

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 18, 2019

NEW ISSUE

RATING: (See “Rating” herein)

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. In the opinion of Bond Counsel, based on 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. See “Tax Matters” herein.

**TOWN OF EAST GRANBY
CONNECTICUT
\$6,470,000**

**General Obligation Bond Anticipation Notes
BOOK-ENTRY-ONLY, BANK QUALIFIED**

Dated: July 17, 2019

Due: July 16, 2020

Coupon (%)	Yield (%)	CUSIP
		272407

Town officials will accept sealed bids and electronic bids via PARITY® for the Notes until 11:30 A.M. (E.T.) on Tuesday, July 2, 2019 at the Office of the First Selectman, East Granby Town Hall, 9 Center Street, East Granby, CT 06026 as described in the official Notice of Sale dated June 18, 2019 (see Appendix D “Notice of Sale” herein).

The Notes will be general obligations of the Town of East Granby, Connecticut (the “Town”), and the Town will pledge its full faith and credit to pay the principal and interest on the Notes when due. See “Securities and Remedies” herein.

Interest and principal on the Notes will be payable on July 16, 2020. The 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. The Beneficial Owners of the Notes will not receive certificates representing their ownership interest in the Notes. 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. Ownership of the Notes may be in principal amounts of \$1,000 or integral multiples thereof. DTC will act as security depository for the Notes. So long as Cede & Co. is the Bond owner, as nominee for DTC, reference herein to the Bond owner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. See “Book-Entry-Only Transfer System” herein.

The Notes are NOT subject to optional redemption prior to maturity.

The Registrar, Transfer Agent, Certifying Agent, and Paying Agent on the Notes will be U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Goodwin Square, Hartford, CT 06103.

The Notes are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel of Hartford, Connecticut. It is expected that delivery of the Notes book-entry form will be made through the facilities of DTC, or its custodial agents, on or about July 17, 2019.

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

This Preliminary Official Statement and the information contained herein are deemed final for the purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1) and are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently with their sale.



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No dealer, broker, salesman, or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. 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 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 Notes and may not be reproduced or used in whole or in part for any other purpose.

This 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 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.

NOTE ISSUE SUMMARY

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.

Date of Sale:	Tuesday, July 2, 2019, 11:30 A.M. (E.T.)
Location of Sale:	Office of the First Selectman, East Granby Town Hall, 9 Center Street, East Granby, CT 06026.
Issuer:	Town of East Granby, Connecticut (the "Town")
Issue:	\$6,470,000 General Obligation Bond Anticipation Notes, Book-Entry-Only (the "Notes")
Dated Date:	Wednesday, July 17, 2019
Interest Due:	At maturity, Thursday, July 16, 2020
Principal Due:	At maturity, Thursday, July 16, 2020
Purpose and Authority:	The Notes are being issued to temporarily finance repair and replacement of school and Town building roofs, for repaving and repairing of Town roads, bridges, and parking lots, and providing HVAC and electrical upgrades for the Allgrove School (See "Authorization and Use of Proceeds" herein).
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town of East Granby, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Town has not applied for a rating on this issue of Notes. Moody's Investors Service, Inc. has rated the Town's currently outstanding Bonds as "Aa2" (See "Rating" herein").
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	See "Tax Matters" herein.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
Bank Qualification:	The Notes shall 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 Notes.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Goodwin Square, Hartford, CT 06103
Legal Opinion:	Robinson & Cole LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made on or about July 17, 2019 against payment in Federal Funds.
Issuer Official:	Questions concerning this Official Statement should be directed to: Mr. James M. Hayden, First Selectman, Town of East Granby, 9 Center Street, East Granby, CT 06026. Phone: (860) 653-2575. Fax: (860) 653-4017. Email: jimh@egtownhall.com.
Municipal Advisor:	DIXWORKS LLC, 241 Avon Mountain Road, Avon, CT 06001-3942. Contact: Dennis Dix, Jr., Principal. Phone: (860) 676-0609. Fax: (860) 676-1649. Email: dixworks@comcast.net.

The Preliminary Official Statement is available in electronic form only at www.i-dealprospectus.com. For additional copies of the Official Statement or requests for additional information, please contact the Municipal Advisor, DIXWORKS LLC, listed above.

I. NOTE INFORMATION

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of East Granby, Connecticut, (the "Town") in connection with the issuance and sale of \$6,470,000 General Obligation Bond Anticipation Notes (the "Notes") of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated June 18, 2019 has been furnished to prospective bidders. Reference is made to the official Notice of Sale attached hereto as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statement 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. 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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the 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. The information in this Official Statement has been prepared by the Town's Financial Advisor, DIXWORKS LLC, Avon, Connecticut (the "Municipal Advisor"), from information supplied by Town officials and other sources as indicated. The Municipal Advisor does not assume responsibility for the sufficiency, accuracy, or completeness of the statements made herein and makes no representation that it has independently verified the same. DIXWORKS LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, or of underwriting, trading, or distributing municipal or other public securities. The Town and the Municipal Advisor have entered into a financial advisory agreement to conform to Municipal Securities Rulemaking Board (MSRB) Rule G-23.

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 are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in Appendix B "Form of Opinion of Bond Counsel" herein) and they make no representation that they have independently verified the same.

Description of the Notes

The Notes will be dated July 17, 2019 and will mature on July 16, 2020. Interest and principal on the Notes will be payable at maturity. The Notes will be issued as fully registered Notes in denominations of \$1,000 or any integral multiple thereof. A book-entry-only 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 the rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Interest shall be calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder. The Certifying Agent, Paying Agent, Registrar and Transfer Agent will be U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Goodwin Square, Hartford, CT 06103. The legal opinion on the Notes will be rendered by Robinson & Cole LLP of Hartford, Connecticut in substantially the form set forth in Appendix B to this Official Statement.

The Notes are NOT subject to redemption prior to maturity.

Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Notes in order that interest on the Notes be and remains excluded from gross income

for federal income tax purposes. Noncompliance with such requirements could cause interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

Ownership of the Notes may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Notes. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Notes.

In the opinion of Bond Counsel, based on 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.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Notes, 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 Notes will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Notes or adversely affect the market price of the Notes.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Notes are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Notes.

Original Issue Discount

The initial public offering price of certain maturities of the Notes may be less than the principal amount payable on such Notes at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Notes are sold constitutes original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Notes were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Note during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Notes by such owner. Accrued original issue discount on the Notes is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Notes.

Internal Revenue Service Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures

not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103 of the Code. Notice 94-84 states that until the Internal Revenue Service provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

Original Issue Premium

The initial public offering price of certain maturities of the Notes may be greater than the principal amount payable on such Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Notes are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Notes were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Note during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Notes by such owner. Amortized original issue premium on the Notes is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Notes.

Security and Remedies

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

Unless paid from other sources, the 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 or qualified disabled persons taxable at limited amounts. On the last completed Grand List of the Town there were no acres of such classified forest land. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses.

Payment of the 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 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 Notes, or judgments thereon, in priority to other claims.

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

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the Federal bankruptcy code, the Town may seek relief

only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, 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 or any other political subdivision of the State having the power to levy taxes and issue Notes or other obligations.

Qualification for Financial Institutions

The Notes **shall** 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 Notes.

Availability of Continuing Disclosure

The Town prepares, in accordance with State law, annual independently audited financial statements and files such financial statements with the State Office of Policy and Management on an annual basis within six months of its fiscal year end, subject to extension.

In accordance with the requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of the failure by the Town to provide the annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements for the benefit of holders of certain of its bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

Book-Entry-Only Transfer System

The information contained in the following paragraphs of this subsection “Book-Entry-Only Transfer System” has been provided by The Depository Trust Company, New York, New York (“DTC”). The Town makes no representation as to the completeness or the accuracy of such information or the absence of material adverse changes in such information subsequent to the date hereof.

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

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

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

To facilitate subsequent transfers, all 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal and interest payments on, and redemption premium, if any, with respect to the 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or its Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

NEITHER THE TOWN, THE PAYING AGENT, NOR THE UNDERWRITER SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST ON THE NOTES; (3) ANY NOTICE PERMITTED OR REQUIRED TO BE GIVEN BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT, TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT, OR BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BOND HOLDER.

Authorization and Use of Proceeds

Authorization

The Notes are being issued pursuant to Title 7 of the Connecticut General Statutes, as amended, and a bond resolution adopted by the Town.

School and Town Buildings Roofs, School HVAC and Electrical Upgrades, and Town Roads

Use of Proceeds

Proceeds of the Notes will be used to finance the following:

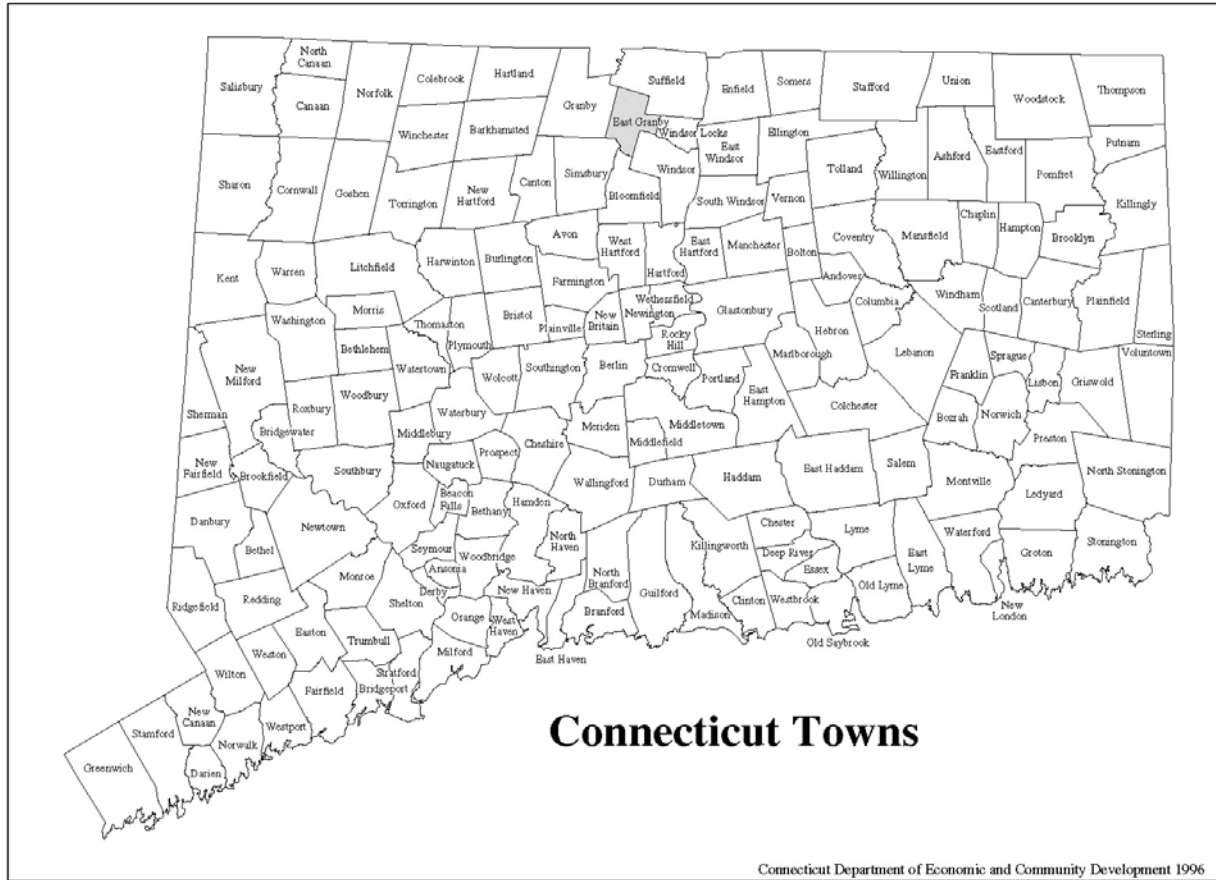
<u>Project</u>	<u>Total Appropriated</u>	<u>Date Authorized</u>	<u>Previously Bonded</u>	<u>BANs Maturing</u>	<u>Estimated Reimbursement Rate</u>	<u>Estimated Grants</u>	<u>The Notes</u>
School and Town Roofs, School HVAC and Electrical, Town Roads	\$12,200,000	2/13/19	-0-	-0-	40.71%	\$1,548,000	\$6,470,000

The sum of \$12,200,000 was appropriated and \$9,951,000 of bonds authorized for the planning, design, construction, reconstruction and improvements of (i) various school and town buildings roofs, including, East Granby Middle School, East Granby High School, Carl Allgrove Elementary School, Town Hall, Public Safety Building, Senior Community Center, Ambulance Building and the South End Fire House, including but not limited to, replacement and/or restoration of the roofs, seam stripping and replacement, re-pitching, power washing, urethane coating, and other roof improvements; (ii) HVAC and electrical upgrades to Carl Allgrove Elementary School; (iii) repair and repavement of various town roads, town campus parking lots and the Floydville Bridge, including, but not limited to, remediation, pavement, curbs, drainage and catch basin replacement/repair, milling and overlay, micropaving, chipsealing and cracksealing, and other road improvements; and for administrative, printing, legal and financing costs related thereto (collectively, the "Project"); with such changes and modifications as shall be determined by the Project and Building Committee, said appropriation to be inclusive of any and all State and Federal grants-in-aid thereof.

Rating

The Notes are not rated. Moody’s Investors Service, Inc. has rated the Town’s previously outstanding bond issues as "Aa2". The Town has furnished to Moody’s Investors Service, Inc. certain information and materials on an ongoing basis, some of which may not have been included in this Official Statement. The rating reflects only the view of the rating agency. An explanation of the significance of the rating may be obtained directly from the rating agency. There is no assurance the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the agency’s opinion, circumstances so warrant. A revision or withdrawal of said rating may have an effect on the market price of the Town’s bonds and notes, including the Notes.

II. THE ISSUER



Description of the Municipality

The Town of East Granby was originally settled in 1710 and incorporated in 1858. It was once part of Simsbury. Covering 17.4 square miles, the Town is located in north central Connecticut and was originally part of the enormous plot of land in the Simsbury area granted to John Griffen of Windsor in 1663. East Granby's population boomed in the early eighteenth century due to the discovery of large copper deposits. Although the industry peaked early because of declining copper values and increasing difficulties in extracting the ore, its local history was capped by the issue of copper coins by a local blacksmith named Higley in 1737 and 1739. The coins are so valuable now that they are preserved by museums as well as private collectors. The community, which incorporates residential, commercial, and industrial land use, lies approximately 12 miles north of Hartford, Connecticut and 14 miles south of Springfield, Massachusetts. Adjacent communities include Suffield, Windsor Locks, Windsor, Bloomfield, Simsbury, and Granby.

East Granby's population was 5,220 in 2017 according to the 2013 – 2017 U.S. Bureau of Census American Community Survey (ACS). The ACS data indicated that 23.7% of the residents were employed in educational services, health care, and social assistance, 19.2% in the finance, insurance, service and real estate industries, and 16.2% in manufacturing reflecting the prominent role of the industrial, defense, and insurance industries in the area. The 2017 ACS reported East Granby per capita income of \$41,099 on a par with the state figure of \$41,365. The 2017 median family income as reported by ACS was \$93,385, once again in line with the state average of \$93,800.

East Granby residences are predominantly single family units with some condominium and multifamily units. In 2017, the median sales price of residential housing units was \$288,000, 6.6% above the state average of \$270,100. The Town is served by State Routes 540, 189, 187 and 20, as well as 38 miles of Town roads. Nearby Interstate 91 runs north-south from New Haven to the Canadian border. Bradley International Airport, a portion of which is located in East Granby, provides complete domestic and international passenger and freight facilities. Numerous motor freight companies serve the Town as well.

Form of Government

East Granby is governed under the First Selectman/Town Meeting form of government. The Town Meeting acts as the legislative body with the First Selectman serving as the full-time Chief Executive. The three person Board of Selectmen is elected biennially for a term of two years. A six-member Board of Finance that prepares and oversees the budget and sets the mill rate is elected for overlapping six-year terms every two years.

Economy

East Granby has an active Economic Development Commission (EDC) and is overseen by a full-time Director of Community Development. The Director of Community Development acts as the point of contact for Town businesses and is responsible for marketing the Town to prospective corporate residents. The Director of Community Development works with the First Selectman and the EDC in a regular program of company visits and also acts as a catalyst for development in the Town. In 2018, the Town entered into a shared services agreement with the Connecticut Economic Resource Center (CERC). Through this agreement, the Town receives additional economic development resources and support from CERC while maintaining its own EDC and Director of Community Development.

In the past ten years, the Town has seen steady growth in its industrial/commercial community through the arrival of a number of companies coupled with the expansion of existing industries. CBS Manufacturing relocated to town, doubled their size, and occupies 30,500 square feet. Wildlife Services built a 7500 square foot manufacturing facility. RSCC Wire and Cable, Inc. (formerly Rockbestos) added 85,000 square feet to its existing facility of 345,000 square feet, Overhaul Support doubled its size to 68,000 square feet, and the Hartford/Springfield Auto Auction built a new 18,000 square foot auction facility which quadrupled their inventory capacity. Allstate added 40,000 square feet to their existing 120,000 square foot facility, Nufern/Coherent added 21,835 square feet which doubled its size, MB Aerospace added/renovated 11,700 square feet, Coors-Tek added 11,025 square feet, Ross Express built a new warehouse trucking terminal center, Joining Technologies added 20,000 additional square feet and Brignole Vineyard built a new processing and reception area.

Per the 2016 East Granby Plan of Conservation and Development, currently 22% of East Granby's land is residential with 16% industrial/commercial/airport and 62% open/vacant/agricultural space. Ample area is available for future industrial development.

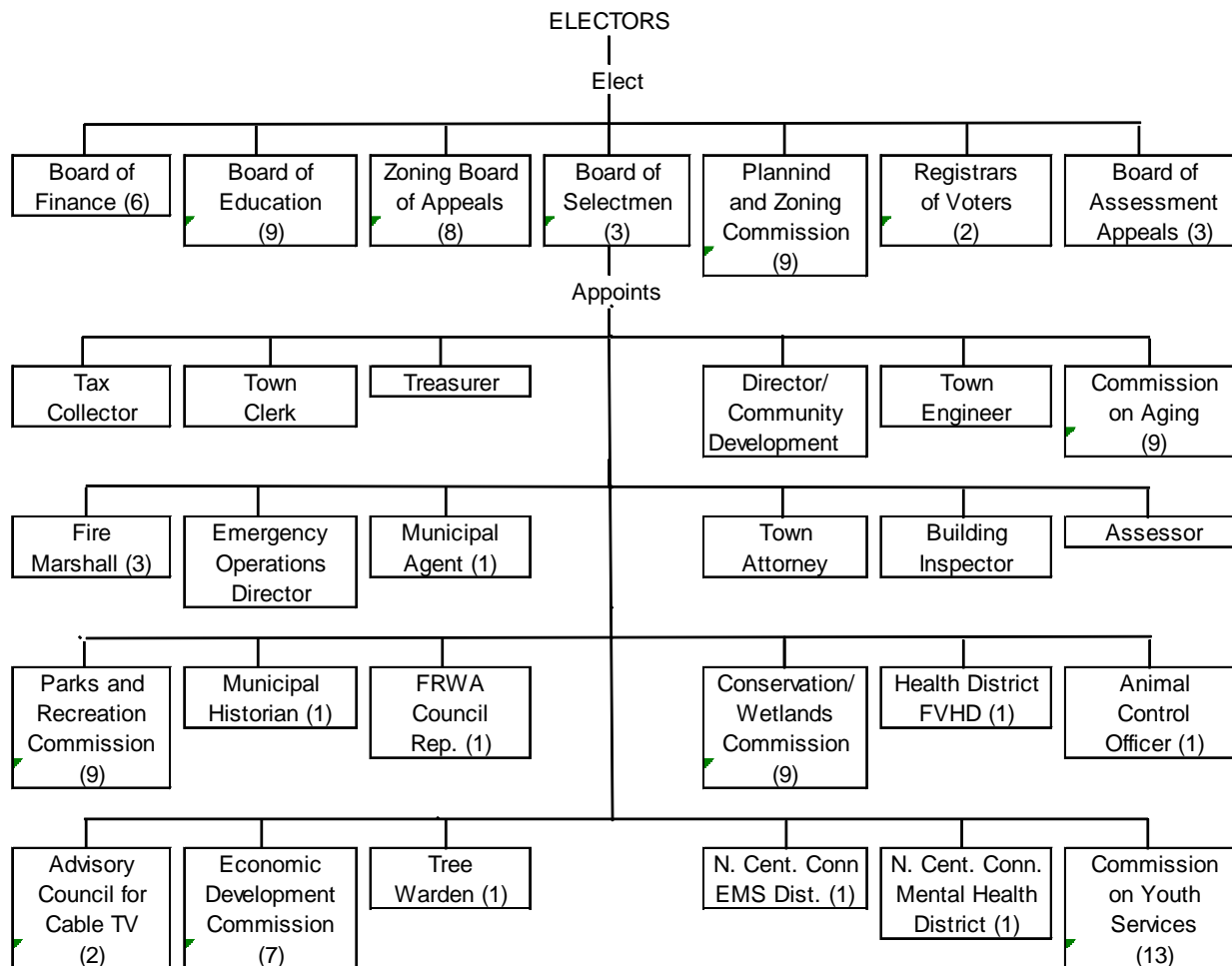
Bradley International Airport (the "Airport"), 600 acres of which lie within East Granby, is situated on the Town's eastern border. For the past seven consecutive years, the Airport has experienced consistent growth in passenger traffic. New construction and increased traffic at the Airport are expected to open adjacent land in East Granby to development. Since 2000, in anticipation of growth in this part of Town, East Granby rezoned much of the land on its eastern side to industrial use. East Street, which connects Russell Road to State Rte. 20, has been upgraded using local and state funds. The State has completed improvements to Route 20 through the industrial area and Town center, easing traffic flow and enhancing the Town's retail and commercial center.

