, Connecticut (the "Town").
<b>Issue:</b>	\$10,000,000 General Obligation Bonds, Issue of 2018, Book-Entry-Only (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	Semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2019.
<b>Principal Due:</b>	August 1, 2019 through 2038, as detailed in this Official Statement.
<b>Purpose and Authority:</b>	The Bond proceeds will be used to permanently finance a portion of the \$36,000,000 Bond Anticipation Notes maturing August 8, 2018, which were used to pay for the 2014/2015 Road Improvement Program. See "Authorization and Purpose" and "Use of Bond and Note Proceeds" herein.
<b>Redemption:</b>	The Bonds <b>are</b> subject to optional redemption prior to maturity as more fully described herein.
<b>Security:</b>	The Bonds will be general obligations of the Town of Enfield, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Town received a credit rating of "AA" with a stable outlook from S&P Global Ratings ("S&P") on the Bonds. See "Rating" herein.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Costs (TIC) as of the dated date.
<b>Tax Exemption:</b>	Refer to Appendix B-1, "Form of Opinion of Bond Counsel and Tax Exemption – The Bonds" herein.
<b>Bank Qualification:</b>	The Bonds <b>shall not</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events 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, with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C-1 to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 8, 2018 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to John Wilcox, Director of Finance, Town of Enfield, 820 Enfield Street, Enfield, Connecticut 06082. Telephone: 860-253-6334.
<b>Financial Advisor:</b>	Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, attention: Susan Caron, Vice President, Telephone: 860-290-3000; or Adam Krea, Director, Telephone: 401.334.4963.

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). For additional information please contact the Municipal Advisor at [susan.caron@hilltopsecurities.com](mailto:susan.caron@hilltopsecurities.com) or [adam.krea@hilltopsecurities.com](mailto:adam.krea@hilltopsecurities.com).

## NOTE ISSUE SUMMARY

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

<b>Date of Sale:</b>	<b><u>Wednesday, July 25, 2018 at 12:00 Noon (EDT).</u></b>
<b>Location of Sale:</b>	Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067.
<b>Issuer:</b>	Town of Enfield, Connecticut (the "Town").
<b>Issue:</b>	\$30,000,000 General Obligation Bond Anticipation Notes, Book-Entry-Only (the "Notes").
<b>Dated Date:</b>	August 8, 2018.
<b>Interest Due:</b>	At maturity, August 7, 2019.
<b>Principal Due:</b>	At maturity, August 7, 2019.
<b>Purpose and Authority:</b>	The Note proceeds, along with other monies, will be used to refund a portion of the \$36,000,000 Bond Anticipation Notes maturing August 8, 2018, which were used to pay for the Enfield High School Expansion and Renovation project, the 2014/2015 Road Improvement Program and the Water Pollution Control Facility Upgrades project, and will also provide additional funds for the 2014/2015 Road Improvement Program. See "Use of Bond and Note Proceeds" herein.
<b>Redemption:</b>	The Notes <b><u>are not</u></b> subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town of Enfield, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	The Town received a credit rating of "SP-1+" from S&P Global Ratings ("S&P") on the Notes. See "Rating" herein.
<b>Basis of Award:</b>	Lowest Net Interest Cost (NIC), as of the dated date.
<b>Tax Exemption:</b>	See Appendix B-2, "Form of Opinion of Bond Counsel and Tax Exemption- The Notes" herein.
<b>Bank Qualification:</b>	The Notes <b><u>shall not</u></b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided timely, but not in excess of ten (10) business days of the occurrence of the event, notices of the occurrence of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C-2 to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry form will be made to The Depository Trust Company on or about August 8, 2018 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions concerning the Official Statement should be directed to John Wilcox, Director of Finance, Town of Enfield, 820 Enfield Street, Enfield, Connecticut 06082. Telephone: 860-253-6334.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, attention: Susan Caron, Vice President, Telephone: 860-290-3000; or Adam Krea, Director, Telephone: 401.334.4963.

The Preliminary Official Statement is available in electronic form only at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). For additional information please contact the Municipal Advisor at [susan.caron@hilltopsecurities.com](mailto:susan.caron@hilltopsecurities.com) or [adam.krea@hilltopsecurities.com](mailto:adam.krea@hilltopsecurities.com).

## **I. BOND AND NOTE INFORMATION**

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### **INTRODUCTION**

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Enfield, Connecticut (the “Town”) in connection with the issuance of \$10,000,000 General Obligation Bonds, Issue of 2018 (the “Bonds”) and \$30,000,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Bonds and Notes are being offered for sale at public bidding. Notices of Sale dated July 13, 2018 have been furnished to prospective bidders. Reference is made to the Notices of Sale, attached hereto as Appendix D, for the terms and conditions of the bidding on the Bonds and Notes.

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 or Notes. 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. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof or any earlier date of which any information contained herein is given. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes, and such proceedings.

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

Hilltop Securities Inc. (“HilltopSecurities”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds and Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds and Notes is contingent upon the issuance and delivery of the Bonds and Notes. HilltopSecurities cannot submit a bid for the Bonds and Notes, either independently or as a member of a syndicate organized to submit a bid for the Bonds and Notes. HilltopSecurities, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds and Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A - “Basic Financial Statements” 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 upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinions in Appendix B-1 - “Form of Opinion of Bond Counsel and Tax Exemption – The Bonds” and Appendix B-2 - “Form of Opinion of Bond Counsel and Tax Exemption – The Notes”, herein) and it makes no representation that it has independently verified the same.

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

### **DESCRIPTION OF THE BONDS**

The Bonds will be dated the date of delivery and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiples therefore. Interest on the Bonds will be payable semiannually on February 1 and



August 1 in each year until maturity, commencing February 1, 2019 and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if the fifteenth is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Bonds will be U.S. Bank National Association, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut 06103 (email: [bhcorporatetrust@usbank.com](mailto:bhcorporatetrust@usbank.com)). The legal opinion on the Bonds will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B-1 to this Official Statement.

**The Bonds are subject to optional redemption prior to maturity as more fully described under “Optional Redemption” herein.**

## **OPTIONAL REDEMPTION**

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

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

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as the name shall 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. So long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

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

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

## DESCRIPTION OF THE NOTES

The Notes will be dated August 8, 2018 and will be due and payable as to both principal and interest at maturity, on August 7, 2019. The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. The certifying bank, registrar, transfer and paying agent for the Notes will be U.S. Bank National Association, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut 06103 (email: [bhcorporatetrust@usbank.com](mailto:bhcorporatetrust@usbank.com)). The legal opinion on the Notes will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B-2 to this Official Statement.

**The Notes are not subject to redemption prior to maturity.**

## BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Bonds and Notes is to be transferred and how the principal of, premium, if any, and interest on the Bonds and Notes are to be paid to and accredited by DTC while the Bonds and Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Transfer System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds and Notes, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds and Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered Bonds and Notes 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 each maturity, and will be deposited with DTC. One fully registered Note certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

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

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("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 and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes 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 and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond and Note documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds and Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

All payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds and Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, 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 and Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, bond and note 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 and note 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 and Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

### **SECURITY AND REMEDIES**

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

Unless paid from other sources, the Bonds and Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

Payment of the Bonds and Notes 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 and Notes.

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 and Notes, or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such bonds and notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal Bankruptcy Code, the Town may seek relief only if, among other requirements, it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy 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.

### **QUALIFICATIONS FOR FINANCIAL INSTITUTIONS**

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

### **AVAILABILITY OF CONTINUING DISCLOSURE**

The Town of Enfield prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. 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 Continuing Disclosure Agreements with respect to the Bonds and Notes, substantially in the forms attached as Appendices C-1 and C-2 to this Official Statement (the “Continuing Disclosure Agreements”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data with respect to the Bonds, (ii) timely, but not in excess of ten (10) business days of the occurrence of the event, notices of the occurrence of certain events with respect to the Bonds and Notes 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 with respect to the Bonds.

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

The Town is not responsible for any failure by EMMA or any other nationally recognized municipal securities information repository to timely post disclosure submitted to it by the Town or any failure to associate such submitted disclosure to all related CUSIPS.

## AUTHORIZATION AND PURPOSE

The Bonds and Notes are issued pursuant to the General Statutes of Connecticut, as amended, the Charter of the Town, and resolutions approved by the voters of the Town.

## USE OF BOND AND NOTE PROCEEDS

The proceeds of the Bonds and Notes will be used to finance the following projects authorized by the Town:

<b>Project</b>	<b>Bonding Authorization</b>	<b>Previously Bonded</b>	<b>Grants/ Paydowns</b>	<b>Notes Due 8/8/18</b>	<b>Bonds This Issue</b>	<b>Notes This Issue</b>	<b>Authorized But Unissued</b>
Enfield High School Expansion and Renovation.....	\$35,000,000	\$25,000,000	\$500,000	\$9,500,000		\$9,000,000	\$500,000 <sup>1</sup>
2014/2015 Road Improvement Program.....	57,500,000	25,000,000		16,500,000	10,000,000	19,000,000	3,500,000
Water Pollution Control Facility Upgrades.....	36,000,000			10,000,000		2,000,000	34,000,000 <sup>2</sup>
Total.....	\$128,500,000	\$50,000,000	500,000	\$36,000,000	\$10,000,000	\$30,000,000	\$38,000,000

<sup>1</sup> The overall project costs are projected at \$103 million. The voters of the Town approved a \$35 million borrowing resolution which is the estimated net local share of the project after receipt of the State of Connecticut School Construction Grants.

<sup>2</sup> Town Officials have applied for permanent funding under the State of Connecticut Clean Water Fund Program. It is anticipated that the debt service on the financing for this project will be supported by user charges against the sewer system users.

## RATING

The Town received a credit rating of “AA” with a stable outlook on the Bonds and “SP-1+” on the Notes from S&P Global Ratings (“S&P”).

The ratings reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained from S&P Global Ratings, 55 Water Street, New York, New York 10041. There is no assurance that the ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by such rating agencies if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s bonds or notes, including the Bonds and Notes.

## II. THE ISSUER



### DESCRIPTION OF THE TOWN

Enfield was incorporated in 1683 as part of Massachusetts and was annexed to Connecticut in May, 1749. The Town of Enfield is a suburb consisting of 33.8 square miles and located east of the Connecticut River along the Interstate 91 corridor 18 miles north of Hartford, Connecticut, and 8 miles south of Springfield, Massachusetts. Centrally located between Boston and New York City, and just 15 miles from Bradley International Airport, Enfield is a short commute between major northeast economic markets. U.S. Route 5 and State Routes 190, 191, 192, and 220 also traverse the Town. Passenger transportation is provided by Amtrak and interstate and intrastate buses. Conrail currently furnishes freight service. The Town recently introduced a local public bus service called the Magic Carpet to provide connections to the Hartford Express Bus and eventually to the Enfield Intermodal Transit Center which will be located along the New Haven – Hartford – Springfield rail line which will have enhanced commuter rail service starting in 2018 as part of a Connecticut Department of Transportation transit initiative.

Enfield's location, transportation access, quality work force, land, and business services have attracted many first-rate corporations both large and small. The Town has a diversified commercial/industrial base of numerous manufacturing, research, engineering, distribution, service and retail facilities. Several companies have located their corporate headquarters in Enfield. According to the U.S. Census 2012 Survey of Business Owners, there are a total of 2,523 businesses located in Enfield. Some notable examples include:

**Massachusetts Mutual** has over 400,000 square foot office space in Enfield with approximately 1,755 employees. This Fortune 100 company is headquartered in Springfield, Massachusetts.

**LEGO, Inc.**, the world-wide maker of children's plastic blocks and related toy lines, employs over 715 persons at its North American Headquarters in Enfield.

**Underwriters Laboratories Inc.** opened a new Enfield research facility in 2013. The 45,000 square foot lab employs about 153 technicians and administrative staff.

***Retail Brand Alliance, Inc.***, the owner of Brooks Brothers and other retail companies, is headquartered in Enfield. An office and distribution complex totals 1.5 million square feet with over 560 employees.

***Eppendorf Manufacturing Company***, a manufacturer of plastic pipettes used in medical research and an assembler of medical centrifuges, maintains a 300,000 square foot facility in Enfield which employs about 230 people.

### ***Enfield Memorial Industrial Park***

In the early 1970's, the Town of Enfield purchased a tract of land and developed a 550 acre industrial park. The property was divided into 28 original sites, totaling 305 acres for industrial and commercial development. Seventeen industries occupy the park, in addition to the Brookside and Super Stop & Shop Plazas.

Some of the better known companies which occupy the Park include the northeast regional distribution center for Eli Lilly Company, a leading manufacturer of pharmaceuticals; Excell Metallurgical Corporation; Ultracast, a manufacturer of communications system components; Emhart Glass; Eppendorf Manufacturing; Retail Brand Alliance; Phoenix Manufacturing and the Connecticut regional call center for Comcast Cablevision.

### ***Commercial and Retail Growth***

Considerable growth in commercial and retail establishments has taken place in recent years. Seven large retail venues, as well as several smaller plazas totaling over 2 million square feet of retail space, have worked to make Enfield a regional shopping district. These shopping centers have had substantial reinvestment and minimal vacancies in recent years and include:

#### **Enfield Shopping Centers**

<b><u>Development</u></b>	<b><u>Year Built</u></b>	<b><u>Square Feet</u></b>	<b><u>Major Retailers</u></b>
Brookside Plaza	1984	198,940	Shop Rite, Walgreens, Staples, Pet Smart
Big Y Plaza	1997	97,990	Big Y Market, Tractor Supply, Goodwill
Enfield Commons	1968	236,500	Petco, Old Navy, Barnes & Noble
Enfield Square	1971	777,775	Target, Party City, Panera, GNC
Elm Plaza	1966	143,150	Kohl's, Best Buy, Chicago Sam's
Stateline Plaza	1972	325,950	Home Depot, Costco, Dick's Sports
Stop & Shop Plaza	1987	69,070	Stop & Shop, Advance Auto, UPS

### ***Commercial Construction Activities***

Some of the larger commercial projects in Town for Fiscal Year 2018 include:

<b><u>Commercial Project</u></b>	<b><u>Construction Value</u></b>
Church of the New Day.....	\$1,699,489
Silver Phoenix LLC.....	1,304,000
Eli Lilly Company.....	664,254
Huntington Chase Development LLC.....	650,000
Hanover Hall LTD Partnership.....	550,000
Enfield Station LLC.....	491,161
PA Enfield LLC.....	363,050
GMRI Inc.....	349,280
Troiano Realty Corporation.....	327,000
Allied Rehabilitation Centers.....	320,000
Centro.....	226,125
Antonacci Frances A.....	194,040
Enfield Reman LLC.....	150,000
White Diamond LLC.....	148,000
CTP Reman LLC.....	141,641
Mass Mutual Life Insurance Company.....	118,000
55 Hazard Avenue Assoc. LLC.....	110,000
Western New England Tennis.....	91,200
Freshwater Boulevard Realty LLC.....	70,000

### ***Job Market***

The job market in Enfield has been stable. While there have been some losses in traditional job areas like manufacturing and finance industries during the past 5 years, there have also been gains in other areas including health care and personal service industries. There are approximately 19,000 jobs in Enfield with a workforce of about 22,850. The largest business sectors in Enfield include “Retail Trade” and “Finance/Insurance”.

### **FORM OF GOVERNMENT**

The Town of Enfield is organized under the Council-Manager form of government pursuant to a Charter adopted by a referendum vote on December 5, 1962. The Charter became effective July 1, 1963 and was most recently revised in 2014.

The legislative power of the Town is vested exclusively in the Town Council. The Council is made up of eleven members elected biennially for two-year terms: one councilman elected from each of the four voting districts and seven councilmen elected at-large. Minority representation is guaranteed as only four councilmen-at-large may be elected from one political party. The Council elects a Chairperson and Vice-Chairperson who during their occupancy bear the title of Mayor and Deputy Mayor, respectively. The Council appoints the Town Manager who is the chief executive officer of the Town and during his or her term of office must reside in Enfield. The Town Manager is directly responsible to the Council for the administration of all departments, agencies and offices and is in charge of persons or boards appointed by him or her.

The Town Manager appoints all department heads and other officers and employees of the Town except as otherwise specifically provided by the Charter. The Council and its members deal with the administrative staff solely through the Town Manager.



In addition, the Town Manager sees that all laws and ordinances governing the Town are faithfully executed, makes periodic reports to the Council, prepares an annual Town Report, keeps the Council fully advised as to the financial condition of the Town, prepares and submits to the Council an annual budget and performs such other duties as may be required of him or her by the Charter, ordinance or resolution of the Council.

### PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Years of Service
Mayor.....	Michael Ludwick	Elected	Mayor since Nov. 2017
Acting Town Manager.....	Christopher Bromson	Appointed	1 Month <sup>1</sup>
Director of Finance.....	John Wilcox	Appointed	3 Years <sup>2</sup>
Supervisor of Assessment & Revenue Collection...	Della J. Froment	Appointed	11 Years
Town Clerk.....	Suzanne Olechnicki	Appointed	30 Years
Superintendent of Schools.....	Christopher Drezek	Appointed	1 Year <sup>3</sup>

<sup>1</sup> Appointed by Town Council, on May 7, 2018. Previously served as Town Attorney from 1/11/1990 to 12/31/2007 and again from 1/1/2016 to present. Previously served as Acting Town Manager from 11/24/2005 to 5/15/2006.

<sup>2</sup> Previously served as Assistant Director of Finance for 5 years.

<sup>3</sup> Previously served as Deputy Superintendent for 5 years.

Source: Town Officials.

### SUMMARY OF MUNICIPAL SERVICES

**Development Services:** The Department of Development Services is comprised of divisions and offices whose primary functions are to foster growth and a desirable built environment within Enfield. Services include: Building Inspections, Code Enforcement, Community Development, Economic Development, and Planning and Zoning.

**Police:** The Police Department consists of 108 full-time personnel including 94 sworn officers. Department personnel are highly trained, well-educated, and highly motivated to provide exceptional public service and law enforcement. The Police Department has been awarded National Accreditation status by CALEA since 1996. The department has also enjoyed State Accreditation status since 2005.

**Fire:** There are five independent volunteer Fire Departments each located within a Fire District. The Fire Districts have the power to make appropriations and levy taxes. The Fire Districts employ 40 full-time personnel and approximately 87 volunteers. The Fire Districts use modern vehicles at six locations throughout the Town for fast and comprehensive responses.

**Ambulance:** The Enfield Ambulance Service provides 24-hour service that is funded through billing for services and Town funds. The Department uses ten emergency vehicles and is staffed by 25 full-time EMTs and paramedics.

**Public Works:** The Department of Public Works is responsible for the maintenance of all Town-owned structures, highways, bridges, sidewalks, and disposal facilities. The Town has 182.68 miles of road which are maintained through a pavement management program and a modern fleet of vehicles.

**Finance Department:** The Town of Enfield operates a Department of Finance divided into four divisions: Administration, Treasury, Property Assessment and Tax Collections, and Purchasing (General Services). Major functions of the department include: financial reporting and accounting, accounts payable, accounts receivable, treasury (cash) management, payroll, risk management, collection of revenues, centralized procurement, administration of both operating and capital budgets, debt management, grants administration, and providing central stores services to all Town departments except for public school operations.

**Social Services:** Social Services provides a comprehensive array of early care and education programs, youth and family services, transit services and coordinates services available to seniors, disabled adults, low and moderate-income families and homeless residents.

**Recreation:** The Recreation Department administers a comprehensive recreational program designed for year-round activities for all ages. Programs consist of aquatics, sports, summer camps, pre-school through adult classes, community events and day trips.

**Utilities:** The Connecticut Light & Power Company, doing business as Eversource Energy, supplies gas and electric service for the Town.

**Water:** The Connecticut Water Company and Hazardville Water Company supply water to the Town residents.

**Sewers:** The Town of Enfield owns and operates a secondary wastewater treatment plant which consists of 16 pumping stations and approximately 250 miles of sewer line and a 10 million gallon per day treatment plant. The plant serves approximately ninety percent of the Town's population.