In 2011, the State Legislature created the Connecticut Airport Authority (CAA) and empowered the board of directors to oversee the development of the Airport and the state's five regional airports. The CAA board consists of seven members with many drawn primarily from the private sector. The CAA has defined and developed a strategy for expansion of the Airport and airline services, facilities and marketing. As a result, Aer Lingus, an international carrier, was added in 2014. In the past five years several non-stop flights have been added by domestic carriers. The Airport is going forward in 2020 with a \$210 million expansion which will move off-site rental car companies into an on-airport transportation building.

East Granby is a founding member, along with the Towns of Suffield, Windsor, and Windsor Locks, of the Bradley Development League (BDL). East Granby's First Selectman currently serves as president of the BDL. The BDL consists of a private/public board of directors, and allows its member towns and the State to more effectively market the area. The consortium's joint resources have increased East Granby's ability to market its development opportunities and, by defining itself as part of the region surrounding the airport, to forge a recognizable national and international identity. East Granby's membership in BDL has heightened awareness of the Town in the business and commercial realty communities and, through BDL; the Town has become involved in trade shows in Boston, Hartford and New York. In 2017/18, BDL member towns worked with a consultant to target marketing campaigns in the insurance and aeronautical clusters. The BDL continues to advocate for a rail link to the airport. Additionally, the BDL spearheaded the creation of the Bradley Development Zone by the legislature in 2011. The Bradley Development Zone legislation provides abatements and corporate tax breaks to qualifying companies, thus encouraging new investment, new facilities and job creation.

East Granby is a member of the Capitol Region Council of Government (CRCOG), an organization of thirty-eight cities and towns in the greater Hartford area. CRCOG supplies staff assistance to its members along with transportation, municipal, and economic planning expertise. In addition, the Town has a full-time Community Development Director to oversee East Granby’s future growth and development. East Granby is also a municipal partner of the MetroHartford Alliance (formerly Greater Hartford Chamber of Commerce) and belongs to the Connecticut Council of Small Towns and the Connecticut Conference of Municipalities, both groups that promote regional collaboration.

Organization Chart



Principal Municipal Officials

Office	Name	Manner of Selection	Current Term	Years of Service	Principal Employment Last Five Years
First Selectman	James M. Hayden	Elected	2 years	12	First Selectman
Selectman	Joseph Doering	Elected	2 years	2	Retired-retail owner
Selectman	John Ziobro	Elected	2 years	8	Machining
Treasurer	Kelly Jacobs	Appointed	4 years	12	Treasurer
Town Clerk	Christine T. Gallagher	Appointed	4 years	5	Town Clerk
Tax Collector	Dorian H. Owens	Appointed	2 years	12	Tax Collector
Assessor	Mary Ellen Brown	Appointed	4 years	37	Assessor
Supt. of Schools (Interim)	Melissa Bavaro Grande	Appointed	Acting	14	Princ./ Acting. Supt. Superintendent
Town Attorney	Derek D. Connelly	Appointed	Term of Selectmen	2	Attorney
Chairman, Board of Finance	David K. Kilbon	Elected	6 years	34	Retired; former First Selectman; ins. exec.

Municipal Services

Police - The Police Department is staffed by six full-time sworn officers. The Town also contracts with the State to provide for the services of one resident state trooper who acts as operational commander for the East Granby police and fills regular patrol assignments. The seven officers/trooper provide 24-hour coverage for the Town and are backed up by the resources of State Police Troop H. The Police department is headquartered in the Public Safety Complex in the Town Center.

Fire - Fire protection is provided by a force of 25 volunteers operating from two fire stations. One station is located in the Town Center Public Safety Complex and the other is in the south-end residential section of Town. The Department is equipped with three pumpers, one tanker truck, one utility truck, one rescue truck, and a Chief's vehicle. The Department's operating costs and capital equipment are funded by the Town.

Ambulance -The Granby Ambulance Association (GAA) provides ambulance service to Granby, East Granby and East Hartland residents and businesses. Advanced Life Support (ALS) service is provided by GAA on-site at the East Granby Ambulance building twelve hours daily seven days a week. Operating expenses are borne by the GAA through fees for service, fund-raising and donations, supplemented by the Town from the General Fund.

Animal Control - Easy Granby shares an Animal Control Officer (ACO) with the Town of Suffield. The ACO works closely with the Police. The Town impounds animals at the Suffield pound, as necessary. Animal control costs are funded by the Town through a special fund established for the purpose, supplemented by General Fund appropriations when necessary.

Public Works - East Granby's Department of Public Works maintains 38 miles of roads and Town-managed buildings and grounds, including parks, with a staff of seven individuals plus a working director. The Board of Education maintains its own building maintenance budget but the operation of the school facilities is managed by the Town's Maintenance Supervisor. The Town maintains school grounds and athletic facilities overseen by the Highway Department Director. The Highway Department is equipped with seven snow plow/dump trucks, two front loaders, two pick-up trucks, and a range of mowers and tractors. East Granby maintains a recycling center and transfer station for residents at the site of the former landfill. The center is accessible by permit which may be obtained at an annual cost of \$50 to Town residents. Citizens can also dispose of garbage and recyclables by contracting with a private hauler.

Health Department - The Farmington Valley Health District provides comprehensive preventive health programs, food establishment inspections, and communicable disease surveillance. The District is headed by a Health Director. East Granby is one of ten local jurisdictions comprising the Health District.

Recreation - The Town has an active recreation program for its residents. The program, managed by a full-time Director and overseen by the volunteer Parks and Recreation Commission, includes seasonal sports activities (e.g. basketball leagues in the winter), a summer day camp, and active and passive recreation areas in parks and at the schools. In addition, youth soccer, baseball, and softball programs are provided through the auspices of private associations of residents which use Town fields and facilities.

Solid Waste

The Town closed its solid waste landfill in 1992. The Town has executed a Municipal Service Contract (the "Service Contract") with the Materials Innovations Recycling Authority (the "Authority"), Connecticut's quasi-public organization responsible for the development and operation of systems and facilities that turn municipal solid waste into useful materials, for the disposal of solid waste through the Connecticut Solid Waste System (the "System"). The Service Contract became effective on 11/1/2012 and remains in effect until 10/31/2027.

The Authority is required to accept and dispose of solid waste in accordance with the Service Contract and with acceptable business standards. The town retains the responsibility for the collection, disposal, and treatment of solid waste which does not meet the requirements or which the Authority refuses or is unable to accept under the Service Contract.

The Authority is required to calculate and impose Service Payments (as defined in the Service Contract) for all solid waste accepted by the System such that the aggregate of all such Service Payments received by the Authority shall be sufficient to pay for the net cost of operation of the System as defined in the Service Contract. Service Payments shall be at a long and short tiered rate per ton for municipalities. The Authority is required to submit bills to the Town on or before the fifteenth day following the end of a billing period, and the Town is required to pay Service Payments within 30 days of the date of invoice. The long-term tier I rate that the Town pays is currently at \$81.35 per ton which will increase to \$83 per ton on July 1, 2019.

Not less than 120 days prior to the commencement of each Contract Year as defined in the Service Contract the Authority will estimate (i) the Service Payments to be paid by the Town for such Contract Year and (ii) the annual budget for the System and will submit such information to be able to pay Service Payments on a timely basis. The Service Payments remain in effect for the Contract Year with differences between the aggregate of all such Service Payments and the net cost of operation for each Contract Year being settled in the following Contract Year. The Town is obligated to make Service Payments only if the Authority accepts solid waste delivered by the Town. The Town has the option to “opt out” of its agreement if the contractual cost of living increase exceeds the agreed upon rate.

The Town agrees to make the payment of all Service Payments and any delayed-payment charges and costs and expenses of the Authority and its representatives in collecting overdue Service Payments. The Town agrees that its obligation to make any such Service Payments and other such payments, in the amounts and at the times specified in the Service Contract, whether to the Authority or the trustee, shall be absolute and unconditional, shall not be subject to any setoff, counterclaim, recoupment, defense (other than payment itself) or other right which the Town may have against the Authority, the trustee or any other person for the reason whatsoever, shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or damage to or loss or destruction of, the System or any part thereof and, so long as the Authority shall accept solid waste delivered by the Town pursuant to the Service Contract, shall not be affected by any interruption or cessation in the possession, use or operation of the System or any part thereof by the Authority or the operator of the System for any reason whatsoever.

To the extent that the Town does not make provisions or appropriations necessary to provide for and authorize the payment by the Town to the Authority of the payments required to be made by it under the Service Contract, the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due thereunder.

In the event of any dispute as to any portion of any bill, the disputing municipality will nevertheless pay the full amount of the disputed charges when due and will, within 30 days from the date of the disputed bill, give written notice of the dispute to the Authority. The dispute will then be resolved under the dispute resolution provisions of the Service Contract.

Municipal Employees

The following table illustrates the full-time equivalent Town employment rolls for the last five fiscal years:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board of Education.....	171	167	153	156	150
General Government.....	35	35	35	35	35
Total.....	206	202	188	191	185

Source: First Selectman’s Office and Superintendent’s Office, Town of East Granby

The following table shows the present breakdown of general government employees by department:

<u>Department</u>	<u>Full-Time</u>	<u>Regular Part-Time</u>
Administration	8	9
Public Safety	6	3
Public Works	9	2
Education and Culture (Library)*	0	0
Planning and Development	3	0
Parks and Recreation**	1	1
Health and Social Services.....	0	2
Total***	27	17

Source: First Selectman’s Office, Town of East Granby

* Does not include East Granby Library Association employees who are not directly employed by the town.

** Does not include seasonal employees for DPW (summer lawns and winter snow removal) and Parks & Rec Summer Camp.

*** Also does not include Per Diem Deputy Registrars and Volunteer Fire Department

Municipal Employee Bargaining Units

<u>General Government</u>	<u>Positions Covered</u>	<u>Current Contract Expiration Date</u>
International Brotherhood of Police Officers	6	June 30, 2019
Highway Department - Local 1303-253, Connecticut Council #4, AFSCME/AFL-CIO	7	June 30, 2021
Town Hall Union	7	June 30, 2021
Total Organized	20	
Non-Union	24	
Sub-Total Town ¹	44	
 <u>Board of Education</u>		
East Granby Educational Association - Teachers	95	June 30, 2020
East Granby Administrators' Association	7	June 30, 2021
Non-certificated staff, Local 1303-267, Connecticut Council #4, AFSCME/AFL-CIO	54	June 30, 2019
Total-Organized	156	
Non-Union	15	
Sub-Total Board of Education	171	
Total	215	

¹ Does not include seasonal employees for DPW (summer lawns and winter snow removal) and Parks & Rec Summer Camp
Source: First Selectman’s Office and Superintendent’s Office, Town of East Granby

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

Educational Services

The Board of Education is charged with setting the educational policies that guide the school system. Operating within state and federal mandates, the Board is responsible for a broad range of activities, from review and approval of curriculum to labor negotiations to athletics to budget preparation. In addition, the Board hires the Superintendent of Schools and, through that position, is responsible for all aspects of management of the system.

The Board meets the first and third Mondays of each month except August. There are nine members of the Board, each of whom serves a six-year term. Board members are elected; three members are on the ballot in each municipal election.

School Facilities

<u>School</u>	<u>Grades</u>	<u>Date of Construction (Addition/Alteration)</u>	<u>Type of Construction</u>	<u>Number of Classrooms</u>	<u>Enrollment October 1, 2018</u>	<u>Rated Capacity</u>
Allgrove Elementary	K-2	1952 ('65, '10)	Brick Masonry	16	180	340
Seymour Elementary	3-5	1959 ('74, '14)	Brick Block	18	195	200
Middle School and	6-8			28	203	300
High School (Combined)	9-12	1965 ('74, '01)	Brick Block	25	263	300
Total				87	841	1,140

Source: Superintendent's Office, Town of East Granby

School Enrollment

<u>School Year</u>	<u>K-3</u>	<u>4-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Total</u>
2009-10	276	141	230	259	906
2010-11	244	151	212	276	883
2011-12	228	129	216	263	836
2012-13	231	137	213	271	852
2013-14	176	207	208	259	850
2014-15	207	185	211	257	860
2015-16	182	202	196	264	844
2016-17	178	198	223	252	851
2017-18	178	207	192	260	837
2018-19	180	195	203	263	841
			Projected ¹		
2019-20	173	177	212	257	819
2020-21	160	174	226	256	816
2021-22	155	182	208	261	806
2022-23	163	175	189	274	801
2023-24	171	162	185	273	791

¹ Does not include Pre-school or New Choice enrollments from Hartford
Source: Superintendent's Office, Town of East Granby

Note: The addition/renovation of Seymour Elementary school was finalized during the 2013-14 school year and grade 3 was moved from Allgrove School to Seymour School. Current usage: Allgrove K-2; Seymour 3-5; Middle School 6-8; and High School 9-12.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population and Density

Year	Actual Population ¹	% Increase for period	Density ²
1970	3,559	46.2	205
1980	4,102	15.3	236
1990	4,302	4.9	247
2000	4,745	10.3	273
2010	5,140	8.3	295
2017	5,220	1.6	300

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

2017 - U.S. Department of Commerce, Bureau of Census American Community Survey 2013-2017

² Per square mile: 17.4 square miles.

Age Distribution of the Population

Age	Town of East Granby		State of Connecticut	
	Number	Percent	Number	Percent
Under 5	287	5.5	186,188	5.2
5 - 19	965	18.5	682,144	19.0
20 - 34	793	15.2	685,088	19.1
35 - 44	682	13.1	433,401	12.1
45 - 54	770	14.8	535,611	14.9
55 - 64	871	16.7	496,289	13.8
65 and over.....	852	16.3	575,757	16.0
Total	5,220	100.0	3,594,478	100.0
Median Age (Years)	43.6		40.8	

Source: U.S. Department of Commerce, Bureau of Census American Community Survey 2013-2017

Income Distribution

	Town of East Granby		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	--	0.0	27,787	3.1
10,000 - 14,999	--	0.0	16,143	1.8
15,000 - 24,999	123	8.6	41,072	4.6
25,000 - 34,999	--	0.0	52,218	5.8
35,000 - 49,999	27	1.9	82,371	9.2
50,000 - 74,999	242	16.9	134,356	15.0
75,000 - 99,999	254	17.8	122,244	13.6
100,000 - 149,999	398	27.9	186,352	20.9
150,000 - 199,999	193	13.5	100,359	11.2
200,000 or more.....	192	13.4	132,765	14.8
Total.....	1,429	100.0	895,667	100.0

Source: U.S. Department of Commerce, Bureau of Census American Community Survey 2013-2017

Income Levels

	<u>Town of East Granby</u>	<u>State of Connecticut</u>
Per Capita Income, 2017	\$41,099	\$41,365
Per Capita Income, 2010.....	\$40,698	\$36,775
Per Capita Income, 2000	\$30,805	\$28,766
Median Family Income, 2017	\$104,321	\$93,800
Median Family Income, 2010	\$97,174	\$84,170
Median Family Income, 2000	\$77,621	\$65,521
Percent Below Poverty Level 2000	2.7	7.0

Source: U.S. Department of Commerce, Bureau of Census American Community Survey, 2013-2017

Educational Attainment

Persons 25 Years and Older

	<u>Town of East Granby</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade	40	2.2	104,623	4.2
9th to 12th grade	55	3.0	137,877	5.6
High School graduate	708	12.3	673,582	27.1
Some college, no degree	482	19.8	422,535	17.0
Associate's degree	383	8.0	188,481	7.6
Bachelor's degree	1,329	31.5	532,055	21.5
Graduate or professional degree	830	23.2	421,144	17.0
Total	3,827	100.0	2,480,297	100.0
Total high school graduate or higher (%)	97.5		90.2	
Total bachelor's degree or higher (%)	56.4		38.4	

Source: U.S. Department of Commerce, Bureau of Census American Community Survey, 2013-2017

Major Employers

As of October 31, 2018

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Connecticut Air National Guard.	State Government – National Security	1,000 – 4,999
Envirotest Corp.	Automobile emission testing	500 - 999
Monrovia Nursery Company.....	Nurseries – plants and trees - wholesale	250 - 499
RSCC formerly Rockbestos	Cable manufacturing	250 - 499
Barnes Aerospace.....	Aerospace industries - manufacturing	100 - 249
LSG Sky Chefs Inc.	Airline caterers	100 - 249
MB Aerospace.....	Metal fabricators	100 - 249
Mb Aerospace East Granby.....	Aerospace industries - manufacturing	100 - 249

Source: Connecticut Department of Labor, Labor Market Information, October 31, 2018

Employment by Industry
Employed Persons 16 Years and Over

<u>Sector</u>	<u>Town of East Granby</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fisheries, mining	--	0.0	71,66	0.4
Construction	54	2.1	1,041,22	5.8
Manufacturing	420	16.2	1,915,19	10.6
Wholesale trade	76	2.9	447,41	2.5
Retail trade	190	7.3	1,930,16	10.7
Transportation, Warehousing, Utilities.....	193	7.4	689,26	3.8
Information	44	1.7	422,00	2.3
Finance, Insurance, Real Estate	496	19.2	1,638,10	9.1
Professional, Scientific, Management, Admin ..	249	9.5	2,081,30	11.5
Education, Health, Social Services	618	23.8	4,780,83	26.5
Arts, Entertainment, Recreation, Leisure Serv. .	124	4.8	1536,79	8.5
Other Services	49	1.9	825,38	4.6
Public administration	82	3.2	671,56	3.7
Total Labor Force, Employed	2,595	100.0	1,805,086	100.0

Source: U.S. Department of Commerce, Bureau of the Census American Community Survey, 2013-2017

Employment Data

<u>Period</u>	<u>Town of East Granby</u>		<u>Percentage Unemployed</u>		
	<u>Employed</u>	<u>Unemployed</u>	<u>Town of East Granby</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>
March, 2019 ¹	3,011	114	3.6	4.2	4.2
December, 2018 ¹	3,063	91	2.9	3.3	3.2
September, 2018 ¹	3,014	100	3.2	3.9	3.8
June, 2018 ¹	2,999	107	3.4	4.5	4.5
Annual Averages					
2018.....	3,001	106	3.4	4.1	4.1
2017.....	2,999	110	3.5	4.7	4.7
2016.....	2,941	119	3.9	5.1	5.1
2015.....	2,920	118	3.9	5.7	5.6
2014.....	2,881	150	4.9	6.6	6.6
2013.....	2,755	171	5.8	7.8	7.8
2012.....	2,750	179	6.1	8.4	8.4
2011	2,801	199	6.6	8.8	8.8
2010	2,829	207	6.8	9.2	9.1
2009	2,830	138	6.5	8.3	8.2

¹ Not seasonally adjusted

Source: Department of Labor, State of Connecticut.

Age Distribution of Housing

Year Built	Town of East Granby		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier	90	4.2	338,011	22.4
1940 to 1949	22	1.0	104,251	6.9
1950 to 1959.....	312	14.7	225,763	15.0
1960 to 1969.....	378	17.8	205,463	13.6
1970 to 1979	418	19.6	200,217	13.3
1980 to 1989	330	15.5	191,939	12.7
1990 to 1999.....	266	12.5	114,261	7.6
2000 to 2009.....	298	14.0	105,131	7.0
2010 to 2013.....	15	0.7	17,308	1.1
2014 or later	0	0.0	5,367	0.4
Total housing units, 2017	2,129	100.0	1,507,711	100.0
Percent Owner Occupied, 2017	79.5		66.6	

Source: U.S. Department of Commerce, Bureau of Census American Community Survey, 2013-2017

Housing Inventory

Type	Town of East Granby		State of Connecticut	
	Units	Percent	Units	Percent
1-unit detached	1,708	80.2	892,621	59.1
1-unit attached	54	2.5	81,393	5.4
2 units	43	2.0	123,040	8.2
3 or 4 units	73	3.4	130,914	8.7
5 to 9 units	78	3.7	82,787	5.5
10 to 19 units	161	7.6	56,540	3.8
20 or more units	12	0.6	128,477	8.5
Mobile home, trailer, other	0	0.0	11,939	0.8
Total Inventory	2,129	100.0	1,507,711	100.0

Source: U.S. Department of Commerce, Bureau of Census American Community Survey, 2013-2017

Owner-Occupied Housing Values

Specified Owner-Occupied Units	Town of East Granby		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000	0	0.0	892,621	59.1
\$ 50,000 to \$ 99,999.....	34	2.0	81,393	5.4
\$100,000 to \$149,999.....	41	2.4	123,040	8.2
\$150,000 to \$199,999.....	90	5.4	130,914	8.7
\$200,000 to \$299,999.....	776	46.1	82,787	5.5
\$300,000 to \$499,999.....	678	40.3	56,540	3.8
\$500,000 to \$999,999.....	30	1.8	128,477	8.5
\$1,000,000 or more.....	33	2.0	11,939	0.8
Total.....	1,682	100.0	1,507,711	100.0
Median Sales Price	\$288,000		\$270,100	

Source: U.S. Department of Commerce, Bureau of Census American Community Survey, 2013-2017

Land Use Summary

<u>Land Use Category</u>	<u>Acres</u>	<u>(%)</u>
Residential	2,504	22
Open Space.....	2,227	20
Commercial Recreation.	206	2
Business.....	109	1
Industry... ..	228	2
Community/Institutional	196	2
Airport/Utility.	604	5
Roads/Misc.	499	4
Agricultural.....	2,140	19
Vacant.	2,309	21
Total.	<u>11,241</u>	<u>100</u>

Source: Planning Department, Town of East Granby

IV. TAX BASE DATA

Assessments

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total assessed values for all taxable and tax exempt real estate, personal property, and motor vehicles located within the Town as of October 1. Grand List information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy. Assessments for real property are computed at seventy percent (70%) of the market value at the time of last revaluation. Section 12-62 of the Connecticut General Statutes governs real property assessments and provides that Connecticut municipalities must implement a revaluation every five years and, generally, a physical inspection of all real properties every ten years. For the list of October 1, 2018, East Granby's net taxable Grand List amounted to \$607,221,264. The Town completed a general property revaluation effective October 1, 2018 for the fiscal year 2019 – 2020. Section 12-62 imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. However, the statute permits the phase-in of a real property assessment increase resulting from a revaluation over a period of up to five years. Any property owner may seek to appeal its assessment by filing a written appeal to a Town's Board of Assessment Appeals. The Board of Assessment Appeals elects to hear such appeals and determines whether adjustments to the Assessor's list relating to assessments under appeal are warranted. Under Connecticut law, taxpayers who are dissatisfied with a decision by a Town's Board of Assessment Appeals may appeal the decision to the Connecticut Superior Court.

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 as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to municipalities by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. 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 are subject to property tax as follows: 1) vehicles registered subsequent to November 1 but prior to the following August 1, are subject to a prorated tax based on the period of time from the date of registration until the following October 1; 2) vehicles purchased in August and September are not taxed until the next October 1 Grand List. With respect to replacement vehicles (as compared to additional vehicles) Section 12-71b provides for similar prorating of taxes on the new vehicle and a credit with respect to taxes due on the replaced vehicle during the assessment year.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 39.00 mills for the assessment year commencing October 1, 2016, and 45.00 mills for the assessment year commencing October 1, 2017, and each assessment year thereafter. Section 4-66f of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2017 assessment year (the fiscal year ending June 30, 2019) is 31.10 mills.

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

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision.

Section 12-170v of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest. The Town has not approved the use of this property tax abatement provision.

Connecticut General Statutes Section 4-66l, as amended (“Section 4-66l”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 preceding the beginning of the fiscal year. Real estate tax bills are payable in two installments - July 1 and January 1. Motor vehicle taxes and real estate and personal property taxes of less than \$100 are due in full in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

Comparative Assessed Valuations

Grand List of 10/1	Residential Real Property (%)	Commercial/Industrial Real Property (%)	All Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less: Exemptions	Net Taxable Grand List ¹	% Increase (Decrease)
2018 ²	54.5	15.2	0.4	19.8	10.1	\$675,378,082	\$68,156,818	\$607,221,264	4.34
2017	55.6	14.7	0.2	19.7	9.8	648,092,671	66,128,759	581,963,912	0.08
2016	56.6	14.9	0.4	17.9	10.2	632,765,214	51,249,702	581,515,512	(0.93)
2015	56.4	14.8	0.3	18.8	9.7	634,774,077	47,806,680	586,967,397	0.94
2014	56.9	14.9	0.4	18.2	9.6	627,500,234	46,015,137	581,485,097	1.49
2013 ²	58.0	15.3	0.3	17.6	8.8	614,969,350	42,003,283	572,966,067	(3.01)
2012	58.7	15.2	3.2	14.7	8.2	634,565,539	43,837,813	590,727,726	2.96
2011	60.6	15.4	3.5	11.9	8.6	612,270,968	38,515,097	573,755,871	2.11
2010	61.7	15.4	4.0	10.6	8.3	599,134,920	37,217,003	561,917,917	0.40
2009	62.1	15.7	3.1	11.1	8.0	589,912,454	30,255,842	559,656,612	2.12

¹ Excludes Supplemental Motor Vehicle assessments levied the following January

² Revaluation

Source: Assessors' Office, Town of East Granby

Tax Exempt Property

The following categories of exempt properties are not included in the Grand List;

<u>Public</u>	<u>Assessed Value ¹</u>
United States of America	\$ 16,911,200
Town of East Granby	22,998,500
State of Connecticut.....	4,271,500
Connecticut Airport Authority	123,160,200
Sub-Total Public	167,341,400
<u>Private</u>	
Scientific, educational, historical, charitable	7,679,500
Cemeteries	793,200
Volunteer Fire Companies	7,000
Churches	2,513,900
Recreation Facilities	251,700
Sub-Total Private	11,245,300
Total Tax Exempt Property.....	\$178,586,700
Percent Compared to Net Taxable Grand List	29.41

¹ Net Taxable Grand List 10/1/18: \$607,221,264
Source: Assessor's Office, Town of East Granby

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List ¹	Mill Rate	Adjusted Annual Levy	Percent Annual Levy Collected at End of Fiscal Year	Uncollected	
						Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 4/30/19
2018 ²	2020	\$607,221,264	32.8	\$19,896,352	-- In Process --	--	--
2017	2019	581,963,912	33.0/33.0	19,390,073	-- In Process --	--	1.4
2016	2018	581,515,512	32.4/32.0	18,991,683	99.6	0.4	Nil
2015	2017	586,967,397	31.10	18,525,549	98.9	1.1	0.2
2014	2016	581,485,097	30.40	17,787,323	99.0	1.0	0.1
2013 ²	2015	572,966,057	29.80	17,243,323	98.5	1.5	0.1
2012	2014	590,727,726	28.2	16,715,258	98.9	1.1	0.1
2011	2013	573,755,871	27.3	15,697,821	98.4	1.6	0.1
2010	2012	561,917,917	27.0	15,188,580	98.3	1.7	Nil
2009	2011	559,656,612	27.0	15,124,277	98.8	1.2	Nil
2008 ²	2010	548,060,094	26.3	14,485,941	98.9	1.1	Nil
2007	2009	497,130,747	28.8	14,367,008	98.5	1.5	Nil

¹ Excludes Supplemental Motor Vehicles

² Revaluation

Source: Audit Reports, fiscal years 2009 - 2018, Town of East Granby
Tax Collector, Town of East Granby, fiscal years 2019 and 2020

Property Taxes Receivable

<u>As of June 30</u>	<u>Total Uncollected</u>	<u>Uncollected for Current Year of Levy</u>
2019 ¹	\$449,810	\$265,172
2018	282,774	85,390
2017	402,988	212,804
2016	385,679	177,587
2015	460,505	251,354
2014	387,588	190,378

¹ Estimated unaudited as of 4/30/19

Source: Audit Reports, fiscal years 2014 - 2018, Town of East Granby

Ten Largest Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation</u>	<u>Percent of Net Taxable Grand List ¹</u>
RSCC (formerly Rockbestos).....	Wire and cable manufacturer	\$ 28,463,840	4.69
Galasso Materials	Quarry/construction	27,153,810	4.47
Eversource (formerly CL&P)	Electric utility	20,433,360	3.37
MB Aerospace (formerly Delta Industries)	Sheet metal fabrication	12,285,110	2.02
United Illuminating Company	Utility	9,046,220	1.49
Ean Holdings	Enterprise Rental Car	8,886,321	1.46
Nufern.....	Fiber optics	7,982,890	1.31
Barnes Group.....	Aircraft engine repair	7,636,080	1.26
BDL Associates	Commercial/industrial real estate	6,573,000	1.08
D.J. Paines and Sons.....	Rubbish removal/recycling	6,551,930	1.08
Total		<u>\$135,012,561</u>	<u>22.23</u>

¹ Based on Net Taxable Grand List 10/1/18: \$607,221,264

Source: Assessor's Office, Town of East Granby

V. FINANCIAL ADMINISTRATION

Financial Reporting

The financial statements of the Town are prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Fiscal Year

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Budget Procedure

Formulation of the Town's annual budget begins in the fall when the boards of Selectmen and Education draft their initial proposals. During the winter months, the Board of Finance reviews these proposals in the light of estimated revenues and Grand List growth and works jointly with the Selectmen and the schools to craft a spending plan which will meet the Town's needs within the framework of available resources. The process culminates in a public hearing on the budget and the Annual Town Meeting, both of which are held in April. The vote at this meeting determines whether or not the recommended budget will be adopted. The vote can be moved to referendum by the Board of Selectmen or by petition.

The Town uses the following budgetary sequence and timetable::

<u>Action</u>	<u>By</u>
Departments submit requests to First Selectman	Six months before close of fiscal year
Board of Education submits request to Board of Finance	Four months before close of fiscal year
Board of Selectmen presents proposed Budget to Board of Finance	Four months before close of fiscal year
Board of Finance holds public hearing on Proposed Budget	Third Tuesday in April
Town Meeting (vote may be adjourned to referendum)	Late April
Referendum vote (if applicable) on budget	Early May

Annual Audit

The Town of East Granby, pursuant to local ordinance and provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2018, the financial statements of the various funds of the Town were audited by MahoneySabol, CPA.

Pensions

Defined contribution money purchase pension plans

Effective September 1, 1978, the Town established separate defined contribution money purchase pension plans for general government employees and board of education employees respectively. This type of pension plan provides pension benefits in return for services rendered, an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The Plans cover all Town and Board of Education employees not covered by the Teachers' Retirement Plan who have completed a year of service. Town contributions vary based on designated employee classes. Eligible Board of Education employees who contribute 2.0% of compensation receive a Town contribution of 5.0%. Eligible Town employees who contribute 2.0% of compensation receive a Town contribution of 3.0%. In addition, Town employees that contribute an additional 3.0% of compensation receive an additional Town contribution of 3.0%. Plan participants are not required to contribute to the Plan. Contributions made by a participant vest immediately and contributions made by the Town vest after five years of service

During the 2018 fiscal year, the required and actual contributions made to the plans were as follows:

<u>Description</u>	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Employee	\$ 45,926	\$38,801	\$ 84,727
Town	79,651	--	79,651
Board of Education	--	37,378	37,378
Totals	\$125,577	\$76,179	\$201,756

Connecticut Teachers' Retirement System (CTRS)

The faculty and professional personnel of the Town's Board of Education participate in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements. The Board issues publicly available financial reports.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.0% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

The Town has recognized on-behalf payments of \$3,054,321 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Also see Appendix A, Note 8., Retirement Plans of "Notes to Financial Statements" for the year ended June 30, 2018.

Other Post-Employment Benefits (OPEB)

Employees' OPEB Plan

The Town provides certain health care benefits for some of its retired employees (teachers, noncertified staff, and administrators). Under provisions of the teachers' and noncertified staff employment contracts, the Town will finance 25.0% of the health care premiums for the first three years of the employee's retirement, provided the employee notifies the Town prior to January 1st of the year in which he/she retires. The administrators have a similar arrangement, but the coverage is 90.0% for the first four years. The Town contributes on a pay-as-you-go rather than on an actuarial basis.

Teachers' OPEB Plan

Teachers or administrators retiring under the Connecticut State Teachers' Retirement System are eligible to receive health benefits for themselves and their spouse. Normal retirement is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service. NCE (National Conference of Employers) employees, who are not eligible for Medicare, with at least 25 years of service, are eligible to continue health benefits for themselves and their spouse.

Benefits and Cost Sharing

Teachers - The Town contributes 25.0% of the cost of insurance for teachers with 25 years of service for three years following retirement. Thereafter, the retiree contributes 100.0% of the cost. Teachers with less than 25 years of service at retirement pay 100.0% of the cost. For Medicare eligible retirees and spouses, the Town contributes 25.0% of the insurance cost for three years following retirement. Thereafter, the retiree contributes 100.0% of the cost.

Administrators - Retirees with 15 or more years of service contribute 21.5% of the PPO, 25.0% of the dental insurance costs and 18.0% of the HMO/HSA insurance costs. The Town contributes the remaining percentage of the costs for three years following retirement. Thereafter, the retiree contributes 100.0%. Retirees with 10 or more years of service contribute 50.0% of the medical and dental insurance costs. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%. The retiree contributes 75.0% of the cost for medical and dental insurance. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the changes in OPEB liability reflecting a change in the discount rate from 3.58% to 3.87% fiscal year 2017 to 2018:

	<u>Total OPEB Liability</u>
Balance June 30, 2017	<u>\$ 1,953,883</u>
Changes for the Year:	
Service Cost	125,893
Interest	73,399
Changes of benefits terms	--
Difference between expected/ actual experience	--
Changes in assumptions/other inputs	(69,426)
Benefit payments	<u>(59,576)</u>
Net Changes	<u>70,290</u>
Balance as of June 30, 2018	<u>\$2,024,173</u>

Also see Appendix A, Note 9, Other Post-Employment Benefits (OPEB) of "Notes to Financial Statements" for the year ended June 30, 2018.

General Fund Balance Sheet
Five Year Summary of Actual Assets, Liabilities, and Fund Equity

	Actual 6/30/18	Actual 6/30/17	Actual 6/30/16	Actual 6/30/15	Actual 6/30/14
ASSETS					
Cash and cash equivalents.....	\$,7276,350	\$6,318,279	\$4,275,659	\$4,222,600	\$4,623,331
Receivables:	--				
Property taxes and interest, net.....	335,090	451,618	385,679	460,505	387,588
Other	105,716	45,267	42,357	18,809	42,279
Due from other governments	--	--	1,827	--	--
Due from other funds	232,763	34,961	--	--	--
Prepaid items	2,137	43,416	43,416	40,096	45,743
Total Assets.....	<u>\$7,952,056</u>	<u>\$6,893,541</u>	<u>\$4,748,938</u>	<u>\$4,742,010</u>	<u>\$5,098,941</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts and other payables	\$ 989,370	\$ 500,805	\$ 521,124	\$ 586,940	\$ 781,547
Salaries and benefits payable.....	162,652	69,500	59,076	100,728	77,441
Compensated absences.....	--	--	62,599	38,354	77,723
Due to other funds	2,247,506	1,711,402	--	--	--
Taxes and fees collected in advance	--	--	12,568	--	--
Total Liabilities	<u>3,399,528</u>	<u>2,281,707</u>	<u>655,367</u>	<u>726,022</u>	<u>936,711</u>
Deferred inflows of resources					
Unavailable revenues	308,299	398,870	297,983	376,392	336,335
Advance tax collections.....	2,827	209,175	--	--	--
Total deferred inflows of resources..	<u>311,126</u>	<u>608,045</u>	<u>297,983</u>	<u>376,392</u>	<u>336,335</u>
FUND BALANCES					
Nonspendable.....	2,137	43,416	43,416	40,096	45,743
Restricted	--	--	--	--	--
Committed	--	--	--	--	--
Assigned.....	1,439,283	1,324,193	749,671	939,735	967,646
Unassigned.....	2,799,982	2,636,180	3,002,501	2,659,765	2,812,506
Total fund balances	<u>4,241,402</u>	<u>4,003,789</u>	<u>3,795,588</u>	<u>3,639,596</u>	<u>3,825,895</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
	<u>\$7,952,056</u>	<u>\$6,893,541</u>	<u>\$4,748,938</u>	<u>\$4,742,010</u>	<u>\$5,098,941</u>

General Fund Revenues and Expenditures¹
 Five Year Summary of Audited Revenues and Expenditures,
 Prior Year Estimated/Unaudited, Current Year Adopted Budget

	Budget 2019-2020	Estimated Unaudited 6/30/2019²	Actual 6/30/18	Actual 6/30/17	Actual 6/30/16	Actual 6/30/15	Actual 6/30/14
REVENUES							
Property taxes	\$19,896,352	\$19,406,245	\$19,144,169	\$18,543,192	\$17,954,915	\$17,290,202	\$16,920,510
Intergovernmental	2,672,173	2,763,071	4,675,356	4,883,002	2,989,198	2,977,079	2,864,532
Investment income	--	131,034	98,765	43,046	19,203	10,710	14,908
Charges for services	352,439	267,039	328,117	398,049	250,319	264,516	338,769
Total revenues.....	23,283,925	22,567,389	24,246,407	23,867,289	21,213,635	20,542,507	20,138,719
EXPENDITURES							
General Government	2,567,159	2,602,944	2,441,630	2,434,169	2,444,047	2,324,909	2,364,702
Culture and recreation	337,224	325,642	311,222	312,921	319,317	304,000	293,670
Public Safety	958,057	898,251	861,560	864,785	753,802	768,607	790,743
Public Works	709,708	689,075	619,126	611,149	551,297	597,962	547,933
Sanitation	223,852	208,088	230,675	256,113	205,644	212,303	208,699
Education	16,980,000	16,600,000	18,117,644	17,780,457	15,333,060	15,013,695	14,282,030
Capital outlays	--	--	101,814	19,673	22,470	--	--
Payment of prior year encumbrances	--	490,086	--	--	202,743	291,317	273,631
Debt Service	853,925	670,325	675,123	688,160	675,263	691,013	578,013
Total Expenditures	23,283,925	22,484,411	23,358,794	22,967,427	20,507,643	20,203,806	19,339,421
OTHER FINANCING USES							
Transfers to capital projects funds	600,000	625,000	650,000	691,661	550,000	450,000	450,000
Transfers to Board of Ed nonlapsing fund	--	--	--	--	--	75,000	--
Total Other Financing Uses³	600,000	625,000	650,000	691,661	550,000	525,000	450,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	23,283,925	23,109,411	24,008,794	23,659,088	21,057,643	20,728,806	19,789,421
NET CHANGES IN FUND BALANCE....	(344,275)	(542,022)	237,613	208,201	155,992	(186,299)	349,298
Fund Balance, July 1	\$3,699,380	4,241,402	4,003,789	3,795,588	3,639,596	3,825,895	3,476,597
Fund Balance, June 30	<u>\$3,335,105</u>	<u>\$3,699,380</u>	<u>\$ 4,241,402</u>	<u>\$ 4,003,789</u>	<u>\$ 3,795,588</u>	<u>\$ 3,639,596</u>	<u>\$ 3,825,895</u>

¹ GAAP basis except budget 2019-2020

² Estimated. Subject to audit.