The cost of the operation and maintenance of the sewer system is provided through a Sewer Use Fee based on usage of water.

An upgrade to the Wastewater Treatment plant is planned to start in the fall of 2018. The Town has approved \$36.0 million for this project. The project qualifies for a loan and grant under the State of Connecticut Clean Water Fund Program. Under this program, the Town is eligible for a 20% grant and a 2% loan. The Town expects to execute a Project Loan and Project Grant Agreement with the State of Connecticut in the next few months. For more information, see "Clean Water Fund Program" herein. The adopted Sewer Use Fee includes funds to cover the projected principal and interest payments on this financing.

**Solid Waste:** The Town has executed a contract with USA Hauling & Recycling, a Connecticut Corporation for disposal of its municipal Solid waste. The contract is effective for three years starting on July 1, 2017 and ending on June 30, 2020. The tipping fee is \$70.00 per ton in the first year, \$71.00 per ton in the second year, and \$73.00 per ton in the final year. The contract calls for the Town to deliver all acceptable solid waste to USA's facility in Suffield, Connecticut, with an alternate facility in East Windsor, Connecticut.

## **HOUSING**

According to the U.S. Census Bureau, 2012-2016 American Community Survey, Enfield has a population of 44,515 and a total of 17,403 housing units. The vast majority of the Town's housing units, just under 13,000, are single family structures, followed by 2 family homes; roughly 3,200 units make up the town's multifamily housing stock. The median home sales price for Enfield is \$184,000 according to the 2012-2016 American Community Survey.

Enfield has approximately 4,200 housing units that are classified as rentals with 4,105 active renters. While the majority of these rental units are located in 2 and 3 family homes, the Town does have several large apartment complexes including the former Bigelow-Sanford Carpet Mill, located in the Thompsonville section of Town. This historic structure was the largest historic rehabilitation tax-credit project in the State's history when it was built in 1988. The site has 471 units of high-end apartments and on-site recreational facilities with an average annual occupancy rate of 98%.

Enfield has a long history of providing publicly supported housing beginning in 1948 with the formation of the Enfield Housing Authority. The Enfield Housing Authority's programs include 174 units of State of Connecticut sponsored Moderate Rental housing, 200 units of Elderly/disabled housing and 82 units of congregate living apartments. The Enfield Housing Authority also administers 141 HUD Housing Choice Vouchers (A.K.A. Section 8) and is a HUD contract administrator for a 75 unit privately owned project based section 8 development.

## TOWN EMPLOYEES

The following is a breakdown by category of the Town's current full-time and part-time employees:

<u>Department</u>	<u>Paid Positions</u>
Town Hall.....	68
Public Works.....	144
Water Pollution Control.....	14
Police Personnel.....	99
EMS.....	35
Library.....	36
Parks and Recreation.....	4
Social Services.....	136
Board of Education.....	937
<b>Total.....</b>	<b>1,473</b>

The following table illustrates the full and part-time Town employees for the last five fiscal years:

<u>Fiscal Year<sup>1</sup></u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board of Education.....	937	932	933	880	884
General Government....	536	477	460	454	463
<b>Total.....</b>	<b>1,473</b>	<b>1,409</b>	<b>1,393</b>	<b>1,334</b>	<b>1,347</b>

<sup>1</sup> Full-time and permanent part-time employees.  
Source: Town Officials.

## MUNICIPAL EMPLOYEES BARGAINING UNITS

<u>Bargaining Groups</u>	<u>Positions Covered</u>	<u>Current Expiration Date</u>
<b><u>General Government</u></b>		
Public Works, Library, Police Dispatchers, Custodians - AFSCME Local 1029, Council	142	June 30, 2017 <sup>1</sup>
Police - Enfield Police Union, AFSCME CT Local 798, Council 15.....	87	June 30, 2017 <sup>1</sup>
Supervisors, Professional and Technical - Service Employees Intl., AFL-CIO Local 53..	52	June 30, 2019
Clerical - AFSCME Local 1303-359, Council 4.....	35	June 30, 2019
EMS - IAEP Local R1-717, NAGE, SEIU.....	21	June 30, 2018 <sup>1</sup>
Bus Drivers - Teamsters Local 671.....	11	June 30, 2021
<b><u>Board of Education</u></b>		
School Administration - Enfield School Administrators Association.....	35	June 30, 2020
Teachers - Enfield Teachers Association.....	450	June 30, 2020
Clerical - AFSCME AFL-CIO Local 1303, Council 4.....	44	June 30, 2020
Nurses - Enfield School Nurses Association.....	17	June 30, 2020
Instructional Assistants - Enfield Instructional Assistants Association.....	110	June 30, 2020
Cafeteria Workers - AFSCME AFL-CIO 1303, Council 4.....	27	June 30, 2020

<sup>1</sup> In negotiations.  
Source: Town of Enfield.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the

financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrefutable presumption that 15% of the municipal employer's budget reserve is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

### SCHOOL FACILITIES

Enfield's educational system services grades pre-kindergarten through twelve. The schools are governed by a nine-member local Board of Education. Board members are elected to two-year staggered terms. The Board exercises legislative authority over the schools in accordance with state statutes and the State Board of Education rules.

<b>School</b>	<b>Grades</b>	<b>Date of Construction/ Remodeling</b>	<b>Number of Classrooms</b>	<b>2017-2018 Enrollment</b>	<b>Rated Capacity</b>
Enfield Street Elementary.....	K-2	1954, 1963, 1994, 2001	17	318	391
Eli Whitney Elementary.....	3-5	1967, 1994, 2001	22	369	477
Prudence Crandall Elementary.....	3-5	1966, 2001	24	414	456
Henry Barnard Elementary.....	K-2	1969, 1994, 2001	23	400	488
Edgar H. Parkman Elementary.....	3-5	1964, 1994, 2001	21	337	477
Hazardville Memorial Elementary...	PreK-2	1951, 1956, 1994, 2001	19	373	435
John F. Kennedy Middle School.....	6-8	1969, 1994, 2001	48	1,108	1,150
Enfield High .....	9-12	1963, 1994, 2006, 2016	113	1,568	1,840
Head Start.....	PreK	2004	6	104	108
Stowe Early Learning Center.....	PreK	2016- remodel	7	142	140
<b>Totals.....</b>				<b>5,133</b>	

Source: Town of Enfield, Superintendent's Office.

### SCHOOL ENROLLMENT

<b>School Year</b>	<b>Pre-K</b>	<b>K-5</b>	<b>6-8</b>	<b>9-12</b>	<b>Total</b>
<i>Historical</i>					
2013-2014	181	2,264	1,121	1,625	5,191
2014-2015	186	2,264	1,099	1,596	5,145
2015-2016	217	2,305	1,065	1,576	5,163
2016-2017	230	2,299	1,126	1,530	5,185
2017-2018	246	2,211	1,108	1,568	5,133
<i>Projected</i>					
2018-2019	217	2,248	1,138	1,443	5,046
2019-2020	217	2,244	1,102	1,479	5,042
2020-2021	217	2,193	1,126	1,494	5,030
2021-2022	217	2,175	1,107	1,492	4,991
2022-2023	217	2,122	1,134	1,497	4,970

Source: Town of Enfield, Superintendent's Office.

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<b>Year</b>	<b>Population <sup>1</sup></b>	<b>% Increase</b>	<b>Density <sup>2</sup></b>
2016	44,368	(0.6)	1,313
2010	44,654	(1.2)	1,321
2000	45,212	(0.7)	1,338
1990	45,532	6.6	1,347
1980	42,695	(7.6)	1,263
1970	46,189	46.8	1,367

<sup>1</sup> 1970-2010 – U.S. Department of Commerce, Bureau of Census;  
Connecticut Department of Public Health, Estimate FY 2016

<sup>2</sup> Per square mile: 33.8 square miles.

#### AGE DISTRIBUTION OF THE POPULATION

	<b>Town of Enfield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5.....	2,002	4.5%	188,812	5.3%
5 - 19.....	7,487	16.8%	691,622	19.3%
20 - 44 .....	15,037	33.8%	1,120,084	31.2%
45 - 64.....	13,021	29.3%	1,033,029	28.8%
65 - 84.....	5,733	12.9%	467,096	13.0%
85 and over.....	1,235	2.8%	87,927	2.5%
Totals.....	44,515	100.0%	3,588,570	100.0%
Median Age (years)	41.0		40.6	

Source: U.S. Census Bureau, 2012-2016, American Community Survey.

#### INCOME DISTRIBUTION

	<b>Town of Enfield</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$9,999.....	284	2.6%	29,623	3.3%
10,000 - 14,999.....	123	1.1%	17,060	1.9%
15,000 - 24,999.....	443	4.0%	44,354	5.0%
25,000 - 34,999.....	668	6.0%	54,456	6.1%
35,000 - 49,999.....	1,267	11.4%	81,300	9.1%
50,000 - 74,999.....	2,077	18.8%	137,336	15.4%
75,000 - 99,999.....	1,899	17.1%	124,033	13.9%
100,000 - 149,999.....	2,784	25.1%	186,214	20.8%
150,000 - 199,999.....	1,051	9.5%	96,075	10.7%
200,000 and over.....	478	4.3%	123,962	13.9%
Totals.....	11,074	100.0%	894,413	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey.

## INCOME LEVELS

	Town of Enfield	State of Connecticut
Per Capita Income, 2016.....	\$31,387	\$39,906
Per Capita Income, 2010.....	\$29,340	\$36,775
Per Capita Income, 1999.....	\$21,967	\$28,776
Per Capita Income, 1989 .....	\$16,723	\$20,189
Median Family Income, 2016.....	\$84,620	\$91,274
Median Family Income, 2010.....	\$77,554	\$84,170
Median Family Income, 1999.....	\$60,528	\$65,521
Median Family Income, 1989.....	\$48,757	\$49,199
Percent Below Poverty Level 2016..	5.3%	7.3%

Source: U.S. Department of Commerce, Bureau of Census, 2010, 2000, 1990; U.S. Census Bureau, 2012-2016 American Community Survey, Estimate 2016.

## EDUCATIONAL ATTAINMENT

Years of School Completed Age 25 and Over

	Town of Enfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	706	2.2%	103,279	4.2%
9th to 12th grade.....	2,303	7.2%	139,653	5.7%
High School graduate.....	11,953	37.2%	673,220	27.3%
Some college, no degree.....	6,521	20.3%	427,232	17.3%
Associate's degree .....	2,688	8.4%	184,426	7.5%
Bachelor's degree.....	5,005	15.6%	524,730	21.3%
Graduate or professional degree...	2,965	9.2%	413,949	16.8%
Totals	32,141	100.0%	2,466,489	100.0%
Total high school graduate or higher (%)		90.6%		90.1%
Total bachelor's degree or higher (%)		24.8%		38.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey.

## MAJOR EMPLOYERS

Estimated July 2018<sup>1</sup>

Employer	Product	Estimated Number of Employees
Mass Mutual Insurance .....	Insurance	1,538
Town of Enfield.....	Municipality	1,473
Lego Building Corp.....	Plastic Games & Toys	570
Retail Brand Alliance.....	Retail	500
Advance Auto Parts Distribution Center...	Auto Parts	415
Eppendorf Manufacturing.....	Life Science	330
Martin Brower.....	Transportation	260
Super Stop & Shop.....	Grocery Chain	140
Target.....	Retail	130
Kohl's.....	Retail	124

<sup>1</sup> In 2018, the State of Connecticut closed the Enfield prison which had employed approximately 525 people. Staff rotated out to other facilities. The facility will remain ready and grounds maintained.

Source: Town of Enfield, Development Services Department as of May 2018

## EMPLOYMENT BY INDUSTRY

Sector	Town of Enfield		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	42	0.2%	7,209	0.4%
Construction.....	884	4.0%	101,497	5.7%
Manufacturing.....	2,960	13.5%	190,713	10.6%
Wholesale Trade.....	746	3.4%	45,110	2.5%
Retail Trade.....	3,278	15.0%	193,853	10.8%
Transportation and warehousing, and utilities.....	1,018	4.6%	66,516	3.7%
Information .....	300	1.4%	42,374	2.4%
Finance, insurance, real estate, and rental and leasing.....	2,229	10.2%	163,765	9.1%
Professional, scientific, management, administrative and waste management services...	2,021	9.2%	206,042	11.5%
Educational, health and social services.....	4,784	21.8%	474,976	26.5%
Arts, entertainment, recreation, accommodation and food services.....	1,801	8.2%	153,754	8.6%
Other services (except public administration).....	1,094	5.0%	81,588	4.5%
Public Administration .....	751	3.4%	66,291	3.7%
Total Labor Force, Employed.....	21,908	100.0%	1,793,688	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey.

## EMPLOYMENT DATA

Period <sup>1</sup>	Town of Enfield		Percentage Unemployed		
	Employed	Unemployed	Town of Enfield	Enfield Labor Market	State of Connecticut
May 2018.....	22,516	987	4.2%	4.0%	4.3%
April 2018.....	22,398	1,039	4.4	4.3	4.3
March 2018.....	22,348	1,035	4.4	4.5	4.7
February 2018.....	22,212	1,150	4.9	5.1	5.1
January 2018.....	21,864	1,170	5.1	5.1	5.3
<b>Annual Averages</b>					
2017.....	22,488	1,104	4.7%	4.5%	4.7%
2016.....	21,860	1,269	5.5	5.1	5.1
2015.....	21,736	1,247	5.4	5.2	5.6
2014.....	21,417	1,456	6.4	6.2	6.6
2013.....	20,966	1,715	7.6	7.3	7.8
2012.....	20,955	1,838	8.1	7.8	8.3
2011.....	21,081	2,050	8.9	8.4	8.8
2010.....	21,106	2,112	9.1	8.7	9.1
2009.....	22,028	2,026	8.4	8.2	8.3
2008.....	22,424	1,335	5.6	5.5	5.6

<sup>1</sup> Not seasonally adjusted

Source: Department of Labor, State of Connecticut.

## AGE DISTRIBUTION OF HOUSING

Year Built	Town of Enfield		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	2,776	16.0%	334,202	22.4%
1940 to 1969.....	9,159	52.6%	533,202	35.7%
1970 to 1979.....	1,829	10.5%	200,614	13.4%
1980 to 1989.....	2,389	13.7%	190,755	12.8%
1990 to 1999.....	759	4.4%	113,584	7.6%
Later than 2000.....	491	2.8%	121,441	8.1%
Total housing units, 2015	17,403	100.0%	1,493,798	100.0%
Percent Owner Occupied, 2016	73.9%		66.5%	

Source: U.S. Census Bureau, 2012-2016 American Community Survey.

## HOUSING INVENTORY

Type	Town of Enfield		State of Connecticut	
	Units	Percent	Units	Percent
1 unit detached.....	12,166	69.9%	882,236	59.1%
1 unit attached.....	909	5.2%	80,639	5.4%
2 to 4 units.....	2,364	13.6%	253,838	17.0%
5 to 9 units.....	694	4.0%	82,581	5.5%
10 or more units.....	1,243	7.1%	182,616	12.2%
Mobile home, trailer, other....	27	0.2%	11,888	0.8%
Total Inventory.....	17,403	100.0%	1,493,798	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey.

## OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of Enfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	258	2.1%	24,343	2.7%
\$50,000 to \$99,999.....	325	2.7%	29,703	3.3%
\$100,000 to \$149,999.....	2,106	17.5%	81,158	9.0%
\$150,000 to \$199,999.....	4,721	39.3%	139,979	15.5%
\$200,000 to \$299,999.....	3,771	31.4%	246,071	27.3%
\$300,000 to \$499,999.....	659	5.5%	233,345	25.9%
\$500,000 to \$999,999.....	151	1.3%	104,952	11.7%
\$1,000,000 or more.....	23	0.2%	40,672	4.5%
Totals.....	12,014	100.0%	900,223	100.0%
Median Sales Price <sup>1</sup>	\$124,500		\$166,900	
Median Sales Price <sup>2</sup>	\$184,000		\$269,300	

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2000.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Survey.

Source: U.S. Census Bureau, 2012-2016 American Community Survey.



## BUILDING PERMITS

Fiscal Year Ending June 30	Residential		Commercial/Industrial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2018 <sup>1</sup>	807	\$12,003,982	65	\$5,207,579	1,210	\$18,902,607	2,082	\$36,114,168
2017	935	17,233,522	148	22,449,924	1,318	23,906,228	2,401	63,589,674
2016	987	15,145,433	129	16,045,770	1,222	11,943,803	2,338	43,135,006
2015	604	7,018,982	94	58,299,812	883	36,415,110	1,581	101,733,904
2014	799	9,516,744	201	22,162,477	1,288	31,003,033	2,288	62,682,254
2013	776	9,506,345	220	48,354,424	1,178	28,487,505	2,174	86,348,274
2012	799	7,280,982	169	10,085,594	1,175	7,588,356	2,143	24,954,932
2011	807	8,142,186	149	20,981,149	940	13,922,017	1,896	43,045,352
2010	746	13,701,032	67	7,707,576	932	6,854,337	1,745	28,262,945
2009	558	9,351,601	64	8,526,090	1,150	8,776,707	1,772	26,654,398

<sup>1</sup> As of May 2018.

Source: Building Department, Town of Enfield.

## LAND USE SUMMARY

Classification	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential.....	16,660	75.3%	8,659	76.3%	8,001	74.3%
Commercial/Industrial.....	869	4.0%	682	6.0%	187	1.7%
Forest.....	3,718	16.8%	1,139	10.0%	2,579	24.0%
Farm.....	871	3.9%	871	7.7%	0	0.0%
<b>Total Area.....</b>	<b>22,118</b>	<b>100.0%</b>	<b>11,351</b>	<b>100.0%</b>	<b>10,767</b>	<b>100.0%</b>

Source: Town of Enfield, Planning Department.

## IV. TAX BASE DATA

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### ASSESSMENTS

The Town of Enfield had a general property revaluation by physical inspection of all real estate, effective on the Grand List of October 1, 2016. Under Section 12-62 of the General Statutes the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring and verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Enfield for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

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

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

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

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

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Enfield. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at seventy percent (70%) of the annual appraisal of market value.

## PROPERTY TAX COLLECTION PROCEDURE

Real estate taxes for the fiscal year are levied on the Grand List of the prior October 1, and are due July 1, payable in two installments, on July 1 and January 1. Personal property taxes are payable in one installment on July 1 with motor vehicle supplemental bills payable on January 1. Payments not received by August 1 and February 1, respectively, become delinquent, with interest charged at the rate of 1.50% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Delinquent real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

## PROPERTY TAX COLLECTION PROCEDURE – THE FIRE DISTRICTS

There are five Fire Districts within the Town. Since July 1, 1990, the Town Tax Collector has provided collection services to all five Fire Districts. The Fire Districts' taxes are due in one installment, payable to the Town on July 1 each year. In August of each year, the Town pays each Fire District one hundred percent (100%) of its tax levy, but bills each Fire District three percent (3%) of its levy for this service and assumes the liability for the unpaid taxes. Fire District taxes outstanding as of June 30, 2017 on the 2015 Grand List were approximately \$160,000.