³ At the April 2, 2019 meeting of the Board of Finance, \$48,510 was appropriated to the Board of Education non-lapsing fund in accordance with Connecticut State Statute 10-248a.

Five Year Capital Improvement Plan

General Government Capital Plan

<u>Department</u>	<u>Item</u>	<u>Plan 19-20</u>	<u>Plan 20-21</u>	<u>Plan 21-22</u>	<u>Plan 22-23</u>	<u>Plan 23-24</u>	<u>Total Plan 19-20 thru 23-24</u>
Land Use	Village Center Plan	\$ 20,000					\$ 20,000
Assessors	Revaluation				\$ 65,000	\$ 65,000	130,000
Parks & Recreation	EG Farms Development	45,000	\$ 20,000				65,000
	Trailing Paving - Route 20 to Copper Hill Road					40,000	40,000
Fire Department	Rescue Pumper Truck			220,000	150,000		370,000
	Fire Apparatus Sinking Fund					200,000	200,000
Police Department	Cruiser		40,000		40,000		80,000
Public Buildings	Paint EG Farms Barns	8,000					8,000
	Town Hall Cupola Repair	7,000					7,000
	Senior/Community Center HVAC, Sensors Upgrade	35,000					35,000
	Senior/Community Center New Gas Fire Boiler	12,000					12,000
	Senior/Community Center Exterior Facia Replacement	8,000					8,000
	Public Safety HVAC Upgrade	40,000					40,000
	Town Hall, Public Safety Fascia Repairs, etc. DPW and Ambulance Generators	5,000				60,000	60,000
Public Works	Backhoe						-
	Road Maintenance**	155,000	180,000	105,000	160,000	160,000	760,000
	Plow Truck		65,000	130,000			195,000
	Repave Town Campus	80,000					80,000
Senior Services	Mini-Bus		45,000				45,000
Total General Government Capital Expenditure Request		<u>\$ 415,000</u>	<u>\$ 350,000</u>	<u>\$ 455,000</u>	<u>\$ 475,000</u>	<u>\$ 465,000</u>	<u>\$ 2,160,000</u>

Board of Education Capital Plan

<u>Program</u>	<u>Item</u>	<u>Plan 19-20</u>	<u>Plan 20-21</u>	<u>Plan 21-22</u>	<u>Plan 22-23</u>	<u>Plan 23-24</u>	<u>Total Plan 18-19 thru 23-24</u>
Program Capital	Technology Equipment	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
	Total BOE Program Capital	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>300,000</u>
Facilities Capital	<i>High School</i>						
	Baseball/Softball Fields Irrigation			32,500			32,500
	Parking Lot Repairs	46,200					46,200
	Air Duct Cleaning	10,000		10,000		10,000	30,000
	<i>Middle School</i>						
	Air Duct Cleaning	10,000		10,000		10,000	30,000
	<i>Seymour</i>						
	Air Duct Cleaning		10,000				10,000
	<i>Allgrove</i>						
	Air Conditioning/New Electrical Service	150,000					150,000
	Stage Curtains				30,000		30,000
	Air Duct Cleaning				10,000		10,000
	Total BOE Facilities Capital	<u>216,200</u>	<u>10,000</u>	<u>52,500</u>	<u>40,000</u>	<u>20,000</u>	<u>338,700</u>
Total BOE Capital Expenditure Request		<u>\$ 276,200</u>	<u>\$ 70,000</u>	<u>\$ 112,500</u>	<u>\$ 100,000</u>	<u>\$ 80,000</u>	<u>\$ 638,700</u>

VI. DEBT SUMMARY

Principal Amount of Indebtedness

As of July 17, 2019
(Pro Forma)

Long-Term Debt

<u>Dated</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Fiscal Year Maturity</u>
4/11/12	School	2.00 – 2.70	\$7,200,000	\$4,175,000	2027

Short-Term Debt

<u>Project</u>	<u>Authorized</u>	<u>Date Authorized</u>	<u>BANs Outstanding (This Issue)</u>	<u>Dated</u>	<u>Due</u>	<u>Legal Renewable Limit</u>
School and Town Roofs, School HVAC and Electrical, Town Roads	\$9,951,000	2/13/19	\$6,470,000	7/17/19	7/16/20	7/17/39

Other Long-Term Commitments

None

Annual Bonded Debt Maturity Schedule

As of July 17, 2019

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Cumulative Percent Principal Retired</u>
2020	\$ 525,000	\$ 97,763	\$ 622,763	12.57
2021	525,000	87,263	612,263	25.15
2022	525,000	76,106	601,106	37.72
2023	525,000	64,031	589,031	50.30
2024	525,000	51,563	576,563	62.87
2025	525,000	39,750	564,750	75.45
2026	525,000	26,625	551,625	88.02
2027	500,000	13,500	513,500	100.00
Total	\$4,175,000	\$456,601	\$4,631,601	

Overlapping/Underlying Debt

The Town of East Granby has neither overlapping nor underlying debt.

Debt Statement

As of July 17, 2019
(Pro Forma)

LONG-TERM DEBT

General Public Improvement	--
Schools	\$4,175,000
Sewer	--

TOTAL LONG-TERM DEBT align="right">4,175,000

SHORT-TERM DEBT

Schools	\$4,054,000
Town roofs and roads	2,416,000

TOTAL DIRECT AND OVERALL DEBT align="right">\$10,645,000

Current Debt Ratios

As of July 17, 2019

(Pro Forma)

Population ¹	5,220
Net Taxable Grand List (10/1/18) ²	\$607,221,264
Estimated Full Value (70%).....	\$867,989,520
Equalized Net Taxable Grand List (2016) ³	\$867,458,949
Money Income per Capita (2017) ⁴	\$41,099

	Total
	Direct and
	Overall Debt
	\$10,645,000
Per Capita	\$2,039.27
Ratio to Net Taxable Grand List.....	1.75
Ratio to Estimated Full Value.....	1.23
Ratio to Equalized Net Taxable Grand List.....	1.24
Debt per Capita to Money Income per Capita	4.96

¹ US Department of Commerce, Bureau of Census, American Community Survey 2013 - 2017

² Revalued 10/1/13

³ Office of Policy and Management, State of Connecticut

⁴ US Department of Commerce, Bureau of Census, American Community Survey 2013 - 2017

Bond Authorization Procedure

In accordance with the Connecticut General Statutes, the Town may authorize the issuance of bonds and notes. The Board of Selectmen first approves the issue and makes a recommendation to the Board of Finance for approval. After one or more public hearings, the Board of Finance (and the Planning Commission if the purchase or disposition of land is involved) recommends approval to the voters at a Town Meeting (Annual, Budget, or Special). The Town Meeting must approve the financing by a simple majority of those voting.

Emergency Appropriations

To meet a public emergency affecting life, health, property, or the public peace, a public emergency ordinance, stating the facts constituting such public emergency, shall become effective upon enactment. No public hearing or notice of public hearing shall be required for any public emergency ordinance. Such public emergency ordinance shall be advertised in one or more newspapers having a circulation in the Town within five days of adoption. Every such public emergency ordinance, including any amendments thereto, shall automatically stand repealed at the termination of the sixty-first day following adoption; provided, however, that if action has been initiated on the same subject matter providing for a permanent ordinance prior to the sixty-first day, then the public emergency ordinance shall remain in full force until final action is taken on the permanent ordinance.

Maturities

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

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or of temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for water and sewer 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 ten 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 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. 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 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
Pension Obligation Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation.

"Annual receipts from taxation," (the "base") are defined as total tax collections (including interest and penalties) 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 issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires, and pipes; for the construction of underground conduits for cables, wires, and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also permit the exclusion of debt authorized but unissued in the case where there are no borrowings outstanding against an authorization.

Statement of Statutory Debt Limitation ¹

As of July 17, 2019

(Pro Forma)

TOTAL TAX COLLECTIONS (including interest and lien fees) received by the Treasurer for the year ended June 30, 2018.....					\$19,169,665
REIMBURSEMENT FOR REVENUE LOSS: Tax Relief for Elderly (CGS 12-129d)					<u>24,125</u>
BASE.....					<u>\$19,193,790</u>
	<u>General Purpose</u>	<u>School</u>	<u>Sewer</u>	<u>Urban Renewal</u>	<u>Pension Obligation</u>
DEBT LIMITATION:					
2.25 times base.....	\$43,186,028	--	--	--	--
4.50 times base.....	--	\$86,372,055	--	--	--
3.75 times base.....	--	--	\$71,976,713	--	--
3.25 times base.....	--	--	--	\$62,379,818	--
3.00 times base.....	--	--	--	--	\$57,581,370
Total debt limitation	<u>43,186,028</u>	<u>86,372,055</u>	<u>71,976,713</u>	<u>62,379,818</u>	<u>57,581,370</u>
INDEBTEDNESS:					
Bonds Outstanding.....	--	4,175,000	--	--	--
Notes Outstanding (This Issue).....	3,358,000	3,112,000	--	--	--
Debt Authorized But Unissued	<u>5,070,000</u>	--	--	--	--
Total Net Indebtedness for Debt Limitation Calculation	<u>8,428,000</u>	<u>7,287,000</u>	--	--	--
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS	<u>\$34,758,028</u>	<u>\$79,085,055</u>	<u>\$71,976,713</u>	<u>\$62,379,818</u>	<u>\$57,581,370</u>

¹ See "Authorization and Use of Proceeds" herein.

Note: Although total net indebtedness for the purpose of calculating the Debt Limit amounts to \$15,715,000, total indebtedness for all classes cannot exceed seven times the base or \$134,356,530.

Authorized but Unissued Debt

<u>Project</u>	<u>Authorized</u>	<u>Debt Issued</u>	<u>Debt Authorized/Unissued</u>
School Roofs	\$ 3,804,000	\$3,804,000	--
Town Roofs	386,000	386,000	--
Roads	7,100,000	2,030,000	\$5,070,000
Allgrove School HVAC	250,000	250,000	--
	<u>\$11,540,000</u>	<u>\$6,470,000</u>	<u>\$5,070,000</u>

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

Principal Amount of Outstanding Debt

Last Five Fiscal Years

As of June 30

(Pro Forma)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Long-Term Debt					
Bonds	\$4,175,000	\$4,700,000	\$5,750,000	\$5,750,000	\$6,275,000
Notes	--	--	--	--	--
	<u>\$4,175,000</u>	<u>\$4,700,000</u>	<u>\$5,750,000</u>	<u>\$5,750,000</u>	<u>\$6,275,000</u>

¹ Excludes capital leases

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value¹	Net Long-Term Debt²	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Net Long-Term Debt per Capita³	Ratio of Net Long-Term Debt per Capita to Per Capita Income (%)⁴
2019	\$581,963,912	\$831,377,017	\$4,175,000	0.72	0.50	\$ 799.81	1.95
2018	581,515,512	830,736,446	4,700,000	0.81	0.57	900.38	2.19
2017	586,967,397	838,524,853	5,225,000	0.89	0.62	1,000.96	2.44
2016	581,485,097	830,692,996	5,750,000	0.99	0.69	1,101.53	2.68
2015 ⁵	572,966,067	818,522,953	6,275,000	1.10	0.77	1,202.11	2.92
2014	590,727,726	843,896,751	6,800,000	1.15	0.81	1,302.68	3.17
2013	573,755,871	819,651,244	7,200,000	1.25	0.88	1,379.31	3.36
2012	561,917,917	802,739,881	7,200,000	1.28	0.90	1,379.31	3.36
2011	559,656,612	795,223,731	350,000	0.06	0.04	67.05	0.16
2010 ⁵	548,060,094	782,942,991	865,000	0.16	0.11	165.71	0.40

¹ Assessment Ratio, 70%;

² Net of state school building construction grants receivable over the life of school bond issues.

³ Population: 5,220

Source: US Department of Commerce, Bureau of Census, American Community Survey, 2013 - 2017

⁴ 2017 Income per Capita: \$41,099

Source: US Department of Commerce, Bureau of Census, American Community Survey, 2013 - 2017

⁵ Revaluation

Note: Excludes capital lease payments.

Ratios of Annual Long-Term General Fund Debt Service Expenditures to General Fund Expenditures

Fiscal Year Ended 6/30	Principal	Interest	Total	Total General Fund Expenditures and Transfers	Ratio of General Fund Debt Service To Total General Fund Expenditures and Transfers (%)
2019 ¹	\$525,000	\$108,263	\$633,263	\$23,163,411	2.73
2018	525,000	118,763	643,763	22,218,864	2.89
2017	525,000	134,513	659,513	21,997,513	3.00
2016	525,000	150,263	675,263	21,057,643	3.21
2015	525,000	166,013	691,013	20,728,806	3.33
2014	400,000	178,013	578,013	19,789,421	2.92
2013	--	173,068	173,068	18,844,682	0.92
2012	350,000	6,562	356,562	18,136,392	1.97
2011	515,000	25,038	540,038	18,165,746	2.97
2010	525,000	48,981	573,981	18,013,304	3.19
2009	525,000	72,825	597,825	16,761,772	3.57

¹ Estimated unaudited

Source: Town of East Granby Annual Audit Reports, June 30, 2009- 2018
Town of East Granby, Budget, FY 2019 - 2020

Note: Excludes capital lease payments.

VII. LEGAL AND OTHER INFORMATION

Litigation

The Town Attorney has advised that the Town of East Granby, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings, and other miscellaneous claims. After consultation with Town officials and with other attorneys with regard to these pending lawsuits, it is the opinion of the Town Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Documents Furnished at Delivery

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town signed by the First Selectman and the Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Notes were accepted the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact 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. A receipt for the purchase price of the Notes.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut in substantially the form attached hereto as Appendix B.
5. An executed Continuing Disclosure Agreement in substantially the form attached hereto as Appendix C.

The Town of East Granby, Connecticut has prepared an Official Statement for the Notes which is dated June 18, 2019. The Town deems such 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 at the Town's expense such copies of the final Official Statement as requested by the winning purchaser of the Notes and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the original purchaser at its own expense by arrangement with the printer.

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 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 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. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

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

TOWN OF EAST GRANBY, CONNECTICUT

By: JAMES M. HAYDEN, *First Selectman*

By: KELLY JACOBS, *Treasurer*

June 18, 2019

APPENDIX A

BASIC FINANCIAL STATEMENTS

TOWN OF EAST GRANBY, CONNECTICUT

As of and for the Fiscal Year Ended June 30, 2018

TOWN OF EAST GRANBY, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2018**

TOWN OF EAST GRANBY, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of East Granby, 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 East Granby, Connecticut (the "Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 East Granby, Connecticut, as of June 30, 2018, 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.

Other Matters

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Town adopted a new accounting guidance, GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the information on pages 51 through 61 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules on pages 62 through 80 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Maloney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

As management of the Town of East Granby (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$28,610,243 (net position). Of this amount, \$3,861,702 represents the unrestricted net position of the Town.
- The Town's total net position decreased by \$287,078 during the current fiscal year.
- The beginning net position of the Town was decreased by \$152,134 as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This decrease represented the difference between the net other post-employment benefits obligation previously recognized in accordance with GASB Statement No. 45 and the total other post-employment liability recognized in accordance with GASB Statement No. 75.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,965,010, an increase of \$403,282 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund totaled \$2,799,982 or 11.7% of total General Fund expenditures and transfers out. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.4 months of General Fund operating expenditures.
- The Town's total capital assets decreased by \$1,024,919 or 3.5% during the current fiscal year due to Town approved capital projects and yearly depreciation expense.
- The Town's total long-term bonded debt decreased by \$525,000 or 10.0% during the current fiscal year due to scheduled debt service repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows/inflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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

The government-wide financial statements display information about the Town's governmental activities, which include general government, culture and recreation, public safety, public works, sanitation and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

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

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 50 of this report.

Other Information

Required supplementary information and combining and individual fund statements and schedules and can be found on pages 51 through 80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

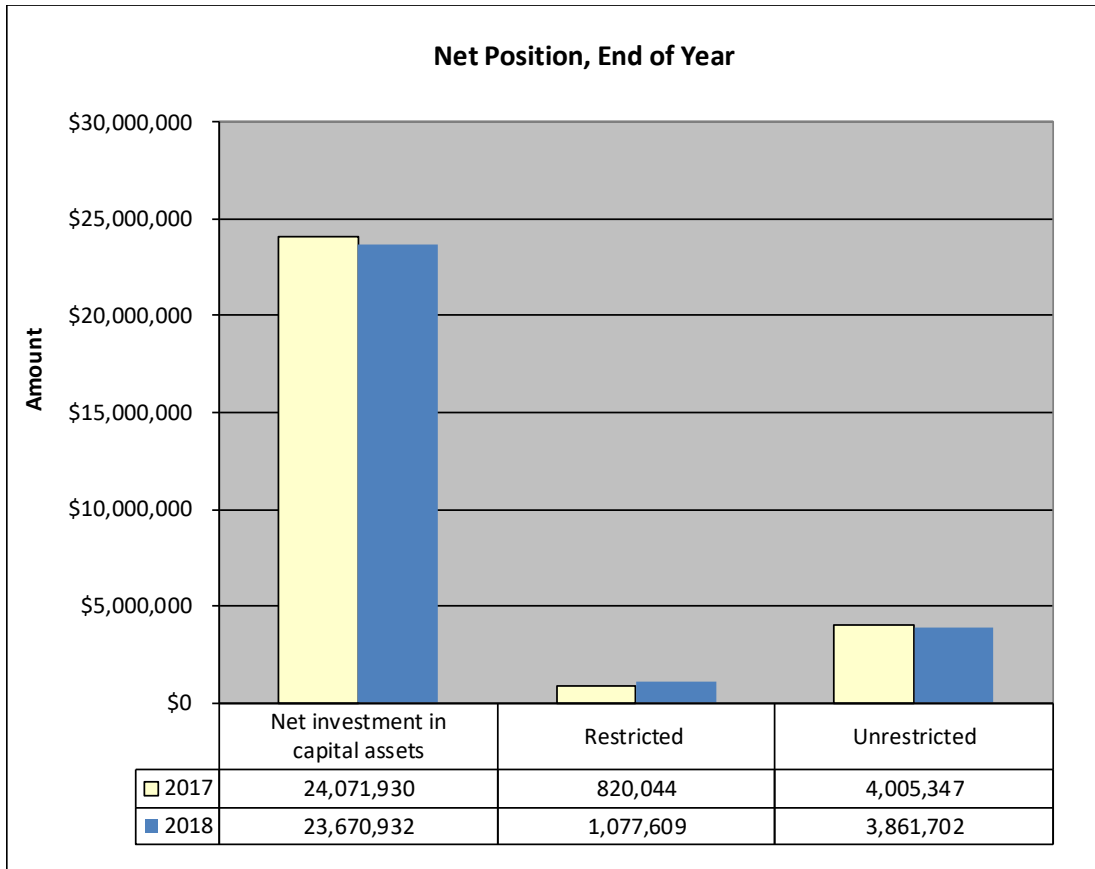
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$28,610,243 as of June 30, 2018 and \$28,897,321 as of June 30, 2017, as adjusted for the implementation of GASB Statement No. 75, and is summarized as follows.