## COMPARATIVE ASSESSED VALUATIONS

Grand List of 10/1	Residential Real Property	Commercial/ Industrial Real Property	All Other Real Property	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions <sup>1</sup>	Net Taxable Grand List	% Growth
2017	60.5%	20.7%	1.2%	8.5%	9.1%	\$2,962,770,554	\$57,913,156	\$2,904,857,398	0.00%
2016 <sup>2</sup>	60.6	20.2	1.5	8.4	9.2	2,953,880,392	48,951,751	2,904,928,641	-0.05%
2015	61.0	20.2	1.3	8.5	9.1	2,952,087,637	45,842,492	2,906,245,145	0.81%
2014	61.5	20.5	1.1	7.9	9.0	2,924,870,811	42,101,837	2,882,768,974	1.11%
2013	62.2	20.4	1.3	7.1	9.0	2,889,334,910	38,239,820	2,851,095,090	0.20%
2012	62.2	20.8	1.3	6.9	8.8	2,884,022,287	38,698,640	2,845,323,647	0.13%
2011 <sup>2</sup>	62.3	21.2	1.0	6.7	8.9	2,882,938,000	41,356,000	2,841,582,000	-11.48%
2010	65.1	21.2	0.7	5.6	7.5	3,247,613,000	37,475,000	3,210,138,000	0.53%
2009	65.3	21.1	0.8	5.6	7.2	3,232,620,000	39,356,000	3,193,264,000	0.89%
2008	65.5	19.5	2.1	5.7	7.2	3,212,234,000	47,248,000	3,164,986,000	-0.28%

<sup>1</sup> Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

<sup>2</sup> Revaluation year.

Source: Assessor's Office, Town of Enfield.

## PROPERTY TAX LEVIES AND COLLECTIONS

Grand List of Oct. 1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2017
2017	2019	\$2,904,857,398	33.40	\$95,571,045	- Collections 7/18 & 1/19 -		
2016	2018	2,904,928,641	31.43/28.80 <sup>2</sup>	90,433,950	- Collected 7/17 & 1/18 -		
2015	2017	2,906,245,145	30.86/28.80 <sup>1</sup>	87,700,848	98.2%	1.8%	1.8%
2014	2016	2,882,768,974	29.89	86,125,000	98.1%	1.9%	0.7%
2013	2015	2,851,095,090	29.13	83,183,000	98.0%	2.0%	0.5%
2012	2014	2,845,323,647	29.26	83,132,000	98.0%	2.0%	0.4%
2011	2013	2,841,582,000	27.84	78,936,000	97.7%	2.3%	0.3%
2010	2012	3,210,138,000	23.88	76,341,000	97.6%	2.4%	0.3%
2009	2011	3,193,264,000	23.88	75,864,000	97.8%	2.2%	0.3%
2008	2010	3,164,986,000	23.88	75,353,000	98.1%	1.9%	0.3%

<sup>1</sup> Mill rate for Real Estate and Personal Property was levied at 30.86 mills; mill rate for Motor Vehicles was levied at 28.80 mills.

<sup>2</sup> Mill rate for Real Estate and Personal Property was levied at 31.43 mills; mill rate for Motor Vehicles was levied at 28.80 mills.

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

## TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List <sup>1</sup>
Mass Mutual.....	Insurance	\$47,035,254	1.62%
Eversource Energy.....	Utility	39,330,978	1.35%
Centro Enfield LLC.....	Retail	29,990,130	1.03%
Eppendorf Inc.....	Manufacturing	29,844,283	1.03%
WE 25 Bacon Road LLC.....	Development Firm	25,287,900	0.87%
Mayfield Place LLC.....	Apartments	23,345,329	0.80%
Paramount Commons at Enfield LLC.....	Retail	22,770,520	0.78%
Brixmore GA Freshwater/Stateline LLC.	Retail	22,062,960	0.76%
Northland Bigelow Commons LLC.....	Apartments	18,147,256	0.62%
Equity One (Northeast Portfolio) Inc.....	Retail	18,084,000	0.62%
Total.....		<u>\$275,898,610</u>	<u>9.48%</u>

<sup>1</sup> Based on a 10/1/17 Net Taxable Grand List of \$2,904,857,398.

Source: Assessor's Office, Town of Enfield.

## EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2016	\$4,134,220,641	1.77%
2015	4,062,151,475	-2.44%
2014	4,163,607,597	1.85%
2013	4,087,836,445	0.16%
2012	4,081,383,174	0.47%
2011	4,062,183,096	-2.32%
2010	4,158,566,581	-11.83%
2009	4,716,736,849	10.08%
2008	4,284,864,472	-12.35%
2007	4,888,653,263	7.41%

Source: State of Connecticut, Office of Policy and Management.

## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

The financial statements of the Town of Enfield, 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 Town has changed its financial reporting to comply with GASB Statement No. 34 beginning with its financial report for Fiscal Year ended June 30, 2003. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

*Management's Discussion and Analysis* – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

*Government-wide financial statements* – consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

*Fund financial statements* – provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

*Required supplementary information* – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A under "Notes to Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Enfield.

### BUDGETARY PROCEDURES

By Charter, the Town Manager submits proposed budgets for the General Fund and Water Pollution Control Plant Fund to the Town Council 75 days prior to fiscal year end. The operating budgets include proposed expenditures and the means of financing them.

- o Prior to July 1, the budget is legally enacted through passage of a resolution of the Town Council.
- o Management is authorized to transfer amounts without approval of the Town Council within departments. Transfers between departments (within functions) can only be made by the Town Council and only within the last three months of the fiscal year.
- o The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- o Formal budgetary integration is employed as a management control device during the year.
- o The budget is generally prepared on the modified accrual basis of accounting.

- o The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund and at the fund level for the Water Pollution Control Plant Fund.
- o Budgeted amounts shown are as amended by the Town Council during the course of the year.
- o Generally, all appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.
- o Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year.
- o Budgets are also legally adopted and presented for the Social Services Fund, the Emergency Medical Fund and the Water Pollution Control Plant Fund.

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% of the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2017-2019 biennium budget legislation does not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2018 and June 30, 2019, but provides that such funding will resume following July 1, 2019.

## **ANNUAL AUDIT**

Pursuant to Connecticut law, the Town is required 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 the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2017, the examination was conducted by the firm of Ron L. Beaulieu & Company, certified public accountants, of Portland, ME.

***Certificate of Achievement for Excellence in Financial Reporting:*** *The Government Finance Officers' Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Enfield for its Comprehensive Annual Financial Reports for the twenty-fifth consecutive year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.*

***In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.***

## **PENSION PLANS**

The Town of Enfield administers two single-employer, contributory, defined benefit pension plans. The two plans, Town and Police, are included in the financial statements as pension trust funds. The plans do not issue stand-alone financial statements. Per the Town Charter, the Town Manager is responsible for management of the pension plans,

and the Town Treasurer is the treasurer of the plans. The Town Manager has appointed a committee comprised of the Town Manager, Finance Director, Human Resources Director and Treasurer to manage the pension plans.

#### Town Plan

The Town of Enfield Pension Plan covers all employees working more than nineteen hours a week and for more than five (5) months per calendar year except teachers covered under the State of Connecticut Teachers' Retirement System and police covered under the Town's Police Pension Plan. All employees are 100% vested after five (5) years of continuous service. Employees who retire at normal retirement at age 65 receive a retirement benefit.

#### Police Plan

The Town of Enfield Police Pension Plan covers employees in the Police Department working more than thirty-five hours a week and for more than five (5) months per calendar year. All employees are 100% vested after ten (10) years of continuous service. Employees who retire at a normal retirement age of the latter of age 50 or 20 years of service receive a retirement benefit.

<b>Six-Year Trend Information (in thousands)</b>			
<b><u>Year Ended</u></b>	<b><u>Annual Required Contribution (ARC)</u></b>	<b><u>Annual Contribution</u></b>	<b><u>% of ARC Contributed</u></b>
<b><u>Town Plan</u></b>			
2013	\$2,083	\$2,083	100.0%
2014	\$2,239	\$2,239	100.0%
2015	\$2,128	\$2,128	100.0%
2016	\$2,099	\$2,099	100.0%
2017	\$2,084	\$2,084	100.0%
2018 <sup>1</sup>	\$2,192	\$2,192	100.0%
<b><u>Police Plan</u></b>			
2013	\$1,239	\$1,239	100.0%
2014	\$1,378	\$1,378	100.0%
2015	\$1,427	\$1,427	100.0%
2016	\$1,966	\$1,966	100.0%
2017	\$1,914	\$1,914	100.0%
2018 <sup>1</sup>	\$1,813	\$1,813	100.0%

<sup>1</sup> Budgeted.

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2015. The following net pension liabilities of the Town Plan and the Police Plan at June 30, 2017, determined by an actuarial valuation as of July 1, 2016 and based on actuarial assumptions as of that date, were as follows:

<b><u>GASB 67 Schedules</u></b>	<b><u>Town Plan (000's)</u></b>	<b><u>Police Plan (000's)</u></b>
Total pension liability at June 30, 2017	\$74,863	\$68,524
Plan fiduciary net position	69,372	59,959
Town's net pension liability	\$5,491	\$8,565
Plan fiduciary net position as % of total pension liability	92.67%	87.50%

	<b>1% Decrease (6.00%) (000's)</b>	<b>Current Discount (7.00%) (000's)</b>	<b>1% Increase (8.00%) (000's)</b>
Town Plan's net pension liability as of June 30, 2017	\$14,575	\$5,490	(\$2,168)
Police Plan's net pension liability as of June 30, 2017	\$16,016	\$8,566	(\$605)

*Deferred Retirement Option Program (DROP)*

The Police Pension Plan offers a Deferred Retirement Option Program (the “DROP”) to its bargaining unit employees employed on or after July 1, 2011. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if he or she is a full-time employee and has completed less than 35.25 years of service. During the DROP period, pension payments will be made depending on the DROP factor based on the age of the employee.

*State of Connecticut Teachers’ Retirement System*

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers’ Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited services, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teachers’ Retirement System is considered to be part of the State of Connecticut financial reporting entity and is included in the State’s financial report as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

*For further information on the plans, please refer to Appendix A under the Town of Enfield’s “Notes to the Financial Statements, Note 11”, herein.*

**OTHER POST EMPLOYMENT BENEFITS (“OPEB”)**

The Town of Enfield provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. The plan covers Town, Police and Board of Education employees. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The Town does not issue a stand-alone financial report for the plan. The plan is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial report as the Other Post-Employment Benefits Trust Fund. The Town does not issue a stand-alone financial report for the plan.

The Town implemented GASB Statement No. 75 effective in Fiscal Year 2017. The following net OPEB liabilities of the Town at June 30, 2017, determined by an actuarial valuation as of July 1, 2015 and based on actuarial assumptions as of that date, were as follows:



<b>GASB 75 Schedules</b>	<b>(000's)</b>
Total OPEB liability at June 30, 2017	\$47,436
Plan fiduciary net position	4,662
Town's net OPEB liability	\$42,774
Plan fiduciary net position as % of total OPEB liability	9.83%

	<b>1% Decrease (2.58%) (000's)</b>	<b>Current Discount Rate (3.58%) (000's)</b>	<b>1% Increase (4.58%) (000's)</b>
Town Plan's net OPEB liability as of June 30, 2017	\$51,099	\$42,774	\$36,128

*For further information on the plans, please refer to Appendix A under the Town of Enfield's "Notes to Financial Statements, Note 12", herein.*

#### **INVESTMENT POLICIES AND PRACTICES**

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

The Town's operating and working capital funds are invested under the responsibility and authority of the Town Treasurer. The investment practices of the Town of Enfield are in compliance with the Connecticut General Statutes and its Charter.

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

	Adopted Budget 2018-19 <sup>1</sup>	Budget 2017-18 <sup>1</sup>	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
<b>REVENUES:</b>							
Property Taxes.....	\$96,881,045	\$90,272,300	\$89,711,701	\$86,628,000	\$84,366,000	\$83,092,000	\$79,821,000
Intergovernmental.....	31,725,896	36,578,478	50,100,548	45,301,000	44,638,000	46,613,000	44,070,000
Charges for Services.....	1,972,600	1,997,000	7,106,929	7,838,000	7,726,000	10,940,000	8,558,000
Income from Investment.....	175,000	150,208	2,130,631	216,000	104,000	75,000	79,000
Other Income.....	868,500	378,455	1,840,206	230,000	232,000	181,000	79,000
Transfers In.....	2,490,517 <sup>10</sup>	2,914,614 <sup>9</sup>	390,517	1,530,000 <sup>8</sup>	2,006,000 <sup>2</sup>	515,000 <sup>3</sup>	1,959,000 <sup>4</sup>
<b>Total Revenues and Transfers In.....</b>	<b>\$134,113,558</b>	<b>\$132,291,055</b>	<b>\$151,280,532</b>	<b>\$141,743,000</b>	<b>\$139,072,000<sup>5</sup></b>	<b>\$141,416,000</b>	<b>\$134,566,000</b>
<b>EXPENDITURES:</b>							
General Government.....	3,403,806	3,505,827	6,726,069	6,292,000	6,758,000	6,279,000	6,483,000
Public Safety.....	12,490,784	12,849,727	15,032,266	13,451,000	13,543,000	12,815,000	12,077,000
Public Works.....	17,010,476	17,237,906	17,342,603	16,772,000	16,975,000	16,494,000	16,137,000
Library.....	-	1,718,948	1,701,863	1,653,000	1,694,000	1,615,000	1,566,000
Health/Social Services.....	-	-	9,277,727	9,573,000	8,917,000	8,557,000	8,353,000
Planning & Development.....	1,411,432	1,655,792	1,451,868	1,388,000	1,418,000	1,204,000	1,326,000
Intergovernmental & Interagency.....	450,128	473,301	477,635	464,000	442,000	435,000	448,000
Education.....	71,290,125	69,689,185	82,705,725	75,996,000	73,482,000	77,039,000	73,344,000
Nondepartmental.....	7,396,238	7,802,096	3,876,897	6,355,000	6,225,000	5,453,000	4,995,000
Debt Service.....	11,067,651	8,588,718	6,967,064	5,760,000	4,869,000	3,519,000	2,968,000
Capital Outlay.....	-	-	-	-	-	389,000 <sup>3</sup>	1,865,000 <sup>4</sup>
Transfers Out.....	9,592,919	8,769,555	2,476,664	3,251,000	2,412,000	3,579,000	3,662,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$134,113,559</b>	<b>\$132,291,055</b>	<b>\$148,036,381</b>	<b>\$140,955,000</b>	<b>\$136,735,000<sup>5</sup></b>	<b>\$137,378,000</b>	<b>\$133,224,000</b>
<b>Results from Operations.....</b>		<sup>7</sup>	<b>\$3,244,151</b>	<b>\$788,000</b>	<b>\$2,337,000</b>	<b>\$4,038,000</b>	<b>\$1,342,000</b>
<b>Fund Balance, July 1.....</b>			<b>\$26,588,467<sup>6</sup></b>	<b>\$25,802,000</b>	<b>\$23,465,000</b>	<b>\$19,427,000</b>	<b>\$18,085,000</b>
<b>Fund Balance, June 30.....</b>			<b>\$29,832,618</b>	<b>\$26,590,000</b>	<b>\$25,802,000</b>	<b>\$23,465,000</b>	<b>\$19,427,000</b>

<sup>1</sup> Budgetary basis.

<sup>2</sup> Includes \$1,449,000 in bond premium.

<sup>3</sup> Includes \$389,000 in capital lease issuance and offsetting capital expenditure of \$389,000.

<sup>4</sup> Includes \$1,865,000 in capital lease proceeds and offsetting capital outlays.

<sup>5</sup> Since January 1, 2014 the Water Pollution Control Facility has been funded by a Sewer Use Fee and not from an Ad Valorem tax.

<sup>6</sup> Restated.

<sup>7</sup> At this time, Town Officials anticipate that expenditures and transfers out will exceed revenues and transfers in for Fiscal Year ended June 30, 2018.

<sup>8</sup> Includes \$1,139,999 in bond premium.

<sup>9</sup> Includes \$2,424,097 appropriated from prior years' surplus in Fiscal Year 2018.

<sup>10</sup> Includes \$2,100,000 appropriated from prior years' surplus in Fiscal Year 2019.

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

	Budget 2018-19	Budget 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Nonspendable:	N/A	N/A	\$4,430,824	\$3,521,000	\$4,593,000	\$4,624,000	\$4,310,000
Encumbrances.....							
Receivables.....							
Committed.....			3,836,839	1,889,000	2,130,000	1,968,000	
Assigned:	N/A	N/A	2,646,174	3,110,000	2,171,000	832,000	1,592,000
Unassigned.....			18,918,781	18,070,000	16,908,000	16,041,000	13,525,000
<b>Total Fund Balance.....</b>	<b>N/A</b>	<b>N/A</b>	<b>\$29,832,618</b>	<b>\$26,590,000</b>	<b>\$25,802,000</b>	<b>\$23,465,000</b>	<b>\$19,427,000</b>
<b>Unassigned Fund Balance As % of Total Expenditures.....</b>			<b><u>12.78%</u></b>	<b><u>12.82%</u></b>	<b><u>12.37%</u></b>	<b><u>11.68%</u></b>	<b><u>10.15%</u></b>

Source: Audit Reports 2013-2017; and Budgets 2018 and 2019.

## VI. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS

As of August 8, 2018  
(Pro Forma)

#### Long-Term Debt:

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding As of 8/8/18</u>	<u>Date of Fiscal Year Maturity</u>
<b><u>General Purpose</u></b>					
08/12/14	Road Improvement Bonds.....	2.88	\$25,000,000	\$21,040,000	2035
07/28/15	Refunding Bonds, Series A.....	2.48	10,770,000	9,280,000	2028
08/11/15	Road Improvement Bonds.....	2.91	10,000,000	8,500,000	2036
08/09/17	Road Improvement Bonds.....	2.59	15,000,000	14,270,000	2038
08/08/18	Road Improvement Bonds.....	<i>This Issue</i>	10,000,000	10,000,000	2039
	<b>Total.....</b>		<b><u>\$70,770,000</u></b>	<b><u>\$63,090,000</u></b>	
<b><u>Schools</u></b>					
08/11/15	School Bonds.....	2.91	10,000,000	8,500,000	2036
08/09/17	School Bonds.....	2.59	15,000,000	14,210,000	2037
	<b>Total.....</b>		<b><u>\$25,000,000</u></b>	<b><u>\$22,710,000</u></b>	
	<b>Total Long Term Debt.....</b>		<b><u>\$95,770,000</u></b>	<b><u>\$85,800,000</u></b>	

#### Short-Term Debt:

<u>Project</u>	<u>Bonding Authorization</u>	<u>Previously Bonded</u>	<u>Grants/Paydowns</u>	<u>Notes Maturing 8/8/2018</u>	<u>Notes This Issue</u>	<u>Legal Renewable Limit</u>
Enfield High School Expansion and Renovation.....	\$35,000,000	\$25,000,000	\$500,000	\$9,500,000	\$9,000,000	5/19/2025
2014/2015 Road Improvement Program.....	57,500,000	25,000,000		16,500,000	19,000,000	8/10/2026
Water Pollution Control Facilities Upgrades..	36,000,000			10,000,000	2,000,000	8/10/2026
<b>Total.....</b>	<b>\$128,500,000</b>	<b>\$50,000,000</b>	<b>\$500,000</b>	<b>\$36,000,000</b>	<b>\$30,000,000</b>	

#### Other Long-Term Commitments:

On January 9, 2017, the Town entered into a lease with TD Equipment Finance Inc. for energy saving improvements to school and Town buildings. The balance outstanding as of August 8, 2018 is \$9,424,548.85. Principal and interest payments are due on February 9 and August 9 in each year, commencing on February 9, 2018 with the final maturity on August 9, 2032.

On May 23, 2018, the Town entered into a lease with Key Government Finance, Inc. for various capital projects. As of August 8, 2018, \$1,119,795.93 in principal and interest is outstanding. Principal and interest payments are due on May 23 in each year, commencing on May 23, 2018 with the final maturity on May 24, 2024.

#### Capital Lease Commitments:

The Town of Enfield has the following capital lease obligations:

<u>Fiscal Year</u>	<u>Principal/Interest</u>
2018	\$554,562
2019	1,297,804
2020	1,245,720
2021	637,767
2022	703,351
Thereafter	7,631,261
<b>Total</b>	<b><u>\$12,070,465</u></b>

## **SCHOOL BUILDING GRANT REIMBURSEMENTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State's share of the eligible construction costs. State grants 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.

## **CLEAN WATER FUND PROGRAM**

The Town of Enfield is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrofication projects (30% grant and 70% loan). Loans to each municipality are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation ("IFO") from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion a 20-year debt obligation called a Project Loan Obligation ("PLO") is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement 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 made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual 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.

The Town expects to execute a Project Loan and a Project Grant Agreement with the State of Connecticut in the next few months to finance upgrades to its wastewater treatment plant. The Town also expects to execute an IFO in the amount of \$23,169,234.94 in connection with this financing.

# ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1,2</sup>

As of August 8, 2018

(Pro Forma)

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Bonds This Issue</b>	<b>Cumulative Percent Retired</b>
2019	\$4,855,000	\$2,881,113	\$7,736,113		5.37%
2020	4,835,000	2,690,713	7,525,713	\$500,000	11.28%
2021	4,815,000	2,514,913	7,329,913	500,000	17.16%
2022	4,820,000	2,298,913	7,118,913	500,000	23.05%
2023	4,825,000	2,076,063	6,901,063	500,000	28.94%
2024	4,835,000	1,849,163	6,684,163	500,000	34.85%
2025	4,835,000	1,637,319	6,472,319	500,000	40.75%
2026	4,840,000	1,444,588	6,284,588	500,000	46.66%
2027	4,845,000	1,252,175	6,097,175	500,000	52.58%
2028	4,840,000	1,094,175	5,934,175	500,000	58.49%
2029	3,835,000	953,963	4,788,963	500,000	63.29%
2030	3,835,000	841,838	4,676,838	500,000	68.09%
2031	3,835,000	724,013	4,559,013	500,000	72.88%
2032	3,835,000	600,744	4,435,744	500,000	77.68%
2033	3,835,000	475,206	4,310,206	500,000	82.48%
2034	3,840,000	348,344	4,188,344	500,000	87.28%
2035	3,840,000	220,781	4,060,781	500,000	92.09%
2036	2,525,000	117,875	2,642,875	500,000	95.43%
2037	1,525,000	55,875	1,580,875	500,000	97.68%
2038	1,100,000	16,500	1,116,500	500,000	99.45%
2039				500,000	100.00%
<b>Totals</b>	<b>\$80,350,000</b>	<b>\$24,094,274</b>	<b>\$104,444,274</b>	<b>\$10,000,000</b>	

<sup>1</sup> Excludes energy saving improvements lease and capital lease obligations.

<sup>2</sup> Principal payments in the amount of \$4,550,000 have been made in the current 2018-2019 fiscal year.

## OVERLAPPING/UNDERLYING DEBT

The Town of Enfield has no overlapping debt.

There are five Fire Districts located within the Town. The Fire Districts have the power to levy taxes and to incur debt. As of June 30, 2017, the Town's underlying debt attributed to the Fire Districts was estimated at \$4,774,000.

<b>Fire Districts</b>	
Enfield Fire District.....	\$102,000
Thompsonville Fire District.....	3,697,000
Hazardville Fire District.....	68,000
North Thompsonville Fire District..	907,000
Shaker Pines Fire District.....	0
Total	\$4,774,000

## DEBT STATEMENT <sup>1,2</sup>

As of August 8, 2018

(Pro Forma)

### LONG TERM DEBT

#### Bonds:

General Purpose ( <i>Including this Issue</i> ) .....	\$63,090,000
Schools.....	22,710,000
<b>Energy Saving Improvements Lease .....</b>	<b>8,958,508</b>
<b>TOTAL LONG TERM DEBT.....</b>	<b>\$94,758,508</b>

**SHORT TERM DEBT (*Including this Issue*) .....**

**\$30,000,000**

**TOTAL DIRECT DEBT.....**

**\$124,758,508**

**TOTAL DIRECT NET DEBT.....**

**\$124,758,508**

Underlying Debt.....

4,774,000

**TOTAL OVERALL NET DEBT.....**

**\$129,532,508**

<sup>1</sup> Does not include capital lease obligations with Key Government Finance, Inc. See "Other Long-Term Commitments" under "Principal Amount of Indebtedness" herein.

<sup>2</sup> Does not include authorized but unissued debt. See "Authorized but Unissued Debt" herein.

### CURRENT DEBT RATIOS

August 8, 2018

(Pro Forma)

Population <sup>1</sup> .....	44,368
Net Taxable Grand List - 10/1/17 @ 70% of full value .....	\$2,904,857,398
Estimated Full Value.....	\$4,149,796,283
Equalized Net Taxable Grand List - 2015 <sup>2</sup> .....	\$4,062,151,475
Money Income per Capita - 2016 <sup>3</sup> .....	\$31,387

	<b>Total Direct Debt</b>	<b>Total Direct Net Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$124,758,508</b>	<b>\$124,758,508</b>	<b>\$129,532,508</b>
Per Capita.....	\$2,811.90	\$2,811.90	\$2,919.50
Ratio to Net Taxable Grand List.....	4.29%	4.29%	4.46%
Ratio to Estimated Full Value.....	3.01%	3.01%	3.12%
Ratio to Equalized Net Taxable Grand List.....	3.07%	3.07%	3.19%
Debt per Capita to Money Income per Capita..	8.96%	8.96%	9.30%

<sup>1</sup> Connecticut Department of Public Health, Estimate FY 2016.

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

<sup>3</sup> U.S. Census Bureau, 2012-2016 American Community Survey.

### BOND AUTHORIZATION

Capital Expenditures: The Town Council may, by a vote of six (6) or more members, adopt a resolution appropriating money for capital improvements. Any such appropriation that exceeds, in any fiscal year, .0002 of the current Grand List shall not be effective until it shall be submitted to and approved by a referendum.

Borrowing: The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes ("CGS") subject to statutory limitations and the provisions of the Town Charter. The issuance of bonds and notes shall be authorized by resolution of the Town Council after a public hearing. If such bond or note issue, in any fiscal year, exceeds .0002 of the current Grand List, said bond or note issue shall be approved by a referendum vote. Refunding bonds only need to be approved by the Town Council per Sec. 7-370c of CGS.

## TEMPORARY FINANCING

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

Temporary notes must be permanently funded no later than eleven years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the 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 fifteen 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 (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 fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## LIMITATION OF INDEBTEDNESS

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

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

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

The 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 STATUTORY DEBT LIMITATION

As of August 8, 2018

(Pro Forma)

TOTAL TAX COLLECTIONS (including interest and lien fees)	
received by the Treasurer for the year ended June 30, 2017.....	\$101,488,000
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly.....	-
BASE.....	<u>\$101,488,000</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Obligation
<b>DEBT LIMITATION:</b>					
2¼ times base.....	\$228,348,000				
4½ times base.....		\$456,696,000			
3¾ times base.....			\$380,580,000		
3¼ times base.....				\$329,836,000	
3 times base.....					\$304,464,000
Total debt limitation.....	<u>\$228,348,000</u>	<u>\$456,696,000</u>	<u>\$380,580,000</u>	<u>\$329,836,000</u>	<u>\$304,464,000</u>

## INDEBTEDNESS:

Bonds Payable (Including this Issue) .....	\$63,090,000	\$22,710,000	\$0	\$0	\$0
Notes Payable (Including this Issue) .....	19,000,000	9,000,000	2,000,000	0	0
Energy Saving Improvements Lease....	8,958,508	0	0	0	0
Underlying - Fire Districts.....	4,774,000	0	0	0	0
Authorized but Unissued Debt.....	5,273,728	500,000	34,000,000	0	0
<b>TOTAL DIRECT INDEBTEDNESS..</b>	<b>\$101,096,236</b>	<b>\$32,210,000</b>	<b>\$36,000,000</b>	<b>\$0</b>	<b>\$0</b>

<b>TOTAL NET INDEBTEDNESS.....</b>	<b>\$101,096,236</b>	<b>\$32,210,000</b>	<b>\$36,000,000</b>	<b>\$0</b>	<b>\$0</b>
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## DEBT LIMITATION IN EXCESS

### OF OUTSTANDING AND

<b>AUTHORIZED DEBT.....</b>	<b>\$127,251,764</b>	<b>\$424,486,000</b>	<b>\$344,580,000</b>	<b>\$329,836,000</b>	<b>\$304,464,000</b>
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Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$710,416,000.

## AUTHORIZED BUT UNISSUED DEBT

As of August 8, 2018

(Pro Forma)

Project	Authorized	Prior Leases/ Bonds/Grants	Bonds This Issue	Notes This Issue	Debt Authorized but Unissued			
					General Purpose	Schools	Sewers	Total
Enfield High School Expansion and Renovation....	\$35,000,000	\$25,500,000		\$9,000,000		\$500,000		\$500,000 <sup>1</sup>
2014/2015 Road Improvement Program.....	57,500,000	25,000,000	10,000,000	19,000,000	3,500,000			3,500,000
Water Pollution Control Facility and Sewer Infrastructure Upgrades.....	36,000,000			2,000,000			\$34,000,000	34,000,000 <sup>2</sup>
Energy Saving Improvements Project.....	11,200,000	9,426,272			\$1,773,728			1,773,728
<b>Total.....</b>	<b>\$139,700,000</b>	<b>\$59,926,272</b>	<b>\$10,000,000</b>	<b>\$30,000,000</b>	<b>\$5,273,728</b>	<b>\$500,000</b>	<b>\$34,000,000</b>	<b>\$39,773,728</b>

<sup>1</sup> The overall project costs are projected at \$103 million. The voters of the Town approved a \$35 million borrowing resolution which is the estimated net local share of the project after receipt of the State of Connecticut School Construction Grants.

<sup>2</sup> The Town anticipates that the debt service on the water pollution control facility and sewerage collection project (net State grants) will be supported by user charges against the sewer system users.

Note: The Town has established a committee to review a new capital project for the addition, alteration and renovation of the John F. Kennedy Middle School. This committee reviewed estimates for this proposed project. In November 2017, the project went to referendum and was rejected. The committee is working on a scaled down proposal expected to go to the voters in November 2018. The current estimate for the total cost of the revised proposed project, as reviewed by the committee, is \$84,000,000. This project would be eligible for school construction grants, and it is estimated that the Town's share of this total cost would be approximately \$27,000,000.



### PRINCIPAL AMOUNT OF OUTSTANDING DEBT

<b>Long-Term Debt</b>	<b>2018 Est.</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Bonds.....	\$80,350,000	\$54,540,000	\$58,510,000	\$41,590,000	\$19,450,000	\$21,975,000
<b>Short-Term Debt</b>						
Bond Anticipation Notes..	36,000,000	47,000,000	10,000,000	20,000,000	16,500,000	11,500,000
<b>Totals.....</b>	<b>\$116,350,000</b>	<b>\$101,540,000</b>	<b>\$68,510,000</b>	<b>\$61,590,000</b>	<b>\$35,950,000</b>	<b>\$33,475,000</b>

Source: Annual Audited Financial Statements 2013-2017, Estimate 2018.

### RATIO OF DIRECT OVERALL DEBT TO VALUATION, POPULATION AND INCOME <sup>1</sup>

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Overall Debt<sup>1</sup></b>	<b>Ratio of Direct Overall Debt to Assessed Value (%)</b>	<b>Ratio of Direct Overall Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Overall Debt per Capita</b>	<b>Ratio of Direct Overall Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2018 Est.	\$2,904,928,641	\$4,149,898,059	\$116,350,000	4.01%	2.80%	44,368	\$2,622.39	8.36%
2017	2,906,245,145	4,151,778,779	101,540,000	3.49%	2.45%	44,368	2,288.59	7.29%
2016	2,882,768,974	4,118,241,391	68,510,000	2.38%	1.66%	44,368	1,544.13	4.92%
2015	2,851,095,090	4,072,992,986	61,590,000	2.16%	1.51%	44,323	1,389.57	4.43%
2014	2,845,323,647	4,064,748,067	35,950,000	1.26%	0.88%	44,626	805.58	2.57%
2013	2,841,582,000	4,059,402,857	33,475,000	1.18%	0.82%	44,748	748.08	2.38%

<sup>1</sup> Excludes capital lease obligations.

<sup>2</sup> State of Connecticut, Department of Health Services Estimate 2013-2016.

<sup>3</sup> Income per Capita: \$31,381 – U.S. Census Bureau, 2012-2016 American Community Survey.

### RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES (GAAP Basis)

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service Expenditures</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Total Debt Service Expenditures to Total General Fund Expenditures %</b>
2018 Est.	\$8,588,718	\$132,291,055	6.49%
2017	6,967,064	148,036,381	4.71%
2016	5,760,000	140,955,000	4.09%
2015	4,869,000	136,735,000	3.56%
2014	3,519,000	137,378,000	2.56%
2013	2,968,000	133,224,000	2.23%

Source: Annual Audited Financial Statements 2013-2017, Estimate 2018.

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

## **VII. LEGAL AND OTHER LITIGATION**

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### **LITIGATION**

The Town of Enfield, Connecticut, its officers, employees, boards and commissions, are defendants in a number of lawsuits. The Town Attorney is of the opinion that pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely effect upon its financial position.

### **MUNICIPAL ADVISOR**

The Town has retained Hilltop Securities Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds and Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds and Notes is contingent upon the issuance and delivery of the Bonds and Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond and Note proceeds.

### **TRANSCRIPT AND CLOSING DOCUMENTS**

Upon the delivery of the Bonds and Notes, the original purchaser(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and Notes or the levy or collection of taxes to pay the principal of and interest on the Bonds and Notes.
2. A Certificate on behalf of the Town, signed by the Acting Town Manager and Director of Finance, dated the date of delivery of the Bonds and Notes, and attached to a signed copy of the Official Statement, which will certify, to the best of said officials' knowledge and belief, that on the date thereof and at the time the bids for the Bonds and Notes were accepted, the descriptions and statements in the Official Statement relating to the Town of Enfield and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds and Notes.
4. Approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut for the Bonds and Notes substantially in the forms of Appendices B-1 and B-2 attached hereto.
5. Continuing Disclosure Agreements for the Bonds and Notes substantially in the forms of Appendices C-1 and C-2 attached hereto.
6. The Town of Enfield has prepared a Preliminary Official Statement for the Bond and Note issue which is dated July 13, 2018. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning purchaser(s) of the Bonds 100 copies and the Notes 25 copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the purchaser(s) at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the offices of U.S. Bank National Association, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

## CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds and Notes. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are not intended to be representations of fact, and no representation is made that any of 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. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof or any earlier date of which any information contained herein is given. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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 ENFIELD, CONNECTICUT

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

Christopher Bromson, *Acting Town Manager*

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

John Wilcox, *Director of Finance*

Dated as of July \_\_\_, 2018

## APPENDIX A – BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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Appendix A - Basic Financial Statements - is taken from the Annual Financial Report of the Town of Enfield for the Fiscal Year ended June 30, 2017 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Enfield, Connecticut.

# Ron L. Beaulieu & Company

## CERTIFIED PUBLIC ACCOUNTANTS

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Portland, Maine 04103

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### INDEPENDENT AUDITORS' REPORT

To the Town Council of  
Town of Enfield, Connecticut  
Enfield, 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 Enfield, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Enfield, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Change in Accounting Principle***

In 2017 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3.1 through 3.9 and budgetary comparison and pension information on pages 51 through 58 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 and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the Town of Enfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Enfield, Connecticut's internal control over financial reporting and compliance.

*Ron L. Beaulieu & Co.*

Portland, Maine  
December 28, 2017

**TOWN OF ENFIELD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

This discussion and analysis of the Town of Enfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements. All amounts in this section are reported in thousands unless otherwise noted.

**Financial Highlights**

- Net position of our governmental activities increased by \$21,620 or (8.60%).
- During the year, the Town had expenses and transfers that were \$16,751 less than the \$168,402 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$151,651.
- The General Fund reported a fund balance this year of \$29,833 an increase of \$3,243 or 12.2% over the prior year.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 4 and 5 provide information about the activities of the Town as a whole and present a long-term view of the Town's finances. Fund financial statements are presented on pages 6 through 15. For governmental activities, the statements show how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the Town as a whole begins on pages 4 and 5. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are indicators of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall financial health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities as follows:

Governmental Activities - The Town's basic services are reported here, including general government, public safety, public works, health and social services, library, planning and development and education. Property taxes and intergovernmental revenues finance most of these activities.

## **Fund Financial Statements**

The fund financial statements begin on page 15 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town administration establishes many other funds to help control and manage financial activities for particular purposes like the Capital Nonrecurring fund and Community Development fund. The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- **Governmental Funds** (*pages 6 through 10*) - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds is described in a reconciliation between fund balances - all governmental funds and net position of governmental activities on pages 17 and 19.
- **Proprietary Funds** (*pages 11, 12 and 13*) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Information Technology Fund.
- **Fiduciary Funds** (*pages 14 and 15*) - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



## **Government-Wide Financial Analysis**

The Town's combined total net position decreased by \$21,620 from a year ago, changing from \$251,252 to \$229,632. The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1**  
**NET POSITION**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current and other assets	70,379	57,308
Capital Assets	354,186	320,646
Total Assets	<u>424,565</u>	<u>377,954</u>
Deferred outflows of resources	<u>3,996</u>	<u>6,840</u>
Current liabilities	63,219	23,241
Noncurrent liabilities	127,019	93,198
Total liabilities	<u>190,238</u>	<u>116,439</u>
Deferred inflows of resources	<u>8,691</u>	<u>17,103</u>
Net investment in capital assets	221,812	267,221
Restricted	799	1,701
Unrestricted	<u>7,021</u>	<u>(17,670)</u>
Total Net Position	<u><u>229,632</u></u>	<u><u>251,252</u></u>

The largest component of the net position is the investment in capital assets (buildings, infrastructure and equipment), which is presented less outstanding debt related to acquiring the assets. This portion of the net position is not available for spending. Unrestricted net position - the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$24,691 from the prior fiscal year.

The change in net position can also be analyzed by looking at the difference between revenues and program expenses. The Town's total revenues were \$168,403, a decrease of \$20,566 over the prior year. The total cost of all programs and services was \$151,651, a decrease of \$27,569 over the prior year. A more detailed discussion of fiscal year 2017 activity follows in the next sections.

**TABLE 2**  
**CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Revenues:		
Program revenues:		
Charges for services	\$ 14,131	\$ 14,178
Operating grants and contributions	54,596	50,443
Capital grants and contributions	5,403	32,435
General revenues:		
Property taxes	91,164	89,493
Grants and contributions not restricted to specific programs	2,115	2,092
Investment income	994	328
Total revenues	<u>168,403</u>	<u>188,969</u>
Expenses:		
General government	8,092	17,781
Public safety	5,171	32,366
Public works	26,279	26,780
Health and social services	9,504	9,967
Library	1,760	1,740
Planning and development	1,461	1,471
Education	90,546	86,113
Nondepartmental, Capital Outlay and Other	6,817	
Interest on long-term debt	2,021	3,002
Total expenses	<u>151,651</u>	<u>179,220</u>
Change in Net Position	16,752	9,749
Prior Period Adjustment - GASB 75	<u>(38,372)</u>	
Beginning Net Position - Adjusted	<u>212,880</u>	<u>241,503</u>
Ending Net Position	<u>\$ 229,632</u>	<u>\$ 251,252</u>

Table 3 presents the cost of each of the Town's five largest programs - public safety, public works, education, and health and social services - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3**  
**GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General government	\$ 8,093	\$ 17,781	\$ 1,052	\$ 12,906
Public safety	5,171	32,366	4,579	31,568
Public works	26,279	26,780	20,864	18,114
Education	90,546	86,113	36,348	9,983
Health and social services	9,504	9,967	2,631	3,407
All other	12,058	6,213	12,049	6,186
Total	<u>\$ 151,651</u>	<u>\$ 179,220</u>	<u>\$ 77,523</u>	<u>\$ 82,164</u>

The total cost of services decreased \$27,569 or 15.38% from 2016 to 2017. There was no change in services provided by the Town. The primary cost drivers for the fiscal year were due to decreases in General Government and Public Safety and increases in Board of Education spending.