	2018	2017		
		(As Adjusted)	\$ Change	% Change
Current and other assets	\$ 8,834,420	\$ 7,975,130	\$ 859,290	10.8%
Capital assets, net	28,450,617	29,475,536	(1,024,919)	-3.5%
Total assets	<u>37,285,037</u>	<u>37,450,666</u>	<u>(165,629)</u>	-0.4%
Other liabilities	1,449,609	632,524	817,085	129.2%
Long-term liabilities	7,159,131	7,711,646	(552,515)	-7.2%
Total liabilities	<u>8,608,740</u>	<u>8,344,170</u>	<u>264,570</u>	3.2%
Deferred inflows of resources	<u>66,054</u>	<u>209,175</u>	<u>(143,121)</u>	-68.4%
Net position:				
Net investment in capital assets	23,670,932	24,071,930	(400,998)	-1.7%
Restricted	1,077,609	820,044	257,565	31.4%
Unrestricted	3,861,702	4,005,347	(143,645)	-3.6%
Total net position	<u>\$ 28,610,243</u>	<u>\$ 28,897,321</u>	<u>\$ (287,078)</u>	-1.0%

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Of the Town's net position, 82.7% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

3.8% of the Town's net position is subject to external restrictions on how they may be used and are, therefore, presented as restricted.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position decreased by \$287,078.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

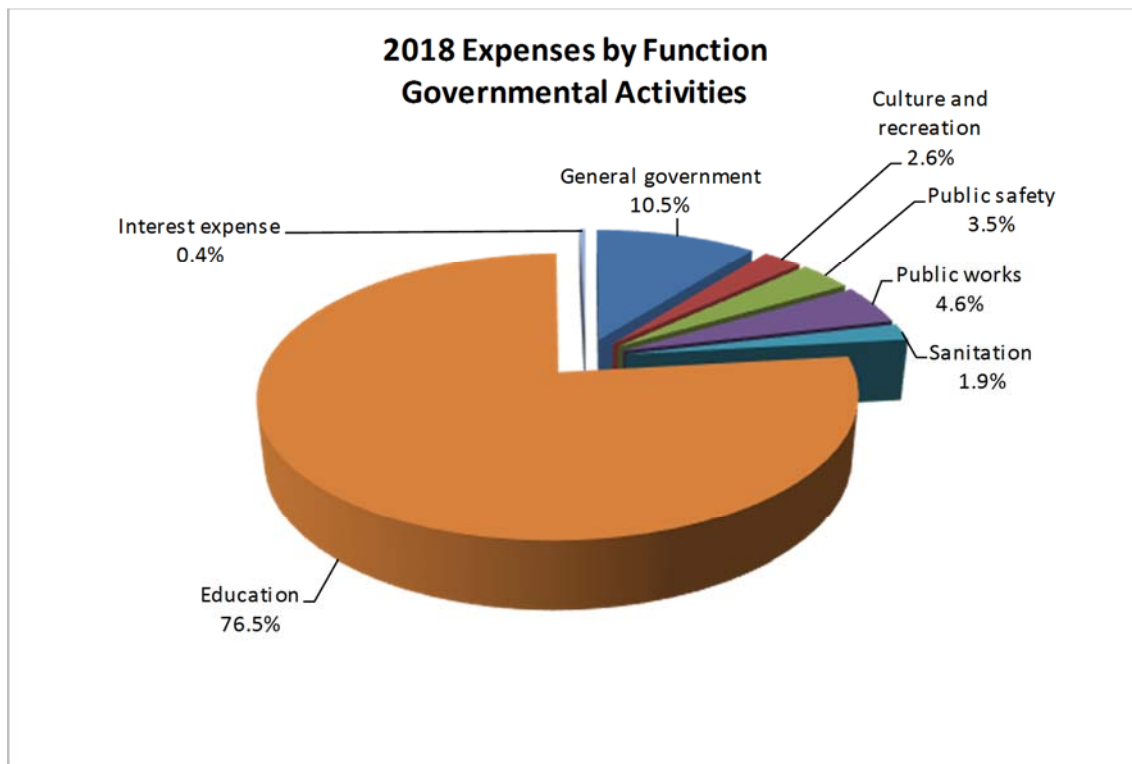
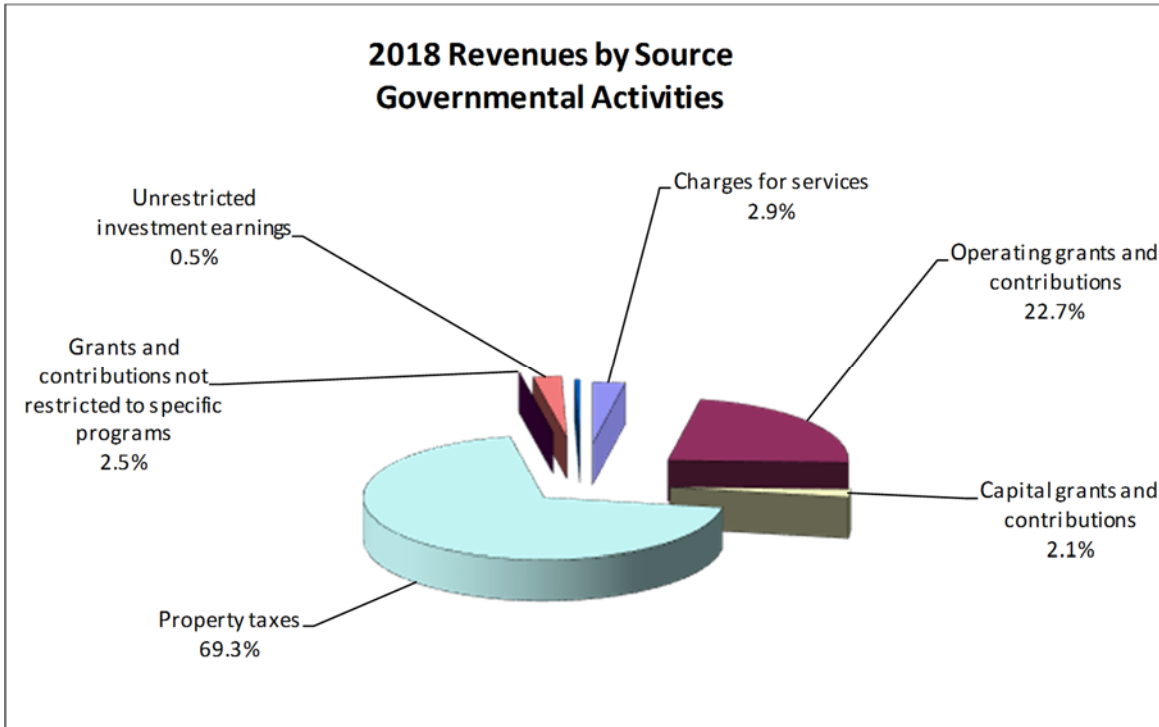
Changes in net position for the years ended June 30, 2018 and 2017 are as follows. The amounts reported for the year ended June 30, 2017 have not been adjusted for the implementation of GASB Statement No. 75, since the effects of the adjustments on the statements of changes in net position are not readily determinable.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 796,327	\$ 827,533	\$ (31,206)	-3.8%
Operating grants and contributions	6,225,554	5,711,949	513,605	9.0%
Capital grants and contributions	571,099	573,566	(2,467)	-0.4%
General revenues:				
Property taxes	19,053,598	18,644,079	409,519	2.2%
Grants and contributions not restricted to specific programs	696,610	869,084	(172,474)	-19.8%
Investment earnings	131,305	68,004	63,301	93.1%
Total revenues	<u>27,474,493</u>	<u>26,694,215</u>	<u>780,278</u>	2.9%
Program expenses:				
General government	2,921,621	2,478,644	442,977	17.9%
Culture and recreation	725,691	732,817	(7,126)	-1.0%
Public safety	968,583	964,190	4,393	0.5%
Public works	1,281,833	1,168,239	113,594	9.7%
Sanitation	536,603	575,871	(39,268)	-6.8%
Education	21,223,839	20,825,875	397,964	1.9%
Interest expense	103,401	118,738	(15,337)	-12.9%
Total expenses	<u>27,761,571</u>	<u>26,864,374</u>	<u>897,197</u>	9.3%
Change in net position	<u>\$ (287,078)</u>	<u>\$ (170,159)</u>	<u>\$ (116,919)</u>	68.7%

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

Governmental activities decreased the Town's net position by \$287,078. Revenues generated by the Town increased by \$780,278 and expenses for the Town increased by \$897,197 in comparison to prior year.

Property tax revenues increased by \$409,519 or 2.2%, primarily driven by a 1.3% increase in the Town's mill rate combined with an increase in the Town's overall net taxable grand list.

General government expenses increased by \$442,977 or 17.9% primarily related to \$464,644 in costs incurred to fund roofing, site and energy improvements at Metacomet Village, a low income housing complex in Town. These costs are being funded through a Community Development Block Grant.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,965,010, an increase of \$403,282 in comparison with the prior year. \$5,885,264 or 84.5% of this amount is unrestricted (committed, assigned or unassigned) and is available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,799,982 while total fund balance was \$4,241,402. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.7% of total General Fund expenditures and transfers out. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.4 months of General Fund operating expenditures.

The fund balance of the General Fund increased by \$237,613 during the current fiscal year.

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Expenditures Fund increased by \$397,790 during the current fiscal year from \$1,085,585 to \$1,483,375. This increase was due primarily to transfers in from the General Fund in excess of current year capital outlays.

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

School Open Choice Fund

The fund balance of the School Open Choice Fund decreased by \$242,592 during the year ended June 30, 2018 from \$747,396 to \$504,804. This decrease was due primarily to the use of a portion of fund balance to fund education expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the year ended June 30, 2018 planned for the use of fund balance in the amount of \$1,024,670 to balance the budget. Additional appropriations from fund balance of \$13,062 were authorized during the fiscal year and consisted of an appropriation to fund debt service payments on the Board of Education LED lighting project.

The change in fund balance on a budgetary basis totaled \$32,558 for the year ended June 30, 2018. Revenues exceeded budgetary estimates by \$886,666 or 4.0% due primarily to favorable property tax collections and the receipt of unbudgeted State grant funds. Expenditures were \$136,955 or 0.6% less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2018 totaled \$28,450,617 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery, equipment and furniture and fixtures, vehicles, and infrastructure. The Town's investment in capital assets decreased \$1,024,919 or 3.5%.

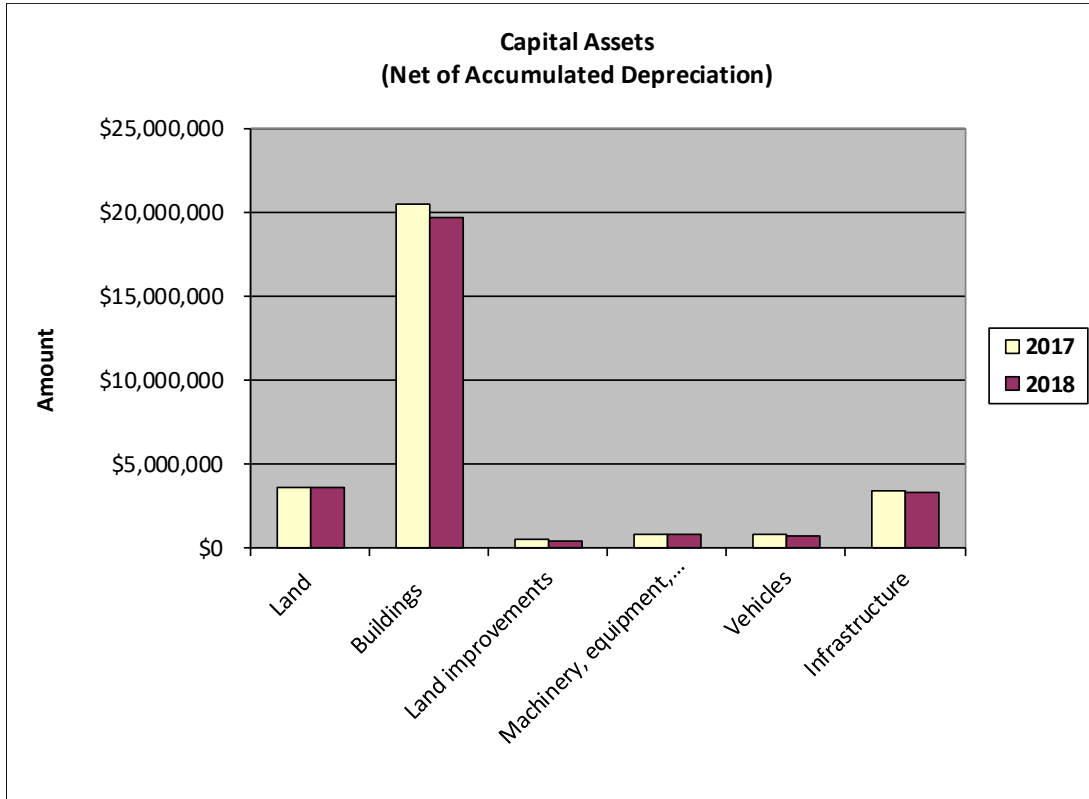
The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation:

	<u>2018</u>	<u>2017</u>
Land	\$ 3,571,922	\$ 3,571,922
Buildings	19,708,047	20,492,650
Land improvements	421,837	458,510
Machinery, equipment, furniture and fixtures	786,188	790,178
Vehicles	690,208	792,571
Infrastructure	3,272,415	3,369,705
Totals	<u>\$ 28,450,617</u>	<u>\$ 29,475,536</u>

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Major capital asset events during the current fiscal year consisted of depreciation expense of \$1,166,337.

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

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt

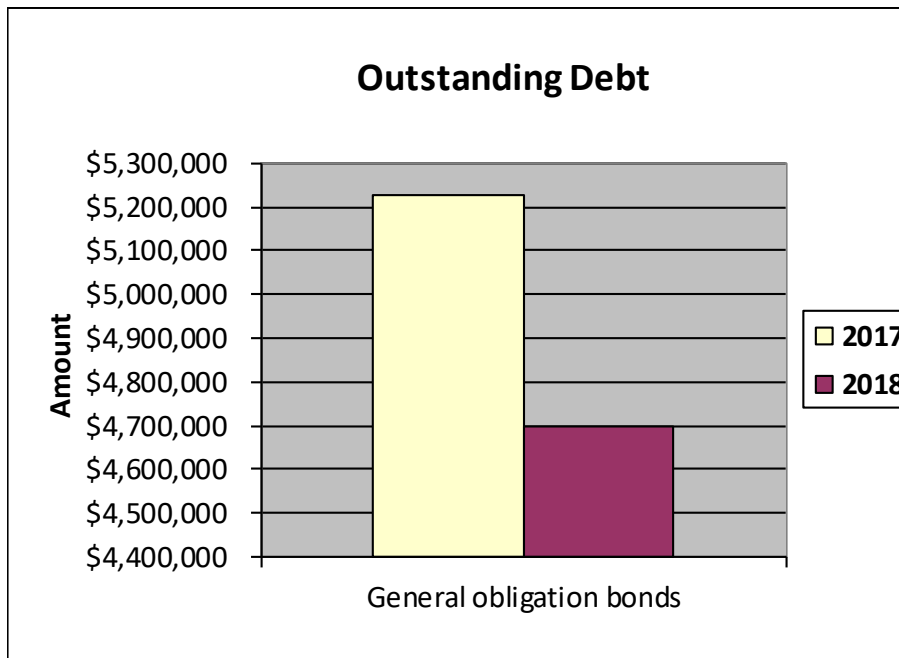
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$4,700,000, all of which is backed by the full faith and credit of the government. The Town's total bonded debt decreased by \$525,000 or 10.0% during the current fiscal year due to scheduled debt service payments.

The Town maintains an "Aa2" rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following is a two year comparison of long-term bonded debt:

	2018	2017
General obligation bonds	\$ 4,700,000	\$ 5,225,000



Additional information on the Town's long-term debt can be found in Note 6 of this report.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- Inflationary trends in the region approximate national indices.
- For purposes of calculating property tax revenues, the assessor's grand list is used along with an estimated tax rate and an estimated rate of collection, with deductions for payment in lieu of taxes to be paid by the State on-behalf of certain taxpayers.
- The Town receives a significant amount of municipal aid from the State of Connecticut. Potential cuts in funding could negatively impact the Town's mill rate and/or the types and quality of services provided to its citizens.

All of these factors were considered in preparing the Town's budget for fiscal year 2019. The Town's fiscal year 2019 General Fund budget was approved on May 8, 2018. The fiscal year 2019 budget contemplates expenditures of \$22,660,263, an increase of \$364,375 or 1.6%, over the original budgeted expenditures for fiscal year 2018. The fiscal year 2019 budget contemplates the use of fund balance in the amount of \$950,000 to offset expected reductions in municipal aid from the State of Connecticut and to limit the impact on the Town's mill rate. The mill rate for fiscal year 2019 has been set at 33.0 mills, which is an increase of 0.6 mills or 1.8% over the prior year mill rate.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the First Selectman, 9 Center Street, P.O. Box 1858, East Granby, Connecticut 06026-1858.

BASIC FINANCIAL STATEMENTS

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,248,537
Receivables:	
Property taxes and interest, net	335,090
Grants and contracts	7,200
Other	241,456
Prepaid expenses	2,137
Capital assets:	
Non-depreciable	3,571,922
Depreciable, net	24,878,695
Total assets	37,285,037
LIABILITIES	
Accounts payable	1,196,293
Accrued liabilities	189,717
Unearned revenue	63,599
Noncurrent liabilities:	
Due within one year	744,808
Due in more than one year	6,414,323
Total liabilities	8,608,740
DEFERRED INFLOWS OF RESOURCES	
Advanced property tax collections	2,827
Deferred charges on OPEB expense	63,227
Total deferred inflows of resources	66,054
NET POSITION	
Net investment in capital assets	23,670,932
Restricted for:	
Capital purposes	440,922
Educational purposes	504,804
Other purposes	131,883
Unrestricted	3,861,702
Total net position	\$ 28,610,243