### **Town Funds Financial Analysis**

#### **Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - page 8) reported a combined total fund balance of (\$4,268) which is a 124.89% decrease from last year's total of \$17,150. The fund balance in the general fund increased \$788 from the prior year. Page 44 shows the details of the governmental fund balances. More detail with respect to activity in the General Fund is presented in the General Fund Budgetary Highlights section.

There continues to be a deficit in the Water Pollution Control Fund, which increased by \$47 during the year. \$2,492 is reserved in the General Fund nonspendable fund balance to cover part of the deficit. In fiscal year 2013-2014 the Council voted to convert the funding basis for the WPCA from ad valorem to user fee, in order to raise revenue to foot the cost of approximately \$36 million in upgrades to the plant. The change to user fee went into effect January 1, 2014. The rates were structured to provide enough revenue to pay back the general fund \$300 a year over a ten-year period, and to support anticipated debt repayment of approximately \$31 million for plant upgrades and repairs.

The fund balance in the Bonded Projects Fund has a deficit of \$37,422, an increase of \$24,396 over the prior year. The deficit is a result of spending associated with the "Roads 2015" paving program, the High School Consolidation project and the Water Pollution Control. Bond anticipation notes were issued during the year in the amount of \$47,000 to cover deficits in cash flows. The deficit will be covered in fiscal year 2017-2018 with the issuance of bonds.

The fund balance in the Capital Nonrecurring Fund decreased \$217, to \$3,888. Spending in the Capital and Nonrecurring Fund in fiscal year 2017 was \$3,030 compared to \$3,263 in fiscal year 2016. The Town records purchase of equipment, capital grants and major maintenance projects in this fund. Spending has decreased from prior years as one-time grants are completed.

The fund balances in the Nonmajor Governmental Funds is \$2,922, an increase of \$158 over the prior year. Pages 59-64 show the activity details for Nonmajor governmental funds. Spending activity is primarily education related and pertains to grants, student activity and cafeteria expenditures and revenues.

Fund balance in the governmental funds is classified according to the strength of the spending constraints for which it can be used, and are listed on the balance sheet according to the strength of the restriction, from most to least restrictive. Nonspendable fund balance represents \$4,570 of the total fund balance. Amounts classified in this category include inventory and the corpus of endowment funds, prepaid interest and \$2,192 that has been advanced to the Water Pollution Control Fund. Restricted fund balance is \$760 of the total fund balance and represents donations and grants whose spending is restricted to a particular purpose by the donor or granting authority. Committed fund balance is \$9,754 of the total fund balance and represents amounts committed by the Town Council for a particular purpose. The amounts in this category are committed primarily through the budget making process or by resolution. Assigned fund balance represents encumbrances outstanding at year end and the amount used to balance the fiscal year 2018 budget. Assigned fund balance represents \$2,646 of the total fund balance. The unassigned fund balance, which is available for spending, is (\$21,840). As mentioned earlier in this discussion, the WPCA fund and Bonded Projects fund are currently running deficits thereby causing the unassigned fund balance deficit. The deficit in the Bonded Projects Fund will be eliminated with future bonding and the deficit in the Water Pollution Control Fund will be eliminated over the next ten years through revenue raised by user fees.

### **Proprietary Funds**

The Town of Enfield utilizes internal service funds to report the costs associated with liability insurance, health insurance and information technology for the Board of Education and the Town. Details of the activities in these funds are shown on pages 65-67. The net position of these funds increased \$697 or 239.52%, to \$988. The increase was primarily due to health insurance premium increases to cover expenses.

### **General Fund Budgetary Highlights**

General fund revenues and expenditures are presented on a budgetary basis on pages 51.

### **Revenue Variances**

Better than expected collections resulted in a positive variance of \$851 for all tax collections. Tax collections are currently budgeted on a cash basis and included \$300 for prior year collections. Real estate collections were budgeted at 98.65%, motor vehicle at 94.2% and personal property at 97.1%. The blended tax collection rate for current year taxes was 98.26%, which represents no change from the prior year collection rate.

Intergovernmental revenue had a net negative variance of \$320. Some variances in intergovernmental revenue were caused by changes made by the state during the year to individual grant line items. In addition, the Town adopts their budget prior to the States adoption of their budget. Therefore, changes made by the State to grant allocations after the Town adopts its budget can result in variances. The variance caused by these changes was \$98. Social Services grants were the main source of variances. These totaled \$209, Many of these were caused by the fiscal year of the grant being different than the Town's fiscal year.

Charges for services had a total positive variance of \$1,422. \$731 of these variances were from the School Miscellaneous Fund and the Police Outside Service fund for which revenue budgets are not adopted. Budgets in this category are estimated based on historical averages and normally vary from year to year. Conveyance taxes and EMS Client Fees contributed \$353 and \$167 to the positive variance.

Licenses and permits and had a positive variance of \$516. \$503 of this variance was caused by building permits.

Interest earned had a positive variance of \$2,021. This was due to a donation received by the Board of Education that is restricted for use on special needs students. General fund investments are limited by state statute to risk free instruments as specified in Note 3. Unfavorable economic conditions have kept investment interest rates low.

Overall, the general fund had a total positive revenue variance of \$4,291.

### **Expenditure Variances**

Budgetary expenditures had a total positive variance of \$3,744. The largest variances occurred in the following departments: General Government \$814, Public Works \$647, and Health and social services \$730.

Additional appropriations from fund balance in the amount of \$270 were made to settle a lawsuit against the Town.

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

#### **Capital Assets**

At June 30, 2017, the Town had \$354,186 invested in a broad range of capital assets, including land, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sewer lines, sidewalks) – Note 5 page 26. This amount represents a net increase (including additions and deductions) of \$33,540 over the prior year.

**TABLE 4**  
**CAPITAL ASSETS (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 12,255	\$ 12,255
Construction in progress	116,985	87,935
Buildings and improvements	58,867	60,917
Machinery and equipment	8,159	8,705
Vehicles	9,604	8,622
Infrastructure	148,316	142,212
Total	<u>\$ 354,186</u>	<u>\$ 320,646</u>

This year's major additions included:

- The continuation of a variety of road rehabilitation projects - "Roads 2010 and Roads 2015" in the amount of \$13,209
- Construction on the Enfield High School project of \$16,841.
- Purchase of seven police vehicles in the amount of \$208.
- Purchase of an ambulance for EMS for \$115.

- Purchase of 3 dump trucks, 3 rubbish trucks, 2 pickup trucks and a car for Public Works for \$1,453.
- Purchase of two Dial-A-Ride buses for Social Services for \$196.

More detailed information about the Town's capital assets is presented in Note 3(C) in the financial statements.

### **Long-Term Debt**

At June 30, 2017, the Town had \$54,540 in bonds outstanding compared to \$58,510 last year - an decrease of 6.8% as shown in Table 5.

**TABLE 5  
OUTSTANDING DEBT**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
General obligation bonds - Town	\$ 43,514	\$ 46,484
General obligation bonds - School improvements	11,026	12,026
Total	<u>\$ 54,540</u>	<u>\$ 58,510</u>

The Town maintains an "AA/Stable" rating from Standard Poor's and an "Aa2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$710,416 which significantly exceeds the Town's outstanding general obligation debt.

At the end of fiscal 2015 the Town was authorized to bond an additional \$35 million for the High School Consolidation projects, which is currently underway.

In November 2014, voters approved borrowing an additional \$60 million for the Roads 2015 road reconstruction program. This project is currently in process.

In November of 2015, voters approved borrowing an additional \$36 million to finance reconstruction, repair and improvements to the water pollution control facility and sewerage collection infrastructure.

In November of 2016, voters approved borrowing \$11.2 million to finance energy performance upgrades at various town buildings.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 3(E) of the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2016-2017 budget. Overall economic conditions as well as citizens' ability to sustain an increase in taxes continue to be primary concerns of town officials. The mill rate for the Town was unchanged at 23.88 for fiscal years 2008-2012. The mill rate for the 2012-2013 budget increased to 27.84. The increase in the mill rate was the result of a town wide revaluation in which property values dropped an average of 13%. Property values for residential property dropped an average of 15% and commercial property values dropped an average of 10%. After factoring in the change in the grand list, the increase in the mill rate was .90 mills.

Council set multiple mill rates for the 2016-2017 budget due to the cap on motor vehicle mill rates imposed by the State of CT. The rates were 30.86 mills for real estate and business personal property and 28.80 mills for motor vehicles. The real estate and business personal property rate increased .97 mills over the prior year while the motor vehicle mill rate decreased by 1.09 mills. The mill rate for fiscal year 2017-2018 is 31.43 for real estate and business personal property and 28.80 for motor vehicles. General fund spending increased to \$132,291, an increase of 2.53% over the fiscal year 2017 budget. Total expenses for the Board of Education increased by \$2,063 and the Town increased by \$1,204.

The grand list has remained stable, with no meaningful growth or property transfers.

Unemployment (not seasonally adjusted) in the Town as of October 2017 was 5.0% versus 4.5% a year ago. The State's unemployment rate is 5.1% and the national rate is 4.9% for the same time period.

### **Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, John Wilcox, Town of Enfield, 820 Enfield Street, Enfield, Connecticut, 06082.

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

**STATEMENT A**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 35,295,137
Investments	15,580,172
Accounts receivable, net	5,489,116
Taxes receivable, net	4,741,241
Interest receivable, net	5,407,924
Due from other governments, net	1,290,941
Due from agency fund	47,948
Prepaid expenses	2,426,105
Inventories	100,748
Non-depreciable capital assets	129,240,298
Capital assets, net	<u>224,945,676</u>
<b>TOTAL ASSETS</b>	<u>424,565,306</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	474,990
Deferred outflows related to pension	<u>3,521,443</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,996,433</u>
<b>LIABILITIES</b>	
Accounts payable	6,155,938
Accrued expenses	221,432
Accrued payroll	763,747
Accrued interest	1,583,760
Claims payable	1,239,871
Due to other governments	741,941
Deferred revenues	157,980
Bond anticipation note	47,000,000
Long-term liabilities:	
Due within one year	5,354,540
Due more than one year	<u>127,019,291</u>
<b>TOTAL LIABILITIES</b>	<u>190,238,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	1,602,173
Deferred inflows related to pensions	<u>7,088,936</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>8,691,109</u>
<b>NET POSITION</b>	
Net investment in capital assets	221,812,143
Restricted:	
Grants	760,037
Trust principal	38,519
Unrestricted	<u>7,021,431</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 229,632,130</u></u>

See accompanying independent auditors' report and management's notes to financial statements.



## STATEMENT B

**TOWN OF ENFIELD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
Governmental activities:					
General government	8,092,317	\$ 2,208,590	\$ 4,029,417	\$ 802,798	\$ (1,051,512)
Public safety	5,170,971	449,983	142,318	-	(4,578,670)
Public works	26,278,866	4,878,260	536,350	-	(20,864,256)
Health and social services	9,503,863	4,653,262	2,220,060	-	(2,630,541)
Library	1,760,195	3,603	5,482	-	(1,751,110)
Planning and development	1,461,125	-	-	-	(1,461,125)
Intergovernmental and interager	477,635	-	-	-	(477,635)
Education	90,546,162	1,936,928	47,661,721	4,599,682	(36,347,831)
Non-departmental	4,950,806	-	-	-	(4,950,806)
Capital outlay	1,388,461	-	-	-	(1,388,461)
Interest expense	2,020,551	-	-	-	(2,020,551)
Total governmental activities	<u>\$ 151,650,952</u>	<u>\$ 14,130,626</u>	<u>\$ 54,595,348</u>	<u>\$ 5,402,480</u>	<u>(77,522,498)</u>

## General revenues:

Property taxes	91,164,293
Fines	124,313
Licenses and permits	1,106,599
Interest	2,129,542
Gain/(loss) on disposal of capital assets	(1,136,242)
Miscellaneous	884,521
Total general revenues	<u>94,273,026</u>

Change in net position	<u>16,750,528</u>
Net position - July 1 - original	251,253,278
Prior Period Adjustment	<u>(38,371,677)</u>
Net position - July 1 - revised	<u>212,881,601</u>
Net position - June 30	<u>\$ 229,632,129</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Major				Non-Major	
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Total
<b>ASSETS</b>						
Cash	\$ 12,686,742	\$ 3,484,004	\$ 13,413,905	\$ 406,977	\$ 3,596,097	\$ 33,587,725
Investments	11,644,293	-	-	2,763,901	-	14,408,194
Accounts receivable, net	2,421,484	1,456,457	-	-	1,520,978	5,398,919
Taxes receivable, net	4,741,241	-	-	-	-	4,741,241
Interest receivable, net	5,407,924	-	-	-	-	5,407,924
Due from other governments, net	525,340	-	-	569,553	196,049	1,290,942
Due from other funds	8,264,286	-	-	345,210	-	8,609,496
Prepaid expenses	1,938,824	-	-	-	-	1,938,824
Inventories	-	-	-	-	100,748	100,748
<b>TOTAL ASSETS</b>	<b>\$ 47,630,134</b>	<b>\$ 4,940,461</b>	<b>\$ 13,413,905</b>	<b>\$ 4,085,641</b>	<b>\$ 5,413,872</b>	<b>\$ 75,484,013</b>
<b>LIABILITIES</b>						
Accounts payable	3,217,361	430,318	1,978,665	197,979	9,010	5,833,333
Accrued expenses	216,871	2,749	356	-	98	220,074
Accrued payroll	703,908	23,872	11,931	-	5,559	745,270
Accrued interest	-	-	783,333	-	-	783,333
Due to other governments	-	-	-	-	741,941	741,941
Deferred revenues	80,056	-	-	-	77,924	157,980
Bond anticipation note	-	-	47,000,000	-	-	47,000,000
Due to other funds	-	6,454,790	1,061,843	-	158,634	7,675,267
<b>TOTAL LIABILITIES</b>	<b>4,218,196</b>	<b>6,911,729</b>	<b>50,836,128</b>	<b>197,979</b>	<b>993,166</b>	<b>63,157,198</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Deferred property taxes	9,960,334	-	-	-	-	9,960,334
Deferred sewer user fees	-	1,357,592	-	-	-	1,357,592
Deferred EMS revenues	1,970,689	-	-	-	-	1,970,689
Deferred grant revenues	46,124	-	-	-	-	46,124
Deferred loan revenues	-	-	-	-	1,499,698	1,499,698
Prepaid property taxes	1,602,173	-	-	-	-	1,602,173
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>13,579,320</b>	<b>1,357,592</b>	<b>-</b>	<b>-</b>	<b>1,499,698</b>	<b>16,436,610</b>
<b>FUND BALANCES</b>						
Nonspendable	4,430,824	-	-	-	139,267	4,570,091
Restricted	-	-	-	-	760,037	760,037
Committed	3,836,839	-	-	3,887,662	2,029,794	9,754,295
Assigned	2,646,174	-	-	-	-	2,646,174
Unassigned	18,918,781	(3,328,860)	(37,422,223)	-	(8,090)	(21,840,392)
<b>TOTAL FUND BALANCES</b>	<b>29,832,618</b>	<b>(3,328,860)</b>	<b>(37,422,223)</b>	<b>3,887,662</b>	<b>2,921,008</b>	<b>(4,109,795)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 47,630,134</b>	<b>\$ 4,940,461</b>	<b>\$ 13,413,905</b>	<b>\$ 4,085,641</b>	<b>\$ 5,413,872</b>	<b>\$ 75,484,013</b>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT  
 RECONCILIATION OF THE BALANCE SHEET –  
 GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

Fund balances total governmental funds	\$ (4,109,795)
Amounts reported for governmental activities in the statement of net position are different because:	
Internal services fund	988,273
Capital assets	354,185,974
Deferred charge on refunding	474,990
Deferred outflows of resources related to pensions	3,521,443
Deferred tax revenue	9,960,334
Deferred sewer revenue	1,357,592
Deferred EMS revenue	1,970,689
Deferred grant revenue	46,124
Deferred loan revenue	1,499,698
Accrued interest	(800,427)
Long-term liabilities due within one year	(5,354,540)
Long-term liabilities due more than one year	(127,019,291)
Deferred inflows of resources related to pensions	(7,088,935)
Net position of governmental activities	<u>\$ 229,632,129</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Other	
<b>REVENUES</b>							
Property taxes	\$89,711,701	\$ -	-	\$ -	\$ -	-	\$89,711,701
Charges for services	7,106,929	4,526,628	-	31,331	1,770,338	-	13,435,226
Intergovernmental	50,100,548	2,316	7,370,764	802,798	4,630,723	-	62,907,149
Fines	20,934	-	-	-	103,378	-	124,312
Licenses and permits	1,106,599	-	-	-	-	-	1,106,599
Interest earned	2,130,631	-	-	(12,672)	782	-	2,118,741
Miscellaneous	712,673	-	-	71,402	100,447	-	884,522
<b>TOTAL REVENUES</b>	<b>150,890,015</b>	<b>4,528,944</b>	<b>7,370,764</b>	<b>892,859</b>	<b>6,605,668</b>	<b>170,288,250</b>	
<b>EXPENDITURES</b>							
Current:							
General government	6,726,069	-	-	-	99,879	-	6,825,948
Public safety	15,032,266	-	-	-	211,504	-	15,243,770
Public works	17,342,603	4,186,602	-	-	-	-	21,529,205
Health and social services	9,277,727	-	-	-	-	-	9,277,727
Library	1,701,863	-	-	-	9,649	-	1,711,512
Planning and development	1,451,868	-	-	-	-	-	1,451,868
Intergovernmental and interagency	477,635	-	-	-	-	-	477,635
Education	82,705,725	-	-	-	6,185,173	-	88,890,898
Non-departmental	3,876,897	-	-	-	-	-	3,876,897
Capital outlay	-	-	41,449,005	3,029,624	-	-	44,478,629
Debt service:							
Principal retirement	3,970,000	-	-	-	-	-	3,970,000
Interest expense	2,997,064	-	982,777	-	-	-	3,979,841
<b>TOTAL EXPENDITURES</b>	<b>145,559,717</b>	<b>4,186,602</b>	<b>42,431,782</b>	<b>3,029,624</b>	<b>6,506,205</b>	<b>201,713,930</b>	

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Major			Non-Major		
	Water			Other		
	General	Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Total
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 5,330,298	\$ 342,342	\$ (35,061,018)	\$ (2,136,765)	\$ 99,463	\$ (31,425,680)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of bonds	-	-	-	-	-	-
Issuance of bond premiums	-	-	738,880	-	-	738,880
Issuance of capital leases	-	-	9,426,272	-	-	9,426,272
Transfers in	390,517	-	500,000	2,419,449	57,215	3,367,181
Transfers out	(2,476,664)	(390,517)	-	(500,000)	-	(3,367,181)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,086,147)</b>	<b>(390,517)</b>	<b>10,665,152</b>	<b>1,919,449</b>	<b>57,215</b>	<b>10,165,152</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,244,151</b>	<b>(48,175)</b>	<b>(24,395,866)</b>	<b>(217,316)</b>	<b>156,678</b>	<b>(21,260,528)</b>
<b>FUND BALANCE - JULY 1 - ORIGINAL</b>	<b>26,588,467</b>	<b>(3,280,685)</b>	<b>(13,026,357)</b>	<b>4,104,978</b>	<b>2,764,330</b>	<b>17,150,733</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JULY 1 - REVISED</b>	<b>26,588,467</b>	<b>(3,280,685)</b>	<b>(13,026,357)</b>	<b>4,104,978</b>	<b>2,764,330</b>	<b>17,150,733</b>
<b>FUND BALANCE - JUNE 30</b>	<b>\$29,832,618</b>	<b>\$ (3,328,860)</b>	<b>\$ (37,422,223)</b>	<b>\$ 3,887,662</b>	<b>\$ 2,921,008</b>	<b>\$ (4,109,795)</b>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total government funds	\$(21,260,528)
Amounts reported for governmental activities in the statement of activities are different because:	
Internal revenue service revenues and expenses are not included in net change in fund balances. However, in the statement of activities, the internal service revenues and expenses are included.	764,497
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 as depreciation expense.	
This is the amount of capital outlays.	43,090,168
This is the amount of depreciation expense.	(8,207,952)
This is the amount of gain/loss on disposal.	(1,136,242)
Changes in net pension liability and related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental	9,541,445
Changes in other post-employment benefit liability do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(1,409,436)
Expenses for accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	160,992
Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	111,577
Proceeds from capital leases is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(9,426,272)
Payments of capital leases are expenditures in the governmental funds, but are a reduction of long-term liabilities in the statement of net position.	885,848
Proceeds from loans and bonds is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	-
Repayment of bond principal and premiums is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,200,000
Change in claims payable do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	189,774
Change in landfill closure costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	15,000
Change in deferred charge on refunding does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,009)
Change in deferred revenues do not require the use of current financial resources and therefore are not reported as revenues in governmental funds.	(761,334)
Change in net position of governmental activities.	<u>\$ 16,750,528</u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,707,411
Investments	1,171,978
Accounts receivable (net)	90,196
Interfund receivables	140,816
Prepaid expenses	487,281
Total current assets	<u>3,597,682</u>
Noncurrent assets:	
Capital assets (net)	<u>-</u>
Total noncurrent assets	<u>-</u>
<b>TOTAL ASSETS</b>	<u>3,597,682</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	322,607
Accrued expenses	1,358
Accrued payroll	18,476
Claims payable	1,239,871
Interfund payables	1,027,097
Long-term liabilities:	
Due within one year	-
Due more than one year	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,609,409</u>
<b>NET POSITION</b>	
Net investment in capital assets	-
Restricted	-
Unrestricted	988,273
<b>TOTAL NET POSITION</b>	<u><u>\$ 988,273</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2017

	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for services	24,181,376
Total operating revenues	<u>24,181,376</u>
<b>OPERATING EXPENSES</b>	
Risk management claims	1,340,339
Health insurance claims	18,735,078
Technology services	3,352,264
Total operating expenses	<u>23,427,681</u>
<b>OPERATING INCOME (LOSS)</b>	<u>753,695</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest	10,802
Total non-operating revenues (expenses)	<u>10,802</u>
<b>CHANGE IN NET POSITION</b>	764,497
<b>NET POSITION - JULY 1 (ORIGINAL)</b>	294,776
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(71,000)</u>
<b>NET POSITION - JULY 1 (RESTATED)</b>	<u>223,776</u>
<b>NET POSITION - JUNE 30</b>	<u><u>\$ 988,273</u></u>

See accompanying independent auditors' report and management's notes to financial statements.



**TOWN OF ENFIELD, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from charges for services	\$ 24,826,366
Payments for claims, premiums, and fees	(23,887,529)
Net cash provided (used) by operating activities	<u>938,837</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	-
Payments on capital lease	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(18,982)
Interest	10,802
Net cash provided (used) by investing activities	<u>(8,180)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	930,657
<b>CASH AND CASH EQUIVALENTS - JULY 1</b>	<u>776,754</u>
<b>CASH AND CASH EQUIVALENTS - JUNE 30</b>	<u><u>\$ 1,707,411</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	753,695
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Bad debt	-
Depreciation	-
Changes in assets and liabilities:	
Accounts receivable (net)	-
Interfund receivables	1,130,420
Prepaid expenses	(485,430)
Accounts payable	(184,471)
Accrued expenses	(453)
Accrued payroll	(6,467)
Claims payable	(243,292)
Interfund payables	(25,165)
	<u><u>\$ 938,837</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS</b>	
Cash per Statement of Net Position:	
Cash	1,707,411
Investments	-
Restricted cash	-
Cash and cash equivalents	<u><u>\$ 1,707,411</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2017

	Pension and Other Employee Benefit Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash	\$ -	\$ 1,713,947
Investments	134,046,847	-
<b>TOTAL ASSETS</b>	<u>134,046,847</u>	<u>1,713,947</u>
<b>LIABILITIES</b>		
Accounts payable		27,125
Due to specific individuals	-	1,638,874
Due to town	-	47,948
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>1,713,947</u>
<b>NET POSITION</b>		
Restricted for Pension and Other Employee Benefits	<u>\$ 134,046,847</u>	<u>\$ -</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

**STATEMENT K**

	Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS</b>	
Contributions	
Employer contributions	\$ 3,997,919
Employee contributions	1,186,470
Total contributions	<u>5,184,389</u>
Investment earnings	
Interest and dividends	2,889,832
Net change in fair value of investments	10,064,137
Total investment earnings	<u>12,953,969</u>
Less investment expenses	
Investment management fees	283,387
Net investment earnings	<u>12,670,582</u>
Total additions	<u>17,854,971</u>
<b>DEDUCTIONS</b>	
Benefits paid	5,922,914
Administrative expenses	-
Total deductions	<u>5,922,914</u>
<b>CHANGE IN NET POSITION</b>	11,932,057
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>122,114,790</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 134,046,847</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Enfield, Connecticut (the Town) was incorporated in 1683. The Town operates under Council-manager form of government and provides the following services as authorized by its charter; public safety, public works, health and social services, library, education, planning and development, and general government.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

**A. REPORTING ENTITY**

These financial statements present the Town (the primary government) and its component unit, if any. As defined by GASB No. 14, component units are legally separate entities that are included in the Town's reporting entity because of the significance of the operating or financial relationships with the Town.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property, certain intergovernmental revenues, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net cost (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc).

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds and fund types:

- a. The general fund is the Town's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- b. The water pollution control fund accounts for the collection of user charges in relation to the cost of water pollution control and the financing of sanitary sewer improvements or services.
- c. The bonded projects fund accounts for the bonded and financial revenues to be used for major capital asset construction and/or purchases.
- d. The capital nonrecurring fund accounts for the accumulation of monies for capital projects.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Town reports the following proprietary fund types:

- a.) Internal service funds are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. These funds are used to account for the employee health insurance plan, the commercial liability insurance, and the financial costs of operating the central information systems department.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. FINANCIAL STATEMENTS ACCOUNTS**

**1. Cash and investments:**

Nearly all of the cash balances of the Town's funds are pooled for investment purposes. The individual funds' portions of the pool's cash and investments are reported as cash and investments. Investments are stated at fair value, (quoted market price or the best available estimate).

**2. Cash and cash equivalent**

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the Town's investment pool is treated as cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

**3. Inventories:**

Inventories in the governmental funds consist of expendable supplies held for the Town's use and are carried at cost using the first-in, first-out method.

**4. Receivables:**

All receivables are reported net of estimated uncollectible amounts.

**5. Capital assets:**

Capital assets purchased or acquired with an original cost of \$20,000 or more for buildings and improvements, \$5,000 or more for vehicles and equipment, and \$100,000 or more for infrastructure are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Town reports all major general infrastructure assets constructed or acquired in fiscal years ending after June 30, 1980, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	20-75 years
Machinery and Equipment	10-30 years
Vehicles	10-30 years
Infrastructure	40-100 years

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**6. Deferred Outflows of Resources:**

The Town reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources reported in this year's financial statements include (1) none. No deferred outflows of resources affect the governmental funds financial statements in the current year.

**7. Deferred Inflows of Resources:**

The Town's statements of net position and its governmental fund balance sheet report a separate section for deferred inflow of resources. This separate financial statement elements reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources are reported in the Town's various statements of net position (1) none. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The Town will not recognize the related revenues until they are available (collected not later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes and grants are reported in the governmental funds balance sheet.

**8. Property Tax Calendar and Revenues:**

Taxes were levied on July 1, 2016 based on assessed values at October 1, 2015. Property tax payments were due in two installments – July 1, 2016 and January 1, 2017. Tax liens are placed on real property within twelve months following tax commitment date.

**9. Compensated Absences:**

The Town accrues accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statements of net position and represents a reconciling item between the fund and government-wide presentations.



TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**10. Government-wide and Proprietary Fund Net Position:**

Government-wide and proprietary fund net positions are divided into three components:

- Net investments in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (though restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the Town's parks endowment less related liabilities and deferred inflows of resources).
- Unrestricted – all other net position is reported in this category.

**11. Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by Town Council ordinance.
- **Assigned** – Amounts that are designated by Management for a particular purpose.
- **Unassigned** – All amounts not included in other spendable classifications.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. Use of Restricted Resources:**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**13. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**NOTE 2 - CASH**

The total amount of the Town's cash consists of the following at June 30, 2017:

Cash	\$35,295,137
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The total amount of the Town's deposits in financial institutions, per the bank statements, at June 30, 2017 was \$36,933,177, of which \$822,566 was covered by federal depository insurance. Deposits of \$36,110,611 were collateralized by a bank. The remaining \$0 was uncollateralized.

**NOTE 3 - INVESTMENTS**

Investments are reported at their fair value at year end. Although the Town believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 - INVESTMENTS (CONTINUED)**

*Level 1 Fair Value Measurements*

The fair value of stocks is based on quoted prices of the shares held by the Town at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

*Level 2 Fair Value Measurements*

Investments in certain preferred stocks are valued on the market approach using the quoted market price of the issuer's unrestricted common stock less an appropriate discount.

*Level 3 Fair Value Measurements*

The fair value of certain investments is not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

The investments of the Town consisted of the following as of:

Description	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)
U.S. Government securities	\$ 5,359,766	\$ 5,359,766	\$ -	\$ -
Corporate bonds	239,993	239,993	-	-
Common stock	3,544,793	3,544,793	-	-
Mutual funds	11,195,960	11,195,960	-	-
Deferred retirement option program	1,586,590	1,586,590	-	-
Insurance company-pooled separate account	101,090,313	94,189,687	6,900,626	-
Guaranteed deposits	20,161,666	-	-	20,161,666
Prudential real estate (NAV)	2,978,239	N/A	N/A	N/A
PGIM real estate (NAV)	3,490,960	N/A	N/A	N/A
Total	<u>\$ 149,648,280</u>	<u>\$ 116,116,789</u>	<u>\$ 6,900,626</u>	<u>\$ 20,161,666</u>

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 - INVESTMENTS (CONTINUED)**

The investments valued using the net asset value (NAV) method had no unfunded commitments. They are redeemable at quarterly intervals and a notice of 30-60 days is required.

The ratings of the treasuries and bonds consisted of the following:

S&P Rating	Corporate Bonds	U.S. Government Securities
AAA	\$ -	\$ 308,639
AA+	-	3,720,815
AA	-	234,492
AA-	32,405	105,831
A+	-	621,305
A	29,085	-
A-	60,582	-
BBB+	88,404	-
BBB	29,517	-
Unrated	-	368,684
	<u>\$ 239,993</u>	<u>\$ 5,359,766</u>

**Investment Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

The Pension Trust Fund is authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

**Credit Risk**

The Town has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Interest Rate Risk**

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

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 4 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The allowance for uncollectible accounts receivable at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		76,645
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	\$	<u>76,645</u>

The allowance for uncollectible taxes receivable at June 30, 2017 is estimated to be:

General Fund	\$	1,145,376
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	\$	<u>1,145,376</u>

The allowance for uncollectible interest receivable at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	\$	<u>-</u>

The allowance for uncollectible accounts due from other governments at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	\$	<u>-</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 5 - CAPITAL ASSETS**

The following is a summary of changes in capital assets:

**GOVERNMENTAL ACTIVITIES**

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Capital assets (non-depreciable):				
Land	\$ 12,255,000	\$ -	\$ -	\$ 12,255,000
Construction in progress	87,935,000	39,490,329	(10,440,031)	116,985,298
Total capital assets (non-depreciable)	<u>\$ 100,190,000</u>	<u>\$ 39,490,329</u>	<u>\$ (10,440,031)</u>	<u>\$ 129,240,298</u>
Capital assets				
Buildings & Improvements	94,796,000	-	-	94,796,000
Machinery and equipment	17,173,000	1,036,902	(20,822)	18,189,080
Vehicles	15,365,000	1,991,232	(62,238)	17,293,994
Infrastructure	216,847,000	11,011,736	(3,221,182)	224,637,554
Total other capital assets at historical cost	<u>344,181,000</u>	<u>14,039,870</u>	<u>(3,304,242)</u>	<u>354,916,628</u>
Less accumulated depreciation				
Buildings & Improvements	(33,879,000)	(2,050,136)	-	(35,929,136)
Machinery and equipment	(8,674,000)	(1,368,202)	12,000	(10,030,202)
Vehicles	(6,743,000)	(1,003,058)	56,000	(7,690,058)
Infrastructure	(74,635,000)	(3,786,556)	2,100,000	(76,321,556)
Total accumulated depreciation	<u>(123,931,000)</u>	<u>(8,207,952)</u>	<u>2,168,000</u>	<u>(129,970,952)</u>
Capital assets, net	<u>\$ 220,250,000</u>	<u>\$ 5,831,918</u>	<u>\$ (1,136,242)</u>	<u>\$ 224,945,676</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 771,620
Public Safety	732,330
Public Works	4,764,661
Health and social services	226,136
Library	48,683
Planning and development	9,257
Education	1,655,265
	<u>\$ 8,207,952</u>

The following assets are used as collateral:

Capital assets (non-depreciable)	\$9,426,272
Capital assets	2,914,184

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 - SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund and the Bonded Projects Fund.

Details related to the short-term debt activity for the fiscal year ended June 30, 2017, is as follows:

Type	Purpose	Rate	Due Date	Balance 07/01/16	Issued	Retired	Balance at 06/30/17
BAN	Roads 2014	2.00%	8/10/2016	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
BAN	High School	2.00%	8/9/2017		25,000,000		25,000,000
BAN	Roads 2014	2.00%	8/9/2017	-	20,000,000	-	20,000,000
	WPC plant						
BAN	upgrade	2.00%	8/9/2017	-	2,000,000	-	2,000,000
				<u>\$ 10,000,000</u>	<u>\$ 47,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 47,000,000</u>

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of outstanding long-term debt at June 30, 2017:

\$4,392,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2018, with various annual principal plus interest. Interest charged at 2.0 - 4.0%.	\$ 1,054,000
\$6,003,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2018, with various annual principal plus interest. Interest charged at 2.0 - 4.0%.	1,526,000
\$25,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in August 2034, with various annual principal plus interest. Interest charged at 2.25 - 4.0%.	23,680,000
\$10,770,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2028, with various annual principal plus interest. Interest charged at 2.0 - 5.0%.	9,280,000
\$10,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2035, with various annual principal plus interest. Interest charged at 3.0 - 5.0%.	9,500,000
\$10,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2035, with various annual principal plus interest. Interest charged at 3.0 - 5.0%.	9,500,000
Total long-term debt	<u><u>\$ 54,540,000</u></u>



**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

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

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17	Current Portion
<b>Governmental Activities:</b>					
Bonds and notes payable:					
\$4,392,000 bond payable	\$ 1,499,000	\$ -	\$ (445,000)	\$ 1,054,000	\$ 880,000
\$6,003,000 bond payable	2,026,000	-	(500,000)	1,526,000	990,000
\$25,000,000 bond payable	25,000,000	-	(1,320,000)	23,680,000	1,320,000
\$10,770,000 bond payable	9,985,000	-	(705,000)	9,280,000	-
\$10,000,000 bond payable	10,000,000	-	(500,000)	9,500,000	500,000
\$10,000,000 bond payable	10,000,000	-	(500,000)	9,500,000	500,000
Bond premiums	3,645,000	-	(230,000)	3,415,000	230,000
Total bonds and notes payable	62,155,000	-	(4,200,000)	57,955,000	4,420,000
Other liabilities:					
Compensated absences	7,060,000	-	(160,992)	6,899,008	634,849
Land fill closure cost	180,000	-	(15,000)	165,000	15,000
Claims payable	672,000	-	(189,774)	482,226	-
Capital leases	1,502,000	9,426,272	(885,848)	10,042,424	284,691
Net pension liability	18,430,000	-	(4,373,940)	14,056,060	-
Net OPEB obligation	3,199,000	39,575,113	-	42,774,113	-
Total other liabilities	31,043,000	49,001,385	(5,625,554)	74,418,831	934,540
Governmental activities long-term liabilities	<u>\$ 93,198,000</u>	<u>\$ 49,001,385</u>	<u>\$ (9,825,554)</u>	<u>\$ 132,373,831</u>	<u>\$ 5,354,540</u>

The annual principal and interest requirements to maturity for loans & bonds payable are as follows:

	Principal	Interest	Total Debt Service
2018	\$ 4,190,000	\$ 1,988,000	\$ 6,178,000
2019	3,335,000	1,825,313	5,160,313
2020	3,315,000	1,695,713	5,010,713
2021	3,295,000	1,573,113	4,868,113
2022	3,300,000	1,425,513	4,725,513
2023-2027	16,580,000	5,032,308	21,612,308
2028-2032	12,580,000	2,380,433	14,960,433
2033-2037	7,945,000	481,281	8,426,281
	<u>\$ 54,540,000</u>	<u>\$16,401,674</u>	<u>\$ 70,941,674</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 - CAPITAL LEASES**

The Town is leasing various equipment. The liabilities under the capital leases are recorded at the present value of the minimum lease payments.

	<u>Payment</u>
2018	\$ 554,562
2019	1,297,804
2020	1,245,720
2021	637,767
2022	703,341
Thereafter	<u>7,631,261</u>
 Total Minimum Lease Payments	 \$ 12,070,455
 Less Amount Representing Interest	 <u>\$ (2,028,031)</u>
 Present Value of Future Minimum Lease Payments	 <u><u>\$ 10,042,424</u></u>

Amortization of assets held under capital leases is included with depreciation expense.

The following is an analysis of the leased assets included in Capital Assets.

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Machinery and equipment	\$ 2,618,228	\$ -	\$ (253,932)	\$ 2,364,296
Vehicles	1,707,126	-	(1,707,126)	-
Infrastructure	549,888	-	-	549,888
Total capital assets	<u>4,875,242</u>	<u>-</u>	<u>(1,961,058)</u>	<u>2,914,184</u>
Accumulated depreciation	<u>(1,763,579)</u>	<u>(536,669)</u>	<u>537,409</u>	<u>(1,762,839)</u>
Capital assets, net	<u><u>\$ 3,111,663</u></u>	<u><u>\$ (536,669)</u></u>	<u><u>\$ (1,423,649)</u></u>	<u><u>\$ 1,151,345</u></u>

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
General	Bonded Projects	\$ 1,061,843
General	Water Pollution	6,454,790
General	Other Governmental	158,634
General	Internal Service	742,097
General	Agency	47,948
Internal Service	General	140,816
Capital Nonrecurring	General	60,210
Capital Nonrecurring	Internal Service	285,000
		<u>\$ 8,951,338</u>

Interfund balances represent amounts for pooled cash.