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 2,921,621	\$ 292,391	\$ 489,940	\$ 33,645	\$ (2,105,645)
Culture and recreation	725,691	167,165	28,608	-	(529,918)
Public safety	968,583	11,220	2,476	-	(954,887)
Public works	1,281,833	-	204,164	339,154	(738,515)
Sanitation	536,603	282,902	-	-	(253,701)
Education	21,223,839	42,649	5,500,366	198,300	(15,482,524)
Interest expense	103,401	-	-	-	(103,401)
Total governmental activities	<u>\$ 27,761,571</u>	<u>\$ 796,327</u>	<u>\$ 6,225,554</u>	<u>\$ 571,099</u>	<u>(20,168,591)</u>
General revenues:					
					19,053,598
					696,610
					131,305
					<u>19,881,513</u>
					(287,078)
					29,049,455
					(152,134)
					<u>28,897,321</u>
					<u>\$ 28,610,243</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EAST GRANBY, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	<u>General Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>School Open Choice Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 7,276,350	\$ -	\$ 653,766	\$ 318,421	\$ 8,248,537
Receivables:					
Property taxes and interest, net	335,090	-	-	-	335,090
Grants and contracts	-	-	-	7,200	7,200
Other	105,716	-	-	135,740	241,456
Due from other funds	232,763	1,626,402	-	621,104	2,480,269
Prepaid items	2,137	-	-	-	2,137
Total assets	<u>\$ 7,952,056</u>	<u>\$ 1,626,402</u>	<u>\$ 653,766</u>	<u>\$ 1,082,465</u>	<u>\$ 11,314,689</u>
LIABILITIES					
Accounts payable	\$ 989,370	\$ 143,027	\$ 2,871	\$ 61,025	\$ 1,196,293
Salaries and benefits payable	162,652	-	-	-	162,652
Due to other funds	2,247,506	-	146,091	86,672	2,480,269
Unearned revenue	-	-	-	63,599	63,599
Total liabilities	<u>3,399,528</u>	<u>143,027</u>	<u>148,962</u>	<u>211,296</u>	<u>3,902,813</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	308,299	-	-	135,740	444,039
Advanced tax collections	2,827	-	-	-	2,827
Total deferred inflows of resources	<u>311,126</u>	<u>-</u>	<u>-</u>	<u>135,740</u>	<u>446,866</u>
FUND BALANCES					
Nonspendable	2,137	-	-	-	2,137
Restricted for:					
Capital purposes	-	440,922	-	-	440,922
Educational purposes	-	-	504,804	-	504,804
Other purposes	-	-	-	131,883	131,883
Committed for:					
Capital purposes	-	1,042,453	-	204,338	1,246,791
Educational purposes	-	-	-	111,330	111,330
Other purposes	-	-	-	336,019	336,019
Assigned to:					
Encumbrances	489,283	-	-	-	489,283
Use in subsequent year's budget	950,000	-	-	-	950,000
Unassigned	2,799,982	-	-	(48,141)	2,751,841
Total fund balances	<u>4,241,402</u>	<u>1,483,375</u>	<u>504,804</u>	<u>735,429</u>	<u>6,965,010</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,952,056</u>	<u>\$ 1,626,402</u>	<u>\$ 653,766</u>	<u>\$ 1,082,465</u>	<u>\$ 11,314,689</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balance for governmental funds	\$	6,965,010
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Capital assets	\$ 59,748,204	
Less: accumulated depreciation	<u>(31,297,587)</u>	
Total capital assets, net		28,450,617
Some of the Town's taxes, assessments, and interest receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		
		444,039
Deferred charges on the total OPEB liability is not susceptible to accrual and therefore is not reported in the funds.		
		(63,227)
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(27,075)	
Long-term debt:		
Bonds payable	(4,700,000)	
Unamortized bond premium	(60,577)	
Contracts payable	(94,649)	
Other long-term liabilities:		
Landfill post-closure care liability	(50,980)	
Early retirement incentives	(53,151)	
Compensated absences	(175,591)	
Total OPEB liability	<u>(2,024,173)</u>	
		<u>(7,186,196)</u>
Net position of governmental activities	\$	<u><u>28,610,243</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Capital and Nonrecurring Fund	School Open Choice Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 19,144,169	\$ -	\$ -	\$ -	\$ 19,144,169
Intergovernmental	4,675,356	14,706	399,261	979,420	6,068,743
Charges for services	328,117	-	-	434,173	762,290
Interest income	98,765	22,636	-	9,904	131,305
Other	-	2,088	19,900	82,216	104,204
Total revenues	<u>24,246,407</u>	<u>39,430</u>	<u>419,161</u>	<u>1,505,713</u>	<u>26,210,711</u>
EXPENDITURES					
Current:					
General government	2,441,630	-	-	497,414	2,939,044
Culture and recreation	311,222	-	-	178,688	489,910
Public safety	861,560	-	-	11,093	872,653
Public works	619,126	-	-	143,857	762,983
Sanitation	230,675	-	-	278,914	509,589
Education	18,117,644	-	661,753	311,520	19,090,917
Capital outlays	101,814	297,692	-	118,172	517,678
Debt service	675,123	-	-	-	675,123
Total expenditures	<u>23,358,794</u>	<u>297,692</u>	<u>661,753</u>	<u>1,539,658</u>	<u>25,857,897</u>
Excess (deficiency) of revenues over expenditures	887,613	(258,262)	(242,592)	(33,945)	352,814
OTHER FINANCING SOURCES (USES)					
Contract financing	-	-	-	50,468	50,468
Transfers in	-	656,052	-	-	656,052
Transfers out	(650,000)	-	-	(6,052)	(656,052)
Total other financing sources (uses)	<u>(650,000)</u>	<u>656,052</u>	<u>-</u>	<u>44,416</u>	<u>50,468</u>
Net change in fund balances	237,613	397,790	(242,592)	10,471	403,282
Fund balances - beginning	<u>4,003,789</u>	<u>1,085,585</u>	<u>747,396</u>	<u>724,958</u>	<u>6,561,728</u>
Fund balances - ending	<u>\$ 4,241,402</u>	<u>\$ 1,483,375</u>	<u>\$ 504,804</u>	<u>\$ 735,429</u>	<u>\$ 6,965,010</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds \$ 403,282

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 141,418	
Depreciation and amortization expense	(1,166,337)	
Net adjustment		(1,024,919)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Contract financing	(50,468)	
Principal repayments:		
Bonds payable	525,000	
Contract payable	31,360	
Capital lease retirement	29,751	
Net adjustment		535,643

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	2,625	
Amortization of bond premium	12,737	
Landfill post-closure care liability	5,800	
Early retirement incentives	(10,798)	
Compensated absences	9,232	
Total OPEB liability	(70,290)	
Deferred charges on total OPEB liability	(63,227)	
		(113,921)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenues.

		(87,163)
Change in net position of governmental activities		\$ (287,078)

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Pension Trust Funds	Private Purpose Trust Fund <u>Lloyd and Stephanie Giggs Scholarship Fund</u>	Agency Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 136,125	\$ 211,262
Investments	2,810,142	-	40,133
Loans receivable	18,933	-	-
Total assets	<u>2,829,075</u>	<u>136,125</u>	<u>\$ 251,395</u>
LIABILITIES			
Due to others	-	-	\$ 251,395
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 251,395</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 2,829,075</u>	<u>\$ 136,125</u>	

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Pension Trust Funds	Private Purpose Trust Fund <u>Lloyd and Stephanie Giggs Scholarship Fund</u>
ADDITIONS		
Contributions:		
Employer	\$ 117,029	\$ -
Plan members	84,727	-
Total contributions	<u>201,756</u>	<u>-</u>
Investment earnings:		
Interest and dividends	14,828	1,917
Net change in the fair value of investment	178,890	-
Net investment earnings	<u>193,718</u>	<u>1,917</u>
Total additions	395,474	1,917
DEDUCTIONS		
Benefit payments	205,945	-
Administrative expenses	150	-
Scholarships	-	3,000
Total deductions	<u>206,095</u>	<u>3,000</u>
Change in net position	189,379	(1,083)
Net position - beginning	<u>2,639,696</u>	<u>137,208</u>
Net position - ending	<u>\$ 2,829,075</u>	<u>\$ 136,125</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of East Granby, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

History and Organization

The Town was formed under the Statutes of the State of Connecticut and is governed by an elected Board of Selectmen, a Board of Finance and through Town meetings. The Town provides general government, culture and recreation, public safety, public works, sanitation and education services.

The Board of Selectmen is the executive branch of the Town and is responsible for the administration of the Town. The legislative power, including enacting, amending or repealing ordinances and resolutions, is conducted through Town Meetings. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

Related Organizations

The Town is a member of the Capitol Region Council of Governments ("CRCOG"), which is a voluntary Council of Governments formed to initiate and implement regional programs of benefit to member towns within the Greater Hartford region. CRCOG is governed by the chief elected officials of 38 Metro Hartford municipalities and the First Selectman of the Town serves on the governing Policy Board and the Executive Committee.

The Town is a member of the Farmington Valley Health District (the "Health District"), which provides food protection, environmental health, community health and emergency preparedness services to its ten member towns. The chairman of the Town's Board of Finance serves on the Health District's governing Board of Directors.

The Town is a member of the Materials Innovation Recycling Authority's (the "Authority") Connecticut Solid Waste System, which provides municipal solid waste and recycling services. The First Selectman of the Town serves on the Authority's governing Board of Directors.

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-Wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

Capital and Nonrecurring Fund - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment and capital additions.

School Open Choice Fund - This fund accounts for open choice revenues restricted to expenditures for educational purposes.

In addition, the Town reports the following fiduciary fund types:

Pension Trust Funds - These funds are used to account for the activities of the Town's defined contribution retirement plans, which accumulate resources for retirement benefit payments to qualified employees.

Private Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals. The Town utilizes a private purpose trust fund to account for student scholarships.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

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

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Implementation of Accounting Standards

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The adoption of these statements did not have a material effect on the Town's financial statements.

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75, established standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures for post-employment benefits other than pensions. This standard identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, this statement provides for certain required supplementary information and note disclosures about post-employment benefits other than pensions.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Implementation of Accounting Standards *(Continued)*

The Town has reported the following cumulative effect of applying GASB Statement No. 75 as an adjustment of beginning net position as of July 1, 2017.

	Governmental Activities
Net position - beginning, as originally reported	\$ 29,049,455
Adjustment to remove net other post-employment benefit obligation recognized under GASB Statement No. 45	1,801,749
Adjustment to record net other post-employment liability recognized under GASB Statement No. 75	(1,953,883)
	(152,134)
Net position - beginning, as adjusted	\$ 28,897,321

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools and insurance contracts as described below.

Investments in certain external investment pools consist of the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in STIF, which is permitted to measure its investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

Investments in insurance contracts are measured by the Town at contract value, which approximates fair value.

Donor-restricted Endowments

The Town is a beneficiary of the Richard Dudley Seymour Charitable Trust, an irrevocable perpetual charitable support trust ("CST"). Under the CST, the Town receives 25% of the total annual income of the CST for the purpose of maintaining the upkeep of the Holcomb Cemetery.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Donor-restricted Endowments *(Continued)*

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Inventories and Prepaid Items

Inventories, if any, are reported at cost using the first-in first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$77,000 and \$98,000, respectively, as of June 30, 2018.

Sewer Usage Charges

Usage charges are billed either annually or semi-annually depending upon the bill amount. Usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Capital Assets *(Continued)*

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	20-40
Machinery, equipment, furniture and Fixtures	5-10
Vehicles	8
Infrastructure	20-50

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources represent a consumption or an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

The Town reports unavailable revenues from property taxes, sewer usage charges, and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred charges on OPEB expense in the government-wide statement of net position, which resulted from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits.

Compensated Absences and Early Retirement Incentives

Employees are granted vacation and sick leave pursuant to Town policies and terms negotiated in union contracts. For Town employees, unused vacation and sick days can be accumulated from year to year up to certain limits. For Board of Education employees, only unused vacation days can be accumulated from year to year up to certain limits. Certain Board of Education personnel are also eligible for certain retirement incentives that are paid out over time.

All compensated absences and early retirement incentives are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences and early retirement incentives are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when incurred.

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

Net Position and Fund Balances

The statement of net position presents the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Net position is reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position is the net amount of assets, liabilities, and deferred outflows and inflows of resources, which do not meet the definition of the preceding two categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can be only used for specific purposes pursuant to constraints imposed by formal action by the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Connecticut General Statutes and include the First Selectman and the Treasurer.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balances *(Continued)*

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

When committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed, or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2018, the carrying amount of the Town's cash deposits totaled \$2,348,459. As of June 30, 2018, \$1,815,666 of the Town's bank balance of \$2,532,263 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,634,099
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	181,567
	\$ 1,815,666

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash deposits as of June 30, 2018 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 8,248,537
Statement of fiduciary net position	347,387
	8,595,924
Add: certificates of deposit considered cash deposits for disclosure purposes	40,133
Less: cash equivalents considered investments for disclosure purposes	(6,287,598)
Total cash deposits	\$ 2,348,459

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments

A reconciliation of the Town's investments as of June 30, 2018 is as follows:

Investments:	
Statement of fiduciary net position	\$ 2,850,275
Add: cash equivalents considered investments for disclosure purposes	6,287,598
Less: certificates of deposit considered cash deposits for disclosure purposes	<u>(40,133)</u>
	<u>\$ 9,097,740</u>

As of June 30, 2018, the Town's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years)		
				Less Than 1	1 to 5	6 to 10
Debt Securities:						
<i>Governmental activities:</i>						
Short-term Investment Fund (STIF)	Net asset value	AAA	\$ 6,287,598	\$ 6,287,598	\$ -	\$ -
Other Investments:						
<i>Fiduciary Funds:</i>						
Insurance contracts	Contract value	N/A	2,810,142			
			\$ 9,097,740			

Because investments in the Short-term Investment Fund have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments in external investment pools and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2018, 100.0% of the Town's governmental activities investments were invested in the Short-term Investment Fund, which is managed by the State of Connecticut Office of the Treasurer. In addition, as of June 30, 2018, 100.0% of the Town's fiduciary investments were invested in insurance contracts with Voya Financial.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority.

The Town's investments in debt securities consist of the Short-Term Investment Fund, which was rated as AAA by Standard & Poor's as of June 30, 2018.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 consisted of the following:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,571,922	\$ -	\$ -	\$ 3,571,922
Total capital assets, not being depreciated	<u>3,571,922</u>	<u>-</u>	<u>-</u>	<u>3,571,922</u>
Capital assets, being depreciated:				
Buildings and improvements	38,201,181	29,565	-	38,230,746
Land improvements	1,815,792	5,767	-	1,821,559
Machinery, equipment, furniture and fixtures	3,536,814	95,186	-	3,632,000
Vehicles	3,513,631	10,900	-	3,524,531
Infrastructure	8,967,446	-	-	8,967,446
Total capital assets, being depreciated	<u>56,034,864</u>	<u>141,418</u>	<u>-</u>	<u>56,176,282</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	17,708,531	814,168	-	18,522,699
Land improvements	1,357,282	42,440	-	1,399,722
Machinery, equipment, furniture and fixtures	2,746,636	99,176	-	2,845,812
Vehicles	2,721,060	113,263	-	2,834,323
Infrastructure	5,597,741	97,290	-	5,695,031
Total accumulated depreciation and amortization	<u>30,131,250</u>	<u>1,166,337</u>	<u>-</u>	<u>31,297,587</u>
Total capital assets, being depreciated, net	<u>25,903,614</u>	<u>(1,024,919)</u>	<u>-</u>	<u>24,878,695</u>
Governmental activities capital assets, net	<u>\$ 29,475,536</u>	<u>\$ (1,024,919)</u>	<u>\$ -</u>	<u>\$ 28,450,617</u>

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - CAPITAL ASSETS *(Continued)*

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 12,328
Public safety	95,930
Culture and recreation	235,781
Public Works	152,256
Sanitation	32,814
Education	<u>637,228</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,166,337</u></u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	School Open Choice Fund	\$ 146,091
	Nonmajor Governmental Funds	<u>86,672</u>
		<u>232,763</u>
Capital and Nonrecurring Fund	General Fund	<u>1,626,402</u>
Nonmajor Governmental Funds	General Fund	<u>621,104</u>
Total interfund receivables/payables		<u><u>\$ 2,480,269</u></u>

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

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital and Nonrecurring Fund	General Fund	\$ 650,000
	Nonmajor Governmental Funds	<u>6,052</u>
Total transfers		<u><u>\$ 656,052</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Governmental Activities	Beginning Balance (As Adjusted)	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 5,225,000	\$ -	\$ (525,000)	\$ 4,700,000	\$ 525,000
Unamortized premium	73,314	-	(12,737)	60,577	-
Total bonds payable	5,298,314	-	(537,737)	4,760,577	525,000
Other liabilities:					
Contracts payable	75,541	50,468	(31,360)	94,649	36,612
Capital leases	29,751	-	(29,751)	-	-
Early retirement incentives	112,544	106,303	(165,696)	53,151	53,151
Compensated absences	184,833	29,830	(39,062)	175,601	118,689
Landfill post-closure care liability (see Note 10)	56,780	-	(5,800)	50,980	11,356
Total OPEB Liability (see Note 9)	1,953,883	70,290	-	2,024,173	-
	<u>\$ 7,711,646</u>	<u>\$ 256,891</u>	<u>\$ (809,406)</u>	<u>\$ 7,159,131</u>	<u>\$ 744,808</u>

The above liabilities have typically been liquidated by the General Fund.

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2018 is as follows:

Purpose of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
Bonds Payable			
General obligation bonds issued April 2012, original amount of \$7,200,000	4/1/2027	2.0% - 3.0%	<u>\$ 4,700,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2018:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 525,000	\$ 108,262	\$ 633,262
2020	525,000	97,763	622,763
2021	525,000	87,262	612,262
2022	525,000	76,106	601,106
2023	525,000	64,031	589,031
2024-2028	2,075,000	131,438	2,206,438
	<u>\$ 4,700,000</u>	<u>\$ 564,862</u>	<u>\$ 5,264,862</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2018.

Contracts Payable

The Town has entered into contracts with a vendor for the installation of energy efficient lighting upgrades. The costs to the Town of 177,506, net of discounts of \$69,757, are payable in fixed monthly installments to the vendor.

Future annual contract payments are as follows as of June 30, 2018:

Year ending June 30:	Governmental Activities		
	Contracts Payable		
	Principal	Interest	Total
2019	\$ 36,612	\$ -	\$ 36,612
2020	36,612	-	36,612
2021	16,153	-	16,153
2022	5,272	-	5,272
	<u>\$ 94,649</u>	<u>\$ -</u>	<u>\$ 94,649</u>

NOTE 7 - FUND BALANCE

As of June 30, 2018, nonspendable, restricted, committed and assigned fund balance for other purposes consists of the following:

	General Fund	Capital and Nonrecurring Fund	School Open Choice Fund	Nonmajor Governmental Funds	Total
Nonspendable - prepaid insurance	\$ 2,137	\$ -	\$ -	\$ -	\$ 2,137
Restricted for:					
Capital purposes - grant restrictions	-	440,922	-	-	440,922
Educational purposes - grant restrictions	-	-	504,804	-	504,804
Other purposes - statutory restrictions	-	-	-	131,883	131,883
Committed for:					
Capital purposes	-	1,042,453	-	204,338	1,246,791
Educational programs	-	-	-	111,330	111,330
Sanitation programs	-	-	-	150,628	150,628
Other programs	-	-	-	185,391	185,391
Assigned to:					
Use in subsequent year's budget	950,000	-	-	-	950,000
Education encumbrances	292,953	-	-	-	292,953
Town encumbrances	196,330	-	-	-	196,330
Unassigned	2,799,982	-	-	(48,141)	2,751,841
	<u>\$ 4,241,402</u>	<u>\$ 1,483,375</u>	<u>\$ 504,804</u>	<u>\$ 735,429</u>	<u>\$ 6,965,010</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - FUND BALANCE *(Continued)*

Deficit Fund Balance

The Sewer Use Fund has a deficit fund balance of \$48,141 as of June 30, 2018. This deficit is attributed to timing differences between when usage charges are billed and collected. Usage charges for the six month period ending June 30 are billed during the following October. Accordingly, the deficit will be eliminated in this fund when unavailable revenues of \$135,740 as of June 30 become available.

NOTE 8 - RETIREMENT PLANS

Defined Contribution Money Purchase Retirement Plans

Plan Descriptions

Effective September 1, 1978, East Granby established separate defined contribution money purchase plans for general government employees and Board of Education employees respectively. These types of plans provide retirement benefits in return for services rendered, an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The Plans cover all Town and Board of Education employees not covered by the State of Connecticut's Teachers' Retirement System who have completed one year of service. Town contributions vary based on designated employee classes. Eligible Board of Education employees who contribute 2.0% of compensation receive a Town contribution of 5.0%. Eligible Town employees who contribute 2.0% of compensation receive a Town contribution of 3.0%. In addition, Town employees that contribute an additional 3.0% of compensation receive an additional Town contribution of 3.0%. Plan participants are not required to contribute to the Plan. Contributions made by a participant vest immediately and contributions made by the Town vest after five years of service.

The Plans do not issue stand alone financial statements and are part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plans are accounted for in the fiduciary fund financial statements as pension trust funds.

The Plans are accounted for using the accrual basis of accounting. Town contributions are recognized when due and the Town has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investments consists of insurance contracts and are reported at contract value, which approximates fair value.

Employer contributions totaled \$79,651 and employee contributions totaled \$45,926 for the Town Plan for year ended June 30, 2018.

Employer contributions totaled \$37,378 and employee contributions totaled \$38,801 for the Board of Education Plan for year ended June 30, 2018.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System

Plan Description

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The TRS is included as a fiduciary pension trust fund in the State of Connecticut's Comprehensive Annual Financial Report and the Board issues publicly available financial reports.

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Contributions

Per CGS 10-183z, contribution requirements of active employees and the State are amended and certified by the Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

In accordance with CGS Section 10-183z, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of an employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Effective January, 1, 2018, active employees are required to contribute 7.0%, previously 6.0%, of their annual earnings to the plan.