Interfund transfers at June 30, 2017 consisted of the following:

Transfers In:						
Transfers Out:	General	Water Pollution	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Total
General	\$ -	\$ -	\$ -	\$ 2,419,449	\$ 57,215	\$ 2,476,664
Water Pollution	390,517	-	-	-	-	390,517
Bonded Projects	-	-	-	-	-	-
Capital Nonrecurring	-	-	500,000	-	-	500,000
Other Governmental Funds	-	-	-	-	-	-
Total	<u>\$ 390,517</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 2,419,449</u>	<u>\$ 57,215</u>	<u>\$ 3,367,181</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10 - FUND BALANCE COMPONENTS**

At June 30, 2017, the components of fund balances consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Prepaid expenses	\$ 1,938,824	\$ -	\$ -	\$ -
Advance to water pollution fund	2,492,000			
General government grants	-	-	143,021	-
School miscellaneous	-	-	3,170,034	-
Revaluation	-	-	7,748	-
Emergency fuel bank	-	-	5,441	-
Elderly relief	-	-	98,200	-
Recreation	-	-	207,146	-
Police outside services	-	-	205,249	-
Subsequent year's budget	-	-	-	2,424,097
General government - encumbrances	-	-	-	-
Public safety - encumbrances	-	-	-	8,625
Public works - encumbrances	-	-	-	7,211
Library - encumbrances	-	-	-	7,978
Education - encumbrances	-	-	-	198,263
Capital Nonrecurring:				
Capital improvements	-	-	3,887,662	-
Other Governmental Funds:				
Inventory	100,748	-	-	-
Permanent fund principal	38,519	-	-	-
Grants	-	760,037	-	-
Dog fund	-	-	-	-
Open space acquisition	-	-	634,522	-
Community development	-	-	478,130	-
Public library	-	-	274,160	-
Town memorial	-	-	109,043	-
Scholarship	-	-	277,345	-
Macioek post ambulance	-	-	231,637	-
Library trust	-	-	24,957	-
Total	<u>\$ 4,570,091</u>	<u>\$ 760,037</u>	<u>\$ 9,754,295</u>	<u>\$ 2,646,174</u>

TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 11 - EMPLOYEE BENEFIT PLANS**

**PENSION TRUST FUND**

The Town administers two single-employer, contributory defined benefit pension plans. The two plans, Town and Police, are included in the financial statements as pension trust funds. The plans do not issue stand-alone financial statements.

Per the charter, the Town Manager is responsible for management of the pension plans, and the Town Treasurer is the treasurer of the plans. The Town Manager has appointed a committee comprised of the Town Manager, Finance Director, Human Resources Director, and Treasurer to manage the pension plans.

Plan Description

*Town Pension Plan*

The Town pension plan covers all employees working more than 19 hours per week and for more than 5 months per calendar year except teachers covered by the State of Connecticut Teachers' Retirement System and Police.

*Police Pension Plan*

The Town Police Pension Plan covers employees in the Police Department working more than 35 hours a week and for more than 5 months per calendar year.

Benefits

*Town Pension Plan*

All employees are 100% vested after 5 years of continuous service. Employees who retire at normal retirement age of 65 receive a retirement benefit.

*Police Pension Plan*

All employees are 100% vested after 10 years of continuous service. Employees who retire at normal retirement age of the latter of age 50 or 20 years of service receive a retirement benefit.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

At July 1, 2016, plan membership consisted of the following:

	Town Pension Plan	Police Pension Plan
Retirees and beneficiaries currently receiving benefits	266	65
Terminated plan members entitled to benefits but not yet receiving them and inactive with vested benefits	209	28
Active plan members	505	85
	<u>980</u>	<u>178</u>

Summary of Significant Accounting Policies

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments**

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

**Funding Policy**

Town employees contribute 3.5% of earnings and Police employees contribute 7% of earnings. The Town is required to contribute the amounts necessary to finance the benefits for its employees. Administrative costs of the Plan are financed through investment earnings.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Investment Policy**

The Employee's and Police Pension Plans' policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Employee's and Police Pension Plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**Concentrations**

The pension plans held the following investments representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2017:

Guaranteed Deposit Account	\$20,161,666
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**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments for the Employee's and Police Pension Plans, net of pension plan investment expense, were 10.4% and 10.8%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees employed on or after July 1, 2011. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed less than 35.25 years of service. During the DROP period, pension payments will be made depending on the DROP factor based on the age of the employee. Amounts held by the Police Pension Plan DROP investments at June 30, 2017 were \$1,586,590.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Net Pension Liability of the Town**

The net pension liability of the Employee's and Police Pension Plans at June 30, 2017 were as follows:

	Town Pension Plan	Police Pension Plan
Total pension liability	\$74,862,330	\$68,524,324
Plan fiduciary net position	\$69,371,842	\$59,958,752
Net Pension Liability	\$5,490,488	\$8,565,572
Plan fiduciary net position as a percentage of the total pension liability	92.67%	87.50%

**Actuarial Assumptions**

The total pension liability for the Employee's and Police Pension Plans were determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50% for Employees' Plan, 4% for Police
Salary increases	4.25% for the first 5 years, then 3% thereafter
Investment rate of return	7.00%, net of investment and contract fees, including inflation
Cost method	Entry Age
Amortization method	Average remaining years of employment

Town Pension Plan - Mortality rates were based on the RP-2014 Total Dataset Mortality Table for Males or Females, as appropriate, without any improvement scale.

Police Pension Plan - Mortality rates were based on the RP-2014

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.



**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

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, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-term Expected Rate of Return
Large Cap Equity	30%	8.00%
Small Cap Equity	7%	8.75%
International Equity	13%	7.50%
Fixed Income	10%	5.00%
Long Duration Bond	8%	5.75%
Real Estate	5%	7.00%
Stable Value	27%	4.60%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% for both the Employee's Pension Plan and the Police Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town Plan Net Pension (Asset) Liability	\$14,575,205	\$5,490,488	(\$2,167,759)
Police Plan Net Pension (Asset) Liability	\$16,016,261	\$8,565,572	(\$605,085)

TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Changes in Net Pension Liability**

Town Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 70,685,000	\$ 63,254,000	\$ 7,431,000
Changes for the year:	-	-	-
Service cost	2,168,119	-	2,168,119
Interest on total pension liability	4,826,512	-	4,826,512
Differences between expected and actual experience including assumption changes	340,198	-	340,198
Employer contributions	-	2,084,038	(2,084,038)
Member contributions	-	710,743	(710,743)
Net investment income	-	6,580,244	(6,580,244)
Benefit payments, including refund to employee contributions	(3,157,499)	(3,157,499)	-
Administrative expenses	-	(99,684)	99,684
Net changes	4,177,330	6,117,842	(1,940,512)
Balances as of June 30, 2017	\$ 74,862,330	\$ 69,371,842	\$ 5,490,488

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

<b>Police Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 65,584,000	\$ 54,585,000	\$ 10,999,000
Changes for the year:	-	-	-
Service cost	1,163,450	-	1,163,450
Interest on total pension liability	4,480,854	-	4,480,854
Differences between expected and actual experience including assumption changes	53,999	-	53,999
Employer contributions	-	1,913,881	(1,913,881)
Member contributions	-	467,057	(467,057)
Net investment income	-	5,842,838	(5,842,838)
Benefit payments, including refund to employee contributions	(2,757,979)	(2,757,979)	-
Administrative expenses	-	(92,045)	92,045
Net changes	2,940,324	5,373,752	(2,433,428)
Balances as of June 30, 2017	\$ 68,524,324	\$ 59,958,752	\$ 8,565,572

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

For the year ended June 30, 2017, the Town recognized pension expense of \$2,602,238 and \$(8,701,475) for the Town Pension Plan and Police Pension Plan, respectively. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<b>Town Pension Plan:</b>				
Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Outflows Related to Pension
\$2,222,376	\$702,181	\$-	\$-	\$2,924,557

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension
(\$-)	(\$-)	(\$2,855,689)	(\$-)	(\$2,855,689)

**Police Pension Plan:**

Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Outflows Related to Pension
\$-	\$596,886	\$-	\$-	\$596,886

Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension
(\$1,834,943)	(\$-)	(\$2,398,304)	(\$-)	(\$4,233,247)

The following is a 5 year schedule of changes in Deferred Outflows and Deferred Inflows related to pensions:

**Town Pension Plan:**

	2018	2019	2020	2021	2022
Deferred Outflows and (Inflows)	\$287,887	\$287,887	\$(530,121)	\$(359,226)	\$382,441

**Police Pension Plan:**

	2018	2019	2020	2021	2022
Deferred Outflows and (Inflows)	\$(717,144)	\$(717,144)	\$(1,413,378)	\$(1,202,096)	\$413,401

TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

**A. Plan Description**

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

**B. Benefit**

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.

TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**C. Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

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

At June 30, 2017, 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 net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2017, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$14,608,029 for on-behalf amounts for the benefits provided by the State.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50% including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Cost method	Entry age
Amortization method	Level percent of salary, closed

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

	Target Allocation	Long-term Expected Rate of Return
Large Cap U.S equities	21%	5.8%
Developed non-U.S. equities	18%	6.6%
Emerging markets (non-U.S.)	9%	8.3%
Core fixed income	7%	1.3%
Inflation linked bond fund	3%	1.0%
Emerging market bond	5%	3.7%
High yield bonds	5%	3.9%
Real estate	7%	5.1%
Private equity	11%	7.6%
Alternative investments	8%	4.1%
Cash	6%	0.4%
	<hr/> 100% <hr/>	

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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



**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS**

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan.

The plan covers Town, Police and Board of Education employees. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The Town does not issue a stand-alone financial report for the plan.

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

At July 1, 2015, plan membership consisted of the following:

Retired members and spouses of retired members	246
Active plan members	884
Total	1,130

**Funding Policy**

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute as established by the Town and may be amended by the Town.

**Annual OPEB Cost and Net OPEB Obligations**

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the net OPEB liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The net OPEB liability represents the OPEB liability less the fiduciary net position.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.70%
Salary increases	Graded by age for teachers and administrators and 3.00% for all others, including inflation
Medical Trend Rate	4.60% - 5.46% over 84 years
Cost method	Entry age
Amortization method	Level percent, closed

Mortality rates were based on the RP-2014 Total Dataset Mortality Table for Males or Females, as appropriate, without any improvement scale.

No actuarial experience study has been performed.

**Net OPEB**

The net OPEB liability at June 30, 2017 was as follows:

Total OPEB liability	\$47,436,233
Plan fiduciary net position	\$4,662,120
Net OPEB Liability	\$42,774,113

Plan fiduciary net position as a percentage of 9.83%  
the total OPEB liability

**Sensitivity of the Net OPEB Liability to Changes in the Medical Trend Rate**

The following presents the net OPEB liability of the Plan, calculated using the current trend rate, as well as what the net OPEB (asset) liabilities would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$34,715,834	\$42,774,113	\$53,304,900

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.58% (20 Year Tax-Exempt Municipal Bond Rate) for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member and Town contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was not projected to make all projected future benefit payments of current plan members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plans' fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017 are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-term Expected Rate of Return (arithmetic real rates)
US Cash	4%	0.50%
US Bonds	26%	3.00%
Non-US Bonds	1%	2.00%
US Large Caps	63%	5.00%
US Small Caps	1%	6.00%
US Mid Caps	1%	5.00%
Foreign Developed Equity	1%	6.00%
Emerging Markets Equity	1%	8.00%
US REITs	1%	5.00%
Hedge Funds – MultiStrategy	1%	4.00%
	<u>100%</u>	

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

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$51,098,796	\$42,774,113	\$36,127,586

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)**

**Changes in net OPEB liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of June 30, 2016	<u>\$ 50,991,818</u>	<u>\$ 4,275,212</u>	<u>\$ 46,716,606</u>
Changes for the year:	-	-	-
Service cost	2,145,002	-	2,145,002
Interest on total OPEB liability	1,495,837	-	1,495,837
Effect of assumptions changes or inputs	(5,884,633)	-	(5,884,633)
Employer contributions	-	1,311,791	(1,311,791)
Employee contributions	-	-	-
Net investment income	-	386,908	(386,908)
Benefit payments	(1,311,791)	(1,311,791)	-
Administrative expenses	-	-	-
Net changes	<u>(3,555,585)</u>	<u>386,908</u>	<u>(3,942,493)</u>
Balances as of June 30, 2017	<u><u>\$ 47,436,233</u></u>	<u><u>\$ 4,662,120</u></u>	<u><u>\$ 42,774,113</u></u>

**OPEB Expense**

For the year ended June 30, 2017, the Town recognized OPEB expense of \$34,605,835 for the Plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2017.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the workers' compensation coverage. The fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. An insurance policy is purchased to cover extraordinary claims above \$250,000.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the employees' health insurance plan. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. A premium is charged for each employee enrolled in the Town's health insurance plan. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator.

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

	<u>2017</u>	<u>2016</u>
Claims payable, July 1	1,483,000	1,124,000
Claims incurred and changes in estimates	16,689,947	18,303,000
Claim payments	<u>(16,933,239)</u>	<u>(17,944,000)</u>
Claims payable, June 30	<u>1,239,871</u>	<u>1,483,000</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective agents; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 15 - PRIOR PERIOD ADJUSTMENT**

Statement of Net Position and Statement of Activities

The Town adopted GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of GASB 75 required that the beginning Net OPEB Liability be adjusted due to the new valuation methods used. This decreased Net Position by \$38,165,677 and increased the Net OPEB Liability by \$38,165,677.

A correction was made to Capital assets (net). This decreased the beginning Capital assets (net) by \$206,000 and decreased beginning Net position by \$206,000.

Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

A correction was made to Capital assets (net) and Long-term liabilities. This decreased the beginning Capital assets (net) by \$206,000, decreased beginning Long-term liabilities by \$135,000 and decreased beginning Net position by \$71,000.

**NOTE 16 - MANAGEMENT REVIEW**

Management has reviewed subsequent events as of December 28, 2017, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

**TOWN OF ENFIELD, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 88,860,611	\$ 88,860,611	\$ 89,711,701	\$ 851,090
Charges for services	5,665,810	5,684,510	7,106,929	1,422,419
Intergovernmental	36,085,412	35,812,794	35,492,519	(320,275)
Fines	42,200	42,200	20,934	(21,266)
Licenses and permits	575,900	590,900	1,106,599	515,699
Interest earned	110,000	110,000	2,130,631	2,020,631
Miscellaneous	825,860	889,571	712,672	(176,899)
<b>TOTAL REVENUES</b>	<b>132,165,793</b>	<b>131,990,586</b>	<b>136,281,985</b>	<b>4,291,399</b>
<b>EXPENDITURES</b>				
Current:				
General government	6,989,680	7,540,465	6,726,069	814,396
Public safety	14,994,649	15,181,517	15,032,266	149,251
Public works	17,929,247	17,989,243	17,342,603	646,640
Health and social services	9,685,392	10,007,754	9,277,727	730,027
Library	1,768,346	1,767,188	1,701,863	65,325
Planning and development	1,691,082	1,686,046	1,451,868	234,178
Intergovernmental and interagency	474,981	479,203	477,635	1,568
Education	68,325,880	68,642,316	68,097,696	544,620
Non-departmental	5,023,545	4,408,566	3,876,897	531,669
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	3,970,000	3,970,000	3,970,000	-
Interest expense	3,023,279	3,023,279	2,997,064	26,215
<b>TOTAL EXPENDITURES</b>	<b>133,876,081</b>	<b>134,695,577</b>	<b>130,951,688</b>	<b>3,743,889</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,710,288)</b>	<b>(2,704,991)</b>	<b>5,330,297</b>	<b>8,035,288</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Prior year surplus utilization	3,748,947	4,772,074	-	(4,772,074)
Bond proceeds	-	-	-	-
Bond premiums	-	-	-	-
Proceeds from capital leases	-	-	-	-
Proceeds from loans	-	-	-	-
Transfers in	410,517	410,517	390,517	(20,000)
Transfers out	(2,449,176)	(2,477,600)	(2,476,664)	936
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,710,288</b>	<b>2,704,991</b>	<b>(2,086,147)</b>	<b>(4,791,138)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,244,150</b>	<b>\$ 3,244,150</b>

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS – LAST TEN YEARS**  
**YEAR ENDED JUNE 30, 2017**

**TOWN PENSION PLAN**

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 2,168,119	\$ 2,073,000	\$ 2,064,000	\$ 1,971,000
Interest	4,826,512	4,513,000	4,457,000	4,227,000
Difference between expected and actual experience including assumption changes	340,198	842,000	(627,000)	-
Benefit payments, including refunds of member contributions	(3,157,499)	(2,886,000)	(2,827,000)	(2,797,000)
Net change in total pension liability	4,177,330	4,542,000	3,067,000	3,401,000
Total pension liability - beginning	70,685,000	66,143,000	63,076,000	59,675,000
Total pension liability - ending	74,862,330	70,685,000	66,143,000	63,076,000
Plan fiduciary net position:				
Contributions - employer	2,084,038	2,099,000	2,128,000	2,239,000
Contributions - employee	710,743	784,000	778,000	711,000
Net investment income	6,580,244	1,377,000	2,660,000	7,808,000
Benefit payments, including refunds of member contributions	(3,157,499)	(2,886,000)	(2,827,000)	(2,797,000)
Administrative expense	(99,684)	(93,000)	(96,000)	(77,000)
Net change in plan fiduciary net position	6,117,842	1,281,000	2,643,000	7,884,000
Plan fiduciary net position - beginning	63,254,000	61,973,000	59,330,000	51,446,000
Plan fiduciary net position - ending	69,371,842	63,254,000	61,973,000	59,330,000
Net Pension Liability - Ending	\$ 5,490,488	\$ 7,431,000	\$ 4,170,000	\$ 3,746,000
Plan fiduciary net position as a percentage of the total pension liability	92.7%	89.5%	93.7%	94.1%
Covered-employee payroll	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000
Net pension liability as a percentage of covered-employee payroll	25.3%	33.8%	19.8%	18.2%

\* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.



**TOWN OF ENFIELD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS – LAST TEN YEARS**  
**YEAR ENDED JUNE 30, 2017**

**POLICE PENSION PLAN**

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 1,163,450	\$ 1,020,000	\$ 962,000	\$ 921,000
Interest	4,480,854	3,952,000	3,910,000	3,758,000
Difference between expected and actual experience including assumption changes	53,999	5,328,000	(187,000)	-
Benefit payments, including refunds of member contributions	(2,757,979)	(2,694,000)	(2,113,000)	(2,170,000)
Net change in total pension liability	2,940,324	7,606,000	2,572,000	2,509,000
Total pension liability - beginning	65,584,000	57,978,000	55,406,000	52,897,000
Total pension liability - ending	68,524,324	65,584,000	57,978,000	55,406,000
Plan fiduciary net position:				
Contributions - employer	1,913,881	1,966,000	1,428,000	1,378,000
Contributions - employee	467,057	476,000	545,000	443,000
Net investment income	5,842,838	970,000	2,368,000	6,735,000
Benefit payments, including refunds of member contributions	(2,757,979)	(2,694,000)	(2,113,000)	(2,170,000)
Administrative expense	(92,045)	(76,000)	(86,000)	(78,000)
Net change in plan fiduciary net position	5,373,752	642,000	2,142,000	6,308,000
Plan fiduciary net position - beginning	54,585,000	53,943,000	51,801,000	45,493,000
Plan fiduciary net position - ending	59,958,752	54,585,000	53,943,000	51,801,000
Net Pension Liability - Ending	<u>\$ 8,565,572</u>	<u>\$ 10,999,000</u>	<u>\$ 4,035,000</u>	<u>\$ 3,605,000</u>
Plan fiduciary net position as a percentage of the total pension liability	87.5%	83.2%	93.0%	93.5%

\* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN YEARS**  
**YEAR ENDED JUNE 30, 2017**

**TOWN PENSION PLAN**

	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,084,038	\$ 2,099,000	\$ 2,128,000	\$ 2,239,000	\$ 2,083,000
Contributions in relation to the actuarially determined contribution	(2,084,038)	(2,099,000)	(2,128,000)	(2,239,000)	(2,083,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000	\$ 20,851,000
Contributions as a percentage of covered-employee payroll	9.6%	9.6%	10.1%	10.9%	10.0%

	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,699,000	\$ 1,678,000	\$ 1,388,000	\$ 1,171,000	\$ 1,061,000
Contributions in relation to the actuarially determined contribution	(1,699,000)	(1,678,000)	(1,397,000)	(1,171,000)	(1,068,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,000)</u>	<u>\$ -</u>	<u>\$ (7,000)</u>
Covered-employee payroll	\$ 20,851,000	\$ 19,894,000	\$ 19,496,000	\$ 19,921,000	\$ 18,873,000
Contributions as a percentage of covered-employee payroll	8.1%	8.4%	7.1%	5.9%	5.6%

**POLICE PENSION PLAN**

	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,913,881	\$ 1,966,000	\$ 1,427,000	\$ 1,378,000	\$ 1,239,000
Contributions in relation to the actuarially determined contribution	(1,913,881)	(1,966,000)	(1,427,000)	(1,378,000)	(1,239,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,472,133	\$ 6,293,000	\$ 6,263,000	\$ 5,918,000	\$ 6,381,000
Contributions as a percentage of covered-employee payroll	29.6%	31.2%	22.8%	23.3%	19.4%

	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,216,000	\$ 1,218,000	\$ 1,075,000	\$ 785,000	\$ 548,000
Contributions in relation to the actuarially determined contribution	(1,216,000)	(1,218,000)	(1,082,000)	(785,000)	(551,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Covered-employee payroll	\$ 6,381,000	\$ 6,636,000	\$ 6,226,000	\$ 5,920,000	\$ 6,008,000
Contributions as a percentage of covered-employee payroll	19.1%	18.4%	17.3%	13.3%	9.1%

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST TEN YEARS  
YEAR ENDED JUNE 30, 2017**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense				
Town Pension Plan	10.40%	2.20%	4.50%	15.20%
Police Pension Plan	10.80%	1.80%	4.60%	14.90%

\* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT  
SCHEDULE OF PROPORTIONATE SHARE OF  
NET PENSION LIABILITY – LAST TEN YEARS  
YEAR ENDED JUNE 30, 2017**

**TEACHERS' PENSION PLAN**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability	0.00%	0.00%	0.00%
Proportionate share of net pension liability	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 34,905,602	\$ 34,801,000	\$ 37,326,000
Proportionate share of the net pension liability as a percentage of covered-employee payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

\* - Information not available prior to 2015.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS – LAST TEN YEARS  
YEAR ENDED JUNE 30, 2017**

	<b>2017</b>
Total OPEB Liability:	
Service cost	\$ 2,145,002
Interest on total OPEB liability	1,495,837
Effect of assumption changes or inputs	(5,884,633)
Benefit payments	(1,311,791)
Net change in total OPEB liability	(3,555,585)
 Total OPEB liability, beginning	 50,991,818
Total OPEB liability, ending	<u>\$ 47,436,233</u>
 Fiduciary Net Position:	
Employer contributions	1,311,791
Employee contributions	-
Net investment income	386,908
Benefit payments	(1,311,791)
Net change in plan fiduciary net position	386,908
 Fiduciary net position, beginning	 4,275,212
Fiduciary net position, ending	<u>4,662,120</u>
 Net OPEB liability, ending	 \$ 42,774,113
 Fiduciary net position as a % of total OPEB liability	 9.83%
 Covered payroll	 \$ 74,684,458
 Net OPEB liability as a % of covered payroll	 57.27%

\* - Information not available prior to 2017.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

The Town is required to have a budget for the General Fund. The Town is not required to adopt an annual budget for its other governmental funds.

Basis of Accounting

The modified accrual basis of accounting is used in preparing budgets except when non-cash items are involved. In that case, the non-cash items are omitted from the budget.

**NOTE 2 – ACTUAL (BUDGET BASIS) TO GAAP BASIS RECONCILIATION**

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$136,281,985
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Differences - budget to GAAP:

On-behalf payments received from the Connecticut for employer contributions for Connecticut Teachers' Retirement System are not budgeted as a revenue, but are revenues under GAAP.	<u>14,608,029</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$150,890,014</u></u>
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Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$130,951,688
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Differences - budget to GAAP:

On-behalf payments paid by Connecticut for employer contributions for Connecticut Teachers' Retirement System are not budgeted as expenditures, but are expenditures under GAAP.	<u>14,608,029</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$145,559,717</u></u>
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**NOTE 3 – OVERSPENT APPROPRIATIONS**

There are no materially overspent appropriation.

## **APPENDIX B-1 – FORM OF OPINION OF BOND COUNSEL AND TAX EXEMPTION - THE BONDS**

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

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Enfield, Connecticut  
Town Hall  
820 Enfield Street  
Enfield, Connecticut 06082

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Enfield, Connecticut (the "Town") of its \$10,000,000 General Obligation Bonds, Issue of 2018, dated August 8, 2018, maturing August 1, 2019-2038 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 8, 2018, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds will not be includable in the gross

income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. We are 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.

The rights of the holders of the Bonds and the enforceability of the Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

#### **CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.**

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant



to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

*Recent Tax Legislation.* 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.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. The Tax Cuts and Jobs Act (H.R. 1) (the “Act”) passed in both the House of Representatives and the Senate and was signed into law by the President on December 22, 2017. The Act changes the income tax rates for individuals and corporations and repeals the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2017. The Act also modifies the alternative minimum tax imposed on individuals.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

*Alternative Minimum Tax.* The Code imposes an alternative minimum tax on individuals and for those corporations with tax years beginning prior to January 1, 2018. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt “private activity bonds” is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not “private activity bonds” so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax on corporations.

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

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds.

*Other.* As noted above, interest on the Bonds may be taken into account in computing the tax liability of corporations subject to the federal alternative minimum tax. Interest on the Bonds may also be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

## **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, 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.

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

## **ORIGINAL ISSUE DISCOUNT.**

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth in this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation’s federal alternative minimum tax liability. As a result,

ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

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

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

## **APPENDIX B-2 - FORM OF OPINION OF BOND COUNSEL AND TAX EXEMPTION - THE NOTES**

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

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Enfield, Connecticut  
Town Hall  
820 Enfield Street  
Enfield, Connecticut 06082

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Enfield, Connecticut (the "Town") of its \$30,000,000 General Obligation Bond Anticipation Notes, dated August 8, 2018, maturing August 7, 2019 (the "Notes").

In connection with our representation of the Town as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 8, 2018, the executed Notes, and certified records of proceedings of the Town authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Notes under the authority of the constitution and statutes of the State of Connecticut, and that the Notes are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes if interest on the Notes is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under

any valid provision of law to ensure that interest paid on the Notes will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Notes. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. We are of the opinion that, under existing statutes, interest on the Notes 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.

The rights of the holders of the Notes and the enforceability of the Notes and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

## **CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.**

The following is a brief discussion of certain federal income tax matters with respect to the Notes under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

*Recent Tax Legislation.* 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.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. The Tax Cuts and Jobs Act (H.R. 1) (the “Act”) passed in both the House of Representatives and the Senate and was signed into law by the President on December 22, 2017. The Act changes the income tax rates for individuals and corporations and repeals the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2017. The Act also modifies the alternative minimum tax imposed on individuals.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

*Alternative Minimum Tax.* The Code imposes an alternative minimum tax on individuals and for those corporations with tax years beginning prior to January 1, 2018. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt “private activity bonds” is treated as an item of tax preference. The Town’s Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes are not “private activity bonds” so that interest on the Notes will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax on corporations.

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

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation proposed or enacted after the date of issuance of the Notes will not have an adverse effect on the tax exempt status or the market price of the Notes.

*Other.* As noted above, interest on the Notes may be taken into account in computing the tax liability of corporations subject to the federal alternative minimum tax. Interest on the Notes may also be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Ownership of the Notes may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

#### **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Notes, under existing statutes, interest on the Notes 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 Notes is included in gross income for purposes of the Connecticut corporation business tax.

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

#### **ORIGINAL ISSUE DISCOUNT.**

The initial public offering price of the Notes (the “OID Notes”) may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the OID Notes to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes is sold will constitute original issue discount (“OID”). The offering price relating to the yield set forth on the cover page of this Official Statement for the OID Notes is expected to be the initial offering price to the public at which a substantial amount of the OID Notes are sold. Under existing law, OID on the Notes accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Notes is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Note, OID treated as having accrued while the owner holds the OID Note will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment

at maturity) of an OID Note. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Note will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of an OID Note by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

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

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering price of the Notes (the "OIP Notes") may be more than the stated principal amount. An owner who purchases a Note at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Note for federal income tax purposes. Prospective purchasers of OIP Notes should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.



## **APPENDIX C-1 - FORM OF CONTINUING DISCLOSURE AGREEMENT - THE BONDS**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed 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 a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds in substantially the following form:

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Agreement") is made as of the 8<sup>th</sup> day of August, 2018 by the Town of Enfield, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$10,000,000 General Obligation Bonds, Issue of 2018, dated August 8, 2018 (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:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"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 Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2018), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, 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 Town prepares its financial statements in accordance with generally accepted accounting principles.

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding 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 direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town'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 Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2018. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website 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 Town 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 for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding

the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Listed Events.**

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, 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 security, 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 Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town 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 Town or by any agents which may be employed by the Town for such purpose from time to time.

#### **Section 6. Termination.**

The obligations of the Town 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 Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

#### **Section 8. Enforcement.**

The Town 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 Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Town Manager receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Town Manager is Town of Enfield, Town Hall, 820 Enfield Street, Enfield, Connecticut 06082. In the event the Town 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 Town expressly acknowledges and the beneficial owners are hereby deemed to expressly 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 9. Miscellaneous.**

(a) The Town 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 Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so

amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF ENFIELD, CONNECTICUT

By \_\_\_\_\_  
Christopher Bromson  
Acting Town Manager

By \_\_\_\_\_  
John Wilcox  
Director of Finance

## **APPENDIX C-2 - FORM OF CONTINUING DISCLOSURE AGREEMENT - THE NOTES**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes, pursuant to a Continuing Disclosure Agreement for the Notes in substantially the following form:

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Agreement") is made as of the 8<sup>th</sup> day of August, 2018 by the Town of Enfield, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of \$30,000,000 General Obligation Bond Anticipation Notes of the Town, dated August 8, 2018 (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"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. Listed Events.**

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Notes:

- (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 security, or other material events affecting the tax status of the Notes;

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

### **Section 3. Use of Agents.**

Any notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purposes from time to time.

### **Section 4. Termination.**

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

### **Section 5. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

### **Section 6. Enforcement.**

The Town acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 hereof) from the time the Town Manager receives written notice from any beneficial owner of the Notes of such failure. The present address of the Town Manager is Town of Enfield, Town Hall, 820 Enfield Street, Enfield, Connecticut 06082.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of the Notes shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly 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 Notes.

**Section 7. Miscellaneous.**

(a) The Town 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 Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Notes. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB.

TOWN OF ENFIELD, CONNECTICUT

By \_\_\_\_\_  
Christopher Bromson  
Acting Town Manager

By \_\_\_\_\_  
John Wilcox  
Director of Finance



## **APPENDIX D – NOTICES OF SALE**

## NOTICE OF SALE

**\$10,000,000**

### TOWN OF ENFIELD, CONNECTICUT

#### GENERAL OBLIGATION BONDS, ISSUE OF 2018 (BOOK-ENTRY-ONLY)

**ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System ("PARITY")** will be received by the Town of Enfield, Connecticut (the "Town"), at Hilltop Securities, Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067 until **11:30 A.M. (Eastern Daylight Time) on WEDNESDAY,**

**JULY 25, 2018**

for the purchase, when issued, of the whole of the Town's \$10,000,000 General Obligation Bonds, Issue of 2018, dated August 8, 2018, bearing interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2019, and maturing on August 1 in each year as follows:

\$500,000 in 2019 through 2038, both inclusive

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about August 8, 2018. The Bonds will not be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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.

The Bonds maturing on or before August 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2027 at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (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 Price</u>
August 1, 2027 and thereafter	100%

**Proposals.** All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$10,000,000 Bonds, or for less than par and accrued interest, will be considered.**

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 8, 2018, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

**Electronic Proposals Bidding Procedure.** Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY by **11:30 A.M. (Eastern Daylight Time), on WEDNESDAY, JULY 25, 2018.** Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

**Disclaimer** - Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The Town is using PARITY

as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

**Bond Counsel Opinion.** The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to the purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations; and (3) that 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.

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the "issue price" of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an "Issue Price Certificate") and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Susan Caron, Vice President, Hilltop Securities Inc., Email: [susan.caron@hilltopsecurities.com](mailto:susan.caron@hilltopsecurities.com), Telephone: (860) 290-3000, municipal advisor to the Town (the "Municipal Advisor").

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

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

***Competitive Sale Rule Met.*** If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

***Competitive Sale Rule Not Met.*** By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Daylight Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity, the winning bidder:

- (i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;
- (iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and
- (iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

- (i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5<sup>th</sup>) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated July 13, 2018 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser 100 copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

**DTC Book-Entry.** The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and

procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

**Certifying, Transfer and Paying Agent; Registrar.** The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

**CUSIP Numbers.** The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor, Hilltop Securities Inc., to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Hilltop Securities Inc. will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Hilltop Securities Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Continuing Disclosure Agreement.** The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

**Additional Information.** For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated July 13, 2018. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Copies of the Official Statement may be obtained from Ms. Susan Caron, Vice President, Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 060067, telephone (860) 290 - 3000.

July 13, 2018

Christopher Bromson  
Acting Town Manager

John Wilcox  
Director of Finance

# ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Enfield, Connecticut  
\$10,000,000 General Obligation Bonds, Issue of 2018

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the "Representative"), on behalf of itself and [OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the "Bonds"), as described in the Notice of Sale for the Bonds, dated July 13, 2018 (the "Notice of Sale"). For a description of the requirements of each rule, please refer to the section "Obligation to Deliver Issue Price Certificate" in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/01/2019	\$500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2020	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2021	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2022	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2023	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2024	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2025	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2026	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2027	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2028	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2029	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2030	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2031	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2032	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2033	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2034	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2035	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2036	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2037	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2038	500,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

[NAME OF UNDERWRITER/  
REPRESENTATIVE]

By: \_\_\_\_\_  
Name:  
Title:

Email this completed and executed certificate to the following by 5:00 P.M. (EDT) on July 26, 2018:

**Bond Counsel:** [bchudwick@goodwin.com](mailto:bchudwick@goodwin.com)      **Municipal Advisor:** [susan.caron@hilltopsecurities.com](mailto:susan.caron@hilltopsecurities.com)



## NOTICE OF SALE

**\$30,000,000**

### TOWN OF ENFIELD, CONNECTICUT

#### GENERAL OBLIGATION BOND ANTICIPATION NOTES (BOOK-ENTRY-ONLY)

TELEPHONE PROPOSALS or ELECTRONIC PROPOSALS via PARITY® ("PARITY") will be received by the Town of Enfield, Connecticut (the "Town") at Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, Telephone (860) 290-3000 until **12:00 NOON (Eastern Daylight Time) on WEDNESDAY,**

**JULY 25, 2018**

for the purchase, when issued, of the Town's \$30,000,000 General Obligation Bond Anticipation Notes dated August 8, 2018, maturing August 7, 2019 (the "Notes"). The Notes are not subject to redemption prior to maturity. The Notes will be payable with interest at maturity and delivered against payment in Federal funds in New York, New York on or about August 8, 2018. The Notes will be general obligations of the Town payable, as to both principal and interest, unless paid from other sources, from *ad valorem* taxes levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

**Certifying Bank, Registrar, Transfer and Paying Agent.** The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

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

**Telephone Proposals Bidding Procedure.** All telephone proposals for the purchase of the Notes must be given by telephone to the Town's financial advisor, Ms. Susan Caron, Vice President, Hilltop Securities Inc. at 860-290-3000 by 12:00 NOON (Eastern Daylight Time), on Wednesday, July 25, 2018.

**Electronic Proposals Bidding Procedure.** Electronic proposals for the purchase of the Notes must be submitted through the facilities of PARITY by **12:00 NOON (Eastern Daylight Time), on Wednesday, July 25, 2018.** Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, (telephone (212) 849-5021). The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

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

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the net interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for Enfield Notes.

**Proposals.** Proposals may be made for all or any part of the Notes, but any proposal for a part must be for \$100,000 or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. No proposal for less than the minimum denomination or for less than par and accrued interest will be accepted. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per annum for each part of the Notes bid for in the proposal. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined by computing as to each interest rate stated the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making an offer to purchase all or any portion of the Notes at the same lowest net interest cost, the Notes will be sold to the responsible bidder with the proposal for the largest principal amount of the Notes specified. If more than one responsible bidder makes an offer to purchase all or any portion of the Notes at the same lowest net interest cost and for the same largest principal amount of the Notes specified, the Notes or any portion thereof will be sold to the responsible bidder who is chosen by lot. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four decimal places. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

**Qualified Tax-Exempt Obligations.** The Notes will not be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

**Bond Counsel Opinion.** The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to each purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, based on existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax for individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on certain corporations, and (3) that interest on the Notes 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.

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the "issue price" of the Notes. **In order to assist the Town, the**

**winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Susan Caron, Vice President, Hilltop Securities Inc., Email: [Susan.Caron@hilltopsecurities.com](mailto:Susan.Caron@hilltopsecurities.com), Telephone: (860) 290-3000, municipal advisor to the Town (the “Municipal Advisor”).

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

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

***Competitive Sale Rule Met.*** If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Notes as of the Sale Date.

***Competitive Sale Rule Not Met.*** By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Daylight Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond

the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5<sup>th</sup>) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated July 13, 2018 for this Note issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to each winning purchaser 25 copies of the final Official Statement at the Town’s expense by the delivery of the Notes or, if earlier, by the seventh business day after the day proposals on the Notes are received. The purchaser shall arrange with the financial

advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

**CUSIP Numbers.** The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor, Hilltop Securities Inc., to apply for CUSIP numbers for the Notes by no later than one business day after dissemination of this Notice of Sale. Hilltop Securities Inc. will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of Hilltop Securities Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Continuing Disclosure Agreement.** The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5), to provide timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes. The winning purchaser's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

**Additional Information.** For more information regarding this Note issue and the Town, reference is made to the Preliminary Official Statement dated July 13, 2018. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Proposal forms and copies of the Official Statement may be obtained from Susan Caron, Vice President, Hilltop Securities Inc., 175 Capital Boulevard, Suite 402, Rocky Hill, Connecticut 06067, telephone (860) 290-3000.

July 13, 2018

Christopher Bromson  
Acting Town Manager

John Wilcox  
Director of Finance

## PROPOSAL FOR ENFIELD NOTES

July 25, 2018

Christopher Bromson, Acting Town Manager  
John Wilcox, Director of Finance  
Hilltop Securities Inc.  
175 Capital Boulevard, Suite 402  
Rocky Hill, CT 06067

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated July 13, 2018, which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium and interest accrued on said Notes, if any, to the date of their delivery. The following is our computation of the net interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For the \$30,000,000 General Obligation Bond Anticipation Notes of the Town of Enfield dated August 8, 2018, maturing August 7, 2019, we bid the following:

Principal Amount	\$ _____	Principal Amount	\$ _____
Interest Rate	_____ %	Interest Rate	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ % (four decimals)	Net Interest Cost	_____ % (four decimals)
Principal Amount	\$ _____	Principal Amount	\$ _____
Interest Rate	_____ %	Interest Rate	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ % (four decimals)	Net Interest Cost	_____ % (four decimals)

We acknowledge receipt of the Preliminary Official Statement referred to in the Notice of Sale.

Name of Bidder: \_\_\_\_\_

Address of Bidder: \_\_\_\_\_

Signature and Title of  
Officer or Authorized  
Agent of Bidder: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

## ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Enfield, Connecticut  
\$30,000,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the "Representative"), on behalf of itself and [OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the "Notes"), as described in the Notice of Sale for the Notes, dated July 13, 2018 (the "Notice of Sale"). For a description of the requirements of each rule, please refer to the section "Obligation to Deliver Issue Price Certificate" in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/07/2019	\$30,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

**[NAME OF UNDERWRITER/  
REPRESENTATIVE]**

By: \_\_\_\_\_  
Name:  
Title:

Email this completed and executed certificate to the following by 5:00 P.M. (EDT) on July 26, 2018:

**Bond Counsel:** bchudwick@goodwin.com      **Municipal Advisor:** Susan.Caron@hilltopsecurities.com