Administrative Expenses

Administrative costs of the plan are funded by the State.

Basis of Presentation

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2018.

Allocation Methodology

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2017 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$1,979,396 or 0.20% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective pension expense allocated to the Town totaled \$3,054,321. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

The total collective net pension liability of participating employers for the TRS was approximately \$13.502 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$26,405,296 or approximately 0.20% of the total collective net pension liability.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(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 increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Fixed Income (Core)	7.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bonds	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100%</u>	

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Discount Rate

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

Proportionate Share of the Collective Net Pension Liability

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability attributed to the Town	\$ 33,051,644	\$ 26,405,296	\$ 20,786,225

Deferred Compensation Plan

The Town offers employees who are eligible for benefits a deferred compensation plan in accordance with Internal Revenue Code Section 457. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Plan

Plan Descriptions

The Town's Board of Education administers a single-employer defined benefit healthcare plan (the "Plan"). The Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and their spouses through the Board of Education's group healthcare and dental insurance plans. Benefits provisions are established by contract and may be amended by union negotiations each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

Benefits Provided

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees.

Under provisions of certain union negotiated contracts, the Town will contribute 25.0% of the health care premiums for the first three years of the employee's retirement, provided the employee notifies the Town prior to January 1st of the year in which they retire. Administrators' have a similar arrangement, but the Town will contribute 90.0% of the health care premiums for the first four years. Otherwise, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board.

Teachers - The Town contributes 25.0% of the cost of insurance for teachers with 25 years of service for three years following retirement. Thereafter, the retiree contributes 100.0% of the cost, less any reimbursements received by the Town from the State Teachers' Retirement Board. Teachers with less than 25 years of service at retirement pay 100.0% of the cost, less any reimbursements received by the Town from the State Teachers' Retirement Board.

Administrators - Retirees with 15 or more years of service contribute 21.5% of the PPO, 25.0% of the dental insurance costs and 18.0% of the HMO/HSA insurance costs. The Town contributes the remaining percentage of the costs for three years (four years through June 30, 2015) following retirement. Thereafter, the retiree contributes 100.0%. Retirees with 10 or more years of service contribute 50.0% of the medical and dental insurance costs. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%. NCE – The retiree contributes 75.0% of the cost for medical and dental insurance. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%.

The Town pays the benefits on a pay-as-you-go basis.

Employees Covered by Benefit Terms

As of July 1, 2016, the valuation date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	4
Active participants	<u>115</u>
	<u><u>119</u></u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

Total OPEB Liability

The Town's total OPEB liability reported as of June 30, 2018 totaled \$2,024,173. The total OPEB liability was measured as of June 30, 2018 using an actuarial valuation performed as of July 1, 2016.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	July 1, 2016
Actuarial cost method:	Entry Age Normal Cost
Amortization method:	Level Dollar Amount
Remaining amortization period:	30 years, closed
Actuarial assumptions:	
Discount rate	3.87%
Inflation rate	2.75%
Healthcare cost trend rate	7.30% initial 4.40% final

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates were based on the RP-2000 Mortality Table for Males and Females projected forward 19 years forward using Scale AAA, with a two-year age setback. This includes a margin for future improvements in longevity beyond the valuation date.

Assumptions regarding participation and coverage election relating to benefits provided to Teachers and Board of Education Administrators are as follows:

- 80% of teachers and administrators and 10% of all others active members are assumed to elect coverage at retirement. Beyond the period of BOE-subsidized benefits after retirement, 50% of retirees are assumed to elect coverage at retirement.
- 50% of current active teachers and administrators and pre-65 retirees are assumed either to enroll in retiree health coverage through the Connecticut State Teachers Retirement System at age 65, or transfer to a Medicare Supplement Plan. 95% of current actives and pre-65 retirees are assumed to be Medicare eligible. All other current actives and pre-65 retirees are assumed to be covered under a Medicare Supplement plan at age 65.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2017	\$ 1,953,883
Changes for the year:	
Service cost	125,893
Interest	73,399
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(69,426)
Benefit payments	(59,576)
Net changes	70,290
Balance as of June 30, 2018	\$ 2,024,173

Changes in assumptions primarily reflects a change in the discount rate from 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Discount (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 2,277,951	\$ 2,024,173	\$ 1,807,524

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 1,714,851	\$ 2,024,173	\$ 2,412,986

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized OPEB expense of \$193,093. As of June 30, 2018, the Town reported deferred inflows of resources related to OPEB from the following source:

	Deferred Inflows of Resources
Changes of assumptions	\$ 63,227

Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Year ended June 30,		\$	
2019		6,199	
2020		6,199	
2021		6,199	
2022		6,199	
2023		6,199	
Thereafter		32,232	
		\$ 63,227	

Connecticut State Teachers' Retirement System

Plan Description

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund.

Benefit Provisions

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

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

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

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

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

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

Per CGS 10-183z, which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through and annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan.

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

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Administrative Expenses

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

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Basis of Presentation

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2018.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2017.

Allocation Methodology

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2017.

For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$38,960 or 0.19% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective OPEB expense allocated to the Town totaled \$314,980. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

The total collective net OPEB liability of participating employers for the TRS was approximately \$3.475 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$6,796,417 or approximately 0.19% of the total collective net OPEB liability.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Actuarial Assumptions

The total OPEB 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	2.75%, net of investment related expense
Healthcare cost trend rates:	
Pre- Medicare	7.25% for 2017 decreasing to an ultimate rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate rate of 5.00% by 2022

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.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- o Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.25%.
- o Employee contributions were assumed to be made at the current member contribution rate.
- o Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- o No future employer contributions were assumed to be made.
- o For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Proportionate Share of the Collective Net Pension Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 3.56%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate:

	1.00% Decrease (2.56%)	Current Rate (3.56%)	1.00% Increase (4.56%)
Proportionate share of the net OPEB liability attributed to the Town	\$ 8,190,771	\$ 6,796,417	\$ 5,700,054

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Proportionate share of the net OPEB liability attributed to the Town	\$ 5,595,904	\$ 6,796,417	\$ 8,412,762

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - LANDFILL POST-CLOSURE CARE LIABILITY

The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 4 years are estimated to be \$50,980. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

NOTE 12 - CONTINGENCIES

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

NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2018. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (UNAUDITED)
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 18,756,754	\$ 18,756,754	\$ 19,144,169	\$ 387,415
Intergovernmental	2,247,465	2,247,465	2,657,000	409,535
Charges for services	242,417	242,417	257,950	15,533
Interest income	24,582	24,582	98,765	74,183
Total revenues	<u>21,271,218</u>	<u>21,271,218</u>	<u>22,157,884</u>	<u>886,666</u>
EXPENDITURES				
Current:				
General government	2,570,236	2,541,236	2,508,707	(32,529)
Culture and recreation	336,592	336,592	335,927	(665)
Public safety	865,129	884,129	883,709	(420)
Public works	619,575	629,575	629,292	(283)
Sanitation	216,468	216,468	216,468	-
Education	16,316,125	16,316,125	16,272,769	(43,356)
Contingency	54,000	54,000	-	(54,000)
Debt service:				
Principal payments	549,000	562,062	556,360	(5,702)
Interest and fiscal charges	118,763	118,763	118,763	-
Total expenditures	<u>21,645,888</u>	<u>21,658,950</u>	<u>21,521,995</u>	<u>(136,955)</u>
Deficiency (excess) of revenues over expenditures	(374,670)	(387,732)	635,889	1,023,621
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	1,024,670	1,037,732	-	(1,037,732)
Prior year unliquidated encumbrances	-	-	46,669	46,669
Transfers out	(650,000)	(650,000)	(650,000)	-
Total other financing sources (uses)	<u>374,670</u>	<u>387,732</u>	<u>(603,331)</u>	<u>(991,063)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,558</u>	<u>\$ 32,558</u>

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (UNAUDITED)
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
PROPERTY TAXES:				
Property taxes - current year	\$ 18,549,043	\$ 18,549,043	\$ 18,880,355	\$ 331,312
Property taxes - prior years	129,912	129,912	181,255	51,343
Interest and lien fees	77,799	77,799	82,559	4,760
Total property taxes	<u>18,756,754</u>	<u>18,756,754</u>	<u>19,144,169</u>	<u>387,415</u>
INTERGOVERNMENTAL:				
Education cost sharing	457,073	457,073	1,257,143	800,070
PILOT - Airport Authority	680,024	680,024	657,991	(22,033)
Municipal grants-in-aid	-	-	537,454	537,454
Special education excess cost	885,065	885,065	178,954	(706,111)
Telephone line tax	14,098	14,098	10,801	(3,297)
Property tax relief	25,136	25,136	2,916	(22,220)
Adult education	1,511	1,511	1,545	34
Municipal revenue sharing	9,904	9,904	-	(9,904)
Other	174,654	174,654	10,196	(164,458)
Total intergovernmental	<u>2,247,465</u>	<u>2,247,465</u>	<u>2,657,000</u>	<u>409,535</u>
CHARGES FOR SERVICES:				
Building permits	61,942	61,942	82,447	20,505
Conveyance taxes	80,000	80,000	73,183	(6,817)
Other fees	23,675	23,675	40,534	16,859
Aircraft registration fees	40,000	40,000	33,500	(6,500)
Recording fees	36,800	36,800	28,286	(8,514)
Total charges for services	<u>242,417</u>	<u>242,417</u>	<u>257,950</u>	<u>15,533</u>
INTEREST INCOME				
	<u>24,582</u>	<u>24,582</u>	<u>98,765</u>	<u>74,183</u>
Total revenues	<u>21,271,218</u>	<u>21,271,218</u>	<u>22,157,884</u>	<u>886,666</u>
OTHER FINANCING SOURCES:				
Appropriation of fund balance	1,024,670	1,037,732	-	(1,037,732)
Prior year unliquidated encumbrances	-	-	46,669	46,669
Total other financing sources	<u>1,024,670</u>	<u>1,037,732</u>	<u>46,669</u>	<u>(991,063)</u>
Total revenues and other financing sources	<u>\$ 22,295,888</u>	<u>\$ 22,308,950</u>	<u>\$ 22,204,553</u>	<u>\$ (104,397)</u>

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) (UNAUDITED)
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
GENERAL GOVERNMENT:				
Insurance	\$ 800,000	\$ 711,165	\$ 706,144	\$ (5,021)
Selectmen's office	181,376	181,376	181,317	(59)
Public buildings	176,711	192,711	192,711	-
Utilities	158,400	175,400	168,712	(6,688)
Payroll taxes	152,000	152,000	148,649	(3,351)
Assessor's office	140,272	140,272	140,272	-
Building inspector	129,767	129,767	129,767	-
Town clerk's office	118,454	118,454	118,454	-
Tax collector's office	100,674	102,674	102,046	(628)
Data services	95,600	109,600	109,600	-
Planning and Zoning Commission	93,957	101,957	101,957	-
Facilities maintenance	73,660	73,660	73,487	(173)
Commission on aging	67,900	67,900	69,719	1,819
Registrars	51,290	51,290	41,858	(9,432)
Street lighting	36,500	38,500	36,427	(2,073)
Health services	30,315	30,315	30,315	-
Social services	23,373	23,373	22,194	(1,179)
Treasurer's office	23,227	23,227	23,090	(137)
Audit	21,900	22,735	22,735	-
Commission on youth services	20,000	20,000	16,765	(3,235)
Legal	20,000	20,000	18,262	(1,738)
Dues and memberships	19,700	19,700	19,645	(55)
Animal control	16,000	16,000	16,000	-
Engineering	14,000	14,000	14,000	-
Economic and development	2,000	2,000	1,535	(465)
Board of Finance	1,700	1,700	1,675	(25)
Cemeteries	1,300	1,300	1,300	-
Miscellaneous	160	160	71	(89)
Total general government	<u>2,570,236</u>	<u>2,541,236</u>	<u>2,508,707</u>	<u>(32,529)</u>
CULTURE AND RECREATION:				
Library	204,000	204,000	204,000	-
Parks and recreation	132,592	132,592	131,927	(665)
Total culture and recreation	<u>336,592</u>	<u>336,592</u>	<u>335,927</u>	<u>(665)</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (USES) (UNAUDITED) *(Continued)*
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EXPENDITURES (Continued) :				
PUBLIC SAFETY:				
Police department	\$ 630,435	\$ 645,435	\$ 645,422	\$ (13)
Fire department	122,885	122,886	122,886	-
Ambulance service	61,372	61,372	61,372	-
Fire marshal	39,187	43,187	42,780	(407)
Civil preparedness	11,250	11,249	11,249	-
Total public safety	<u>865,129</u>	<u>884,129</u>	<u>883,709</u>	<u>(420)</u>
PUBLIC WORKS	<u>619,575</u>	<u>629,575</u>	<u>629,292</u>	<u>(283)</u>
DEBT SERVICE:				
Principal	549,000	562,062	556,360	(5,702)
Interest	118,763	118,763	118,763	-
Total debt service	<u>667,763</u>	<u>680,825</u>	<u>675,123</u>	<u>(5,702)</u>
SANITATION	<u>216,468</u>	<u>216,468</u>	<u>216,468</u>	<u>-</u>
EDUCATION	<u>16,316,125</u>	<u>16,316,125</u>	<u>16,272,769</u>	<u>(43,356)</u>
CONTINGENCY	<u>54,000</u>	<u>54,000</u>	<u>-</u>	<u>(54,000)</u>
Total expenditures	<u>21,645,888</u>	<u>21,658,950</u>	<u>21,521,995</u>	<u>(136,955)</u>
OTHER FINANCING USES:				
TRANSFERS OUT:				
Capital and Nonrecurring Fund	650,000	650,000	650,000	-
Total other financing uses	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 22,295,888</u>	<u>\$ 22,308,950</u>	<u>\$ 22,171,995</u>	<u>\$ (136,955)</u> <i>(Concluded)</i>

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF EDUCATION EXPENDITURES (UNAUDITED)
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
EXPENDITURES:				
EDUCATION				
Certified personnel	\$ 7,835,087	\$ 7,823,784	\$ 7,796,249	\$ (27,535)
Noncertified personnel	1,463,595	1,484,898	1,477,347	(7,551)
Certified substitutes	124,279	124,279	106,071	(18,208)
Noncertified substitutes	7,500	7,500	384	(7,116)
Custodial overtime - events	-	-	2,155	2,155
Contracted substitutes	19,110	19,110	18,305	(805)
Other salaries	217,169	217,169	286,241	69,072
Group health life insurance	2,362,450	2,352,450	2,226,287	(126,163)
Social security	105,263	105,263	111,120	5,857
Medicare	140,186	140,186	139,569	(617)
Employer pension	66,551	66,551	67,777	1,226
Unemployment payments	27,722	27,722	11,063	(16,659)
Workers' compensation	107,027	107,027	98,721	(8,306)
Professional improvement	69,000	69,000	57,082	(11,918)
Assessment services	1,050	1,075	1,075	-
Other professional & technology services	381,252	381,227	487,392	106,165
Data processing	30,119	30,119	32,749	2,630
Water/Sewage	24,950	24,950	21,101	(3,849)
Rubbish removal	10,800	10,880	11,617	737
Contracted maintenance services	178,543	159,068	161,931	2,863
Repairs to buildings	53,200	100,700	222,292	121,592
Pupil transportation	865,931	828,281	690,104	(138,177)
Property insurance	29,373	29,373	31,476	2,103
Liability insurance	30,102	30,102	27,206	(2,896)
Errors & omissions insurance	19,765	19,765	19,005	(760)
Telephone	38,867	38,867	35,280	(3,587)
Postage	9,925	9,950	7,470	(2,480)
Advertisements	1,000	1,000	214	(786)
Job printing & binding	10,254	10,022	5,645	(4,377)
Public school tuition	345,764	209,264	176,064	(33,200)
Private school tuition	846,046	982,546	815,006	(167,540)
Travel & conferences	11,745	11,745	8,762	(2,983)
Field trips	2,500	2,600	3,754	1,154
Supplies	81,298	78,010	121,624	43,614
Administrative supplies	30,250	30,250	44,486	14,236
Natural gas	25,500	25,500	26,406	906
Electricity	311,118	313,318	379,374	66,056
Propane gas	525	525	283	(242)
Heating supplies oil	97,850	97,850	102,148	4,298
Books/textbooks/workbooks	82,569	82,725	124,086	41,361
Licenses/subscriptions	145,962	145,065	103,019	(42,046)
Equipment	15,063	24,715	120,278	95,563
Memberships & special programs	59,865	61,694	64,575	2,881
Legal fees	30,000	30,000	29,591	(409)
Other	-	-	385	385
Total education expenditures	<u>\$ 16,316,125</u>	<u>\$ 16,316,125</u>	<u>\$ 16,272,769</u>	<u>\$ (43,356)</u>

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS
(Rounded to nearest thousand)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.20%	0.20%	0.18%	0.18%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	<u>26,405,000</u>	<u>27,858,000</u>	<u>19,647,000</u>	<u>19,647,000</u>
Total	<u>\$ 26,405,000</u>	<u>\$ 27,858,000</u>	<u>\$ 19,647,000</u>	<u>\$ 19,647,000</u>
Town's covered payroll	\$ 7,796,000	\$ 7,640,000	\$ 7,490,000	\$ 7,047,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (UNAUDITED)
OTHER POST-EMPLOYMENT BENEFITS PROGRAMS
LAST FISCAL YEAR

	2018
Total OPEB liability	
Service cost	\$ 125,893
Interest	73,399
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(69,426)
Benefit payments, including refunds	(59,576)
Net change in total OPEB liability	70,290
Total OPEB liability - beginning	1,953,883
Total OPEB liability - ending	\$ 2,024,173

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FISCAL YEARS
(Rounded to the Nearest Thousand)

	2018
Proportion of the net OPEB liability attributed to the Town	0.196%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	6,796,000
Total	\$ 6,796,000
Town's covered payroll	\$ 7,796,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Unaudited)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- The Board of Selectmen, Board of Education and the Board of Finance prepare an operating budget for the fiscal year commencing July 1 which is presented at the annual Town meeting for approval or submitted to referendum. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. The legal level of budget control is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects for amounts not exceeding \$20,000 or representing a second transfer to a department. Additional appropriations in excess of \$20,000 must be approved at a Town meeting. During the year, the Board of Finance and Town meetings approved additional appropriations from fund balance of \$13,062.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for intergovernmental revenues and encumbrances. Intergovernmental revenues and other reimbursement for certain costs are recorded as reductions to expenditures for budgetary purposes and “on-behalf” payments made by the State of Connecticut into the State Teachers’ Retirement System are not recorded for budgetary purposes. 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 of the current year.
- All unexpended appropriations lapse at year-end, except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (*Unaudited*)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (*Continued*)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2018:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 22,157,884	\$ 21,521,995	\$ (603,331)	\$ 32,558
"On-behalf" payments - State Teachers' Retirement Fund	1,979,396	1,979,396	-	-
"On-behalf" payments - State Teachers' OPEB Retirement Fund	38,960	38,960	-	-
Encumbrances:				
June 30, 2018	-	(489,283)	-	489,283
June 30, 2017	-	237,559	(46,669)	(284,228)
Reimbursement for certain revenues recorded as a reduction to expenditures for budgetary purposes	70,167	70,167	-	-
GAAP basis	<u>\$ 24,246,407</u>	<u>\$ 23,358,794</u>	<u>\$ (650,000)</u>	<u>\$ 237,613</u>

NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2017.

- the inflation assumption was reduced from 3.00% to 2.75%,
- the real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%,
- the payroll growth assumption was reduced from 3.75% to 3.25%, and
- various demographic assumption changes including the utilization of the RPH-2014 mortality tables.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Unaudited) (Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2016. The July 1, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2018.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2018

Grand List Year	Balance Uncollected June 30, 2017	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2018
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2016	\$ -	\$ 19,034,396	\$ 41,958	\$ 84,313	\$ 358	\$ 18,991,683	\$ 18,906,293	\$ 42,830	\$ 18,949,123	\$ 85,390
2015	212,804	-	1,388	8,450	182	205,560	156,600	31,531	188,131	48,960
2014	53,125	-	49	3,024	380	49,770	23,157	6,715	29,872	26,613
2013	22,607	-	-	6	-	22,601	580	468	1,048	22,021
2012	18,265	-	-	6	-	18,259	118	117	235	18,141
2011	17,506	-	-	115	-	17,391	309	461	770	17,082
2010	16,492	-	-	5	8,249	8,238	109	377	486	8,129
2009	13,534	-	-	5	5,773	7,756	-	-	-	7,756
2008	7,659	-	-	5	-	7,654	-	-	-	7,654
2007	6,805	-	-	-	-	6,805	-	-	-	6,805
2006	6,577	-	32	-	-	6,609	-	-	-	6,609
2005	6,251	-	-	-	-	6,251	-	-	-	6,251
2004	5,965	-	-	-	-	5,965	-	-	-	5,965
2003	5,831	-	-	-	-	5,831	-	-	-	5,831
2002	4,877	-	-	-	-	4,877	-	-	-	4,877
2001	4,690	-	-	-	-	4,690	-	-	-	4,690
	<u>\$ 402,988</u>	<u>\$ 19,034,396</u>	<u>\$ 43,427</u>	<u>\$ 95,929</u>	<u>\$ 14,942</u>	<u>\$ 19,369,940</u>	<u>\$ 19,087,166</u>	<u>\$ 82,499</u>	<u>\$ 19,169,665</u>	<u>\$ 282,774</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
 FOR THE YEAR ENDED JUNE 30, 2018

Total cash collections for the year ended
 June 30, 2018:

Taxes	\$ 19,087,166
Interest and lien fees	82,499
Total	<u>19,169,665</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	24,125
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Base	<u>\$ 19,193,790</u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 43,186,028	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	86,372,055	-	-	-
3-3/4 times base	-	-	71,976,713	-	-
3-1/4 times base	-	-	-	62,379,818	-
3 times base	-	-	-	-	57,581,370
Total debt limitation	<u>43,186,028</u>	<u>86,372,055</u>	<u>71,976,713</u>	<u>62,379,818</u>	<u>57,581,370</u>
Indebtedness:					
Bonds payable	-	4,700,000	-	-	-
Total indebtedness	<u>-</u>	<u>4,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 43,186,028</u>	<u>\$ 81,672,055</u>	<u>\$ 71,976,713</u>	<u>\$ 62,379,818</u>	<u>\$ 57,581,370</u>
Total capacity of borrowing (7 times base)	\$ 134,356,530				
Total present indebtedness	<u>4,700,000</u>				
Margin for additional borrowing	<u>\$ 129,656,530</u>				

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
CAPITAL AND NONRECURRING FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2018

	Appropriations			Expenditures			Close Out of Appropriation	Remaining Balance June 30, 2018
	Balance June 30, 2017	Current Year	Balance June 30, 2018	Balance June 30, 2017	Current Year	Balance June 30, 2018		
Capital and Nonrecurring Fund								
Security initiatives	\$ 36,060	\$ -	\$ 36,060	\$ 33,568	\$ 2,165	\$ 35,733	\$ (327)	\$ -
Road maintenance	29,000	-	29,000	15,888	13,112	29,000	-	-
Phase I reappraisal and revaluation	67,000	-	67,000	-	67,000	67,000	-	-
Road maintenance	124,000	-	124,000	-	124,000	124,000	-	-
School technology	60,000	-	60,000	-	59,989	59,989	(11)	-
Revaluation phase II	-	75,000	75,000	-	24,242	24,242	-	50,758
Insulation Town Hall	-	11,000	11,000	-	-	-	-	11,000
Windows Town Hall	-	47,000	47,000	-	-	-	-	47,000
Backhoe	-	100,000	100,000	-	-	-	-	100,000
Plow truck	-	180,000	180,000	-	-	-	-	180,000
Fire department radios	-	77,000	77,000	-	-	-	-	77,000
Road maintenance	-	167,000	167,000	-	7,184	7,184	-	159,816
School technology	-	60,000	60,000	-	-	-	-	60,000
School telephone system	-	50,000	50,000	-	-	-	-	50,000
HS Roof access door	-	6,700	6,700	-	-	-	-	6,700
Allgrove parking lot	-	38,000	38,000	-	-	-	-	38,000
Allgrove A/C assessment	-	5,000	5,000	-	-	-	-	5,000
Total Capital and Nonrecurring Fund	<u>\$ 316,060</u>	<u>\$ 816,700</u>	<u>\$ 1,132,760</u>	<u>\$ 49,456</u>	<u>\$ 297,692</u>	<u>\$ 347,148</u>	<u>\$ (338)</u>	<u>\$ 785,274</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Debt Service Sewer Assessment Fund	Permanent Holcomb Loomis Trust Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 316,901	\$ -	\$ -	\$ 1,520	\$ 318,421
Receivables:					
Grants and contracts	7,200	-	-	-	7,200
Other	135,740	-	-	-	135,740
Due from other funds	379,672	211,838	29,594	-	621,104
Total assets	<u>\$ 839,513</u>	<u>\$ 211,838</u>	<u>\$ 29,594</u>	<u>\$ 1,520</u>	<u>\$ 1,082,465</u>
LIABILITIES					
Accounts payable	\$ 53,525	\$ 7,500	\$ -	\$ -	\$ 61,025
Due to other funds	86,672	-	-	-	86,672
Unearned revenue	63,599	-	-	-	63,599
Total liabilities	<u>203,796</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>211,296</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>135,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,740</u>
FUND BALANCES					
Restricted	130,363	-	-	1,520	131,883
Committed for:					
Capital purposes	-	204,338	-	-	204,338
Educational purposes	111,330	-	-	-	111,330
Other purposes	306,425	-	29,594	-	336,019
Unassigned	(48,141)	-	-	-	(48,141)
Total fund balances	<u>499,977</u>	<u>204,338</u>	<u>29,594</u>	<u>1,520</u>	<u>735,429</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 839,513</u>	<u>\$ 211,838</u>	<u>\$ 29,594</u>	<u>\$ 1,520</u>	<u>\$ 1,082,465</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Debt Service Sewer Assessment Fund	Permanent Holcomb Loomis Trust Fund	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental	\$ 979,420	\$ -	\$ -	\$ -	\$ 979,420
Charges for services	427,318	-	6,855	-	434,173
Interest income	9,487	-	411	6	9,904
Other	48,571	33,645	-	-	82,216
Total revenues	<u>1,464,796</u>	<u>33,645</u>	<u>7,266</u>	<u>6</u>	<u>1,505,713</u>
EXPENDITURES					
Current:					
General government	497,414	-	-	-	497,414
Culture and recreation	178,688	-	-	-	178,688
Public safety	11,093	-	-	-	11,093
Public works	143,857	-	-	-	143,857
Sanitation	278,914	-	-	-	278,914
Education	311,520	-	-	-	311,520
Capital outlays	-	118,172	-	-	118,172
Total expenditures	<u>1,421,486</u>	<u>118,172</u>	<u>-</u>	<u>-</u>	<u>1,539,658</u>
Excess (deficiency) of revenues over expenditures	43,310	(84,527)	7,266	6	(33,945)
OTHER FINANCING SOURCES (USES)					
Contract financing	-	50,468	-	-	50,468
Transfers out	-	(6,052)	-	-	(6,052)
Total other financing sources (uses)	<u>-</u>	<u>44,416</u>	<u>-</u>	<u>-</u>	<u>44,416</u>
Net change in fund balances	43,310	(40,111)	7,266	6	10,471
Fund balances - beginning	<u>456,667</u>	<u>244,449</u>	<u>22,328</u>	<u>1,514</u>	<u>724,958</u>
Fund balances - ending	<u>\$ 499,977</u>	<u>\$ 204,338</u>	<u>\$ 29,594</u>	<u>\$ 1,520</u>	<u>\$ 735,429</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Town Aid Roads Fund	Dog Fund	Educational Grants Fund	Milk Fund	Parks & Recreation Fund	Open Space Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 114,789	\$ 6,412	\$ 94,070	\$ -
Receivables:						
Grants and contracts	-	-	7,200	-	-	-
Other	-	-	-	-	-	-
Due from other funds	63,132	29,279	-	-	-	15,877
Total assets	<u>\$ 63,132</u>	<u>\$ 29,279</u>	<u>\$ 121,989</u>	<u>\$ 6,412</u>	<u>\$ 94,070</u>	<u>\$ 15,877</u>
LIABILITIES						
Accounts payable	\$ 4,494	\$ 4,180	\$ 16,528	\$ -	\$ -	\$ -
Due to other funds	-	-	61,302	-	-	-
Unearned revenue	-	-	44,159	-	19,440	-
Total liabilities	<u>4,494</u>	<u>4,180</u>	<u>121,989</u>	<u>-</u>	<u>19,440</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES						
Restricted	58,638	25,099	-	6,412	-	-
Committed for:						
Educational purposes	-	-	-	-	-	-
Other purposes	-	-	-	-	74,630	15,877
Unassigned	-	-	-	-	-	-
Total fund balances	<u>58,638</u>	<u>25,099</u>	<u>-</u>	<u>6,412</u>	<u>74,630</u>	<u>15,877</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 63,132</u>	<u>\$ 29,279</u>	<u>\$ 121,989</u>	<u>\$ 6,412</u>	<u>\$ 94,070</u>	<u>\$ 15,877</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>Halloween Party Fund</u>	<u>High School Food Store Fund</u>	<u>Small Cities Fund</u>	<u>Community Center Fund</u>	<u>Document Restoration Fund</u>	<u>Seniors Fund</u>	<u>Rockbestos Fund</u>
ASSETS							
Cash and cash equivalents	\$ 1,096	\$ 14,980	\$ 10	\$ 1,120	\$ -	\$ 19,596	\$ 21,350
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	9,340	-	-
Total assets	<u>\$ 1,096</u>	<u>\$ 14,980</u>	<u>\$ 10</u>	<u>\$ 1,120</u>	<u>\$ 9,340</u>	<u>\$ 19,596</u>	<u>\$ 21,350</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,552	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,552</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted	-	-	10	-	6,788	-	-
Committed for:							
Educational purposes	-	14,980	-	-	-	-	21,350
Other purposes	1,096	-	-	1,120	-	19,596	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,096</u>	<u>14,980</u>	<u>10</u>	<u>1,120</u>	<u>6,788</u>	<u>19,596</u>	<u>21,350</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 1,096</u>	<u>\$ 14,980</u>	<u>\$ 10</u>	<u>\$ 1,120</u>	<u>\$ 9,340</u>	<u>\$ 19,596</u>	<u>\$ 21,350</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>Emergency Fund</u>	<u>BOE Nonlapsing Fund</u>	<u>Fournier-Roy Youth Fund</u>	<u>State Grants Fund</u>	<u>Sewer Reserve Fund</u>	<u>Emergency Fuel Fund</u>	<u>Sewer Use Fund</u>
ASSETS							
Cash and cash equivalents	\$ 2,525	\$ -	\$ 11,449	\$ -	\$ -	\$ 20,914	\$ -
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	135,740
Due from other funds	-	75,000	-	11,066	150,628	-	-
Total assets	<u>\$ 2,525</u>	<u>\$ 75,000</u>	<u>\$ 11,449</u>	<u>\$ 11,066</u>	<u>\$ 150,628</u>	<u>\$ 20,914</u>	<u>\$ 135,740</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 22,771
Due to other funds	-	-	-	-	-	-	25,370
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>48,141</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,740</u>
FUND BALANCES							
Restricted	-	-	-	8,066	-	-	-
Committed for:							
Educational purposes	-	75,000	-	-	-	-	-
Other purposes	2,525	-	11,449	-	150,628	20,914	-
Unassigned	-	-	-	-	-	-	(48,141)
Total fund balances	<u>2,525</u>	<u>75,000</u>	<u>11,449</u>	<u>8,066</u>	<u>150,628</u>	<u>20,914</u>	<u>(48,141)</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 2,525</u>	<u>\$ 75,000</u>	<u>\$ 11,449</u>	<u>\$ 11,066</u>	<u>\$ 150,628</u>	<u>\$ 20,914</u>	<u>\$ 135,740</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	Total Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 6,697	\$ -	\$ 1,893	\$ -	\$ 316,901
Receivables:					
Grants and contracts	-	-	-	-	7,200
Other	-	-	-	-	135,740
Due from other funds	-	4,859	-	20,491	379,672
Total assets	<u>\$ 6,697</u>	<u>\$ 4,859</u>	<u>\$ 1,893</u>	<u>\$ 20,491</u>	<u>\$ 839,513</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 53,525
Due to other funds	-	-	-	-	86,672
Unearned revenue	-	-	-	-	63,599
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,796</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	135,740
FUND BALANCES					
Restricted	-	4,859	-	20,491	130,363
Committed for:					
Educational purposes	-	-	-	-	111,330
Other purposes	6,697	-	1,893	-	306,425
Unassigned	-	-	-	-	(48,141)
Total fund balances	<u>6,697</u>	<u>4,859</u>	<u>1,893</u>	<u>20,491</u>	<u>499,977</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 6,697</u>	<u>\$ 4,859</u>	<u>\$ 1,893</u>	<u>\$ 20,491</u>	<u>\$ 839,513</u>

(Concluded)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Town Aid Roads Fund</u>	<u>Dog Fund</u>	<u>Educational Grants Fund</u>	<u>Milk Fund</u>	<u>Parks & Recreation Fund</u>	<u>Open Space Fund</u>
REVENUES						
Intergovernmental	\$ 202,076	\$ -	\$ 281,117	\$ 8,045	\$ -	\$ -
Charges for services	-	2,456	-	9,097	128,601	4,010
Interest income	232	356	-	-	40	195
Other	-	-	-	-	-	-
Total revenues	<u>202,308</u>	<u>2,812</u>	<u>281,117</u>	<u>17,142</u>	<u>128,641</u>	<u>4,205</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Culture and recreation	-	217	-	-	122,969	-
Public safety	-	-	-	-	-	-
Public works	143,670	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Education	-	-	281,117	18,346	-	-
Total expenditures	<u>143,670</u>	<u>217</u>	<u>281,117</u>	<u>18,346</u>	<u>122,969</u>	<u>-</u>
Net change in fund balances	58,638	2,595	-	(1,204)	5,672	4,205
Fund balances - beginning	-	22,504	-	7,616	68,958	11,672
Fund balances - ending	<u>\$ 58,638</u>	<u>\$ 25,099</u>	<u>\$ -</u>	<u>\$ 6,412</u>	<u>\$ 74,630</u>	<u>\$ 15,877</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2018

	Halloween Party Fund	High School Food Store Fund	Small Cities Fund	Community Center Fund	Document Restoration Fund	Seniors Fund	Rockbestos Fund
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 464,644	\$ -	\$ 4,000	\$ -	\$ -
Charges for services	-	13,652	-	-	1,060	12,249	-
Interest income	-	3	-	-	150	-	-
Other	1,725	-	-	110	-	-	5,000
Total revenues	<u>1,725</u>	<u>13,655</u>	<u>464,644</u>	<u>110</u>	<u>5,210</u>	<u>12,249</u>	<u>5,000</u>
EXPENDITURES							
Current:							
General government	-	-	464,644	110	-	-	-
Culture and recreation	2,159	-	-	-	4,435	11,266	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Education	-	9,146	-	-	-	-	2,911
Total expenditures	<u>2,159</u>	<u>9,146</u>	<u>464,644</u>	<u>110</u>	<u>4,435</u>	<u>11,266</u>	<u>2,911</u>
Net change in fund balances	(434)	4,509	-	-	775	983	2,089
Fund balances - beginning	<u>1,530</u>	<u>10,471</u>	<u>10</u>	<u>1,120</u>	<u>6,013</u>	<u>18,613</u>	<u>19,261</u>
Fund balances - ending	<u>\$ 1,096</u>	<u>\$ 14,980</u>	<u>\$ 10</u>	<u>\$ 1,120</u>	<u>\$ 6,788</u>	<u>\$ 19,596</u>	<u>\$ 21,350</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Emergency Fund</u>	<u>BOE Nonlapsing Fund</u>	<u>Fournier Roy Youth Fund</u>	<u>State Grants Fund</u>	<u>Sewer Reserve Fund</u>	<u>Emergency Fuel Fund</u>	<u>Sewer Use Fund</u>
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 17,062	\$ 2,476	\$ -	\$ -	\$ -
Charges for services	6,954	-	-	-	-	-	241,089
Interest income	-	-	16	-	2,152	-	6,273
Other	9,395	-	7,546	-	-	15,901	-
Total revenues	<u>16,349</u>	<u>-</u>	<u>24,624</u>	<u>2,476</u>	<u>2,152</u>	<u>15,901</u>	<u>247,362</u>
EXPENDITURES							
Current:							
General government	13,517	-	-	-	-	19,143	-
Culture and recreation	1,728	-	22,544	-	-	-	-
Public safety	42	-	-	11,051	-	-	-
Public works	187	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	278,914
Education	-	-	-	-	-	-	-
Total expenditures	<u>15,474</u>	<u>-</u>	<u>22,544</u>	<u>11,051</u>	<u>-</u>	<u>19,143</u>	<u>278,914</u>
Net change in fund balances	875	-	2,080	(8,575)	2,152	(3,242)	(31,552)
Fund balances - beginning	<u>1,650</u>	<u>75,000</u>	<u>9,369</u>	<u>16,641</u>	<u>148,476</u>	<u>24,156</u>	<u>(16,589)</u>
Fund balances - ending	<u>\$ 2,525</u>	<u>\$ 75,000</u>	<u>\$ 11,449</u>	<u>\$ 8,066</u>	<u>\$ 150,628</u>	<u>\$ 20,914</u>	<u>\$ (48,141)</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2018

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 979,420
Charges for services	-	850	7,300	-	427,318
Interest income	-	66	4	-	9,487
Other	2,810	-	-	6,084	48,571
Total revenues	<u>2,810</u>	<u>916</u>	<u>7,304</u>	<u>6,084</u>	<u>1,464,796</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	497,414
Culture and recreation	3,567	-	9,803	-	178,688
Public safety	-	-	-	-	11,093
Public works	-	-	-	-	143,857
Sanitation	-	-	-	-	278,914
Education	-	-	-	-	311,520
Total expenditures	<u>3,567</u>	<u>-</u>	<u>9,803</u>	<u>-</u>	<u>1,421,486</u>
Net change in fund balances	(757)	916	(2,499)	6,084	43,310
Fund balances - beginning	<u>7,454</u>	<u>3,943</u>	<u>4,392</u>	<u>14,407</u>	<u>456,667</u>
Fund balances - ending	<u>\$ 6,697</u>	<u>\$ 4,859</u>	<u>\$ 1,893</u>	<u>\$ 20,491</u>	<u>\$ 499,977</u>

(Concluded)

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	Elementary Schools Renovation Fund	Greenway Project Fund	Eversource LED Light Project	Total Nonmajor Capital Projects Funds
ASSETS				
Due from other funds	\$ 211,838	\$ -	\$ -	\$ 211,838
LIABILITIES				
Accounts payable	\$ 7,500	\$ -	\$ -	\$ 7,500
FUND BALANCES				
Committed for capital purposes	204,338	-	-	204,338
Total liabilities and fund balances	\$ 211,838	\$ -	\$ -	\$ 211,838

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Elementary Schools Renovation Fund	Greenway Project Fund	Eversource LED Light Project	Total Nonmajor Capital Projects Funds
REVENUES				
Other	\$ -	\$ -	\$ 33,645	\$ 33,645
Total revenues	<u>-</u>	<u>-</u>	<u>33,645</u>	<u>33,645</u>
EXPENDITURES				
Capital outlays	34,059	-	84,113	118,172
Total expenditures	<u>34,059</u>	<u>-</u>	<u>84,113</u>	<u>118,172</u>
Deficiency of revenues over expenditures	(34,059)	-	(50,468)	(84,527)
OTHER FINANCING SOURCES (USES)				
Contract financing	-	-	50,468	50,468
Transfers out	-	(6,052)	-	(6,052)
Total other financing sources (uses)	<u>-</u>	<u>(6,052)</u>	<u>50,468</u>	<u>44,416</u>
Net change in fund balances	(34,059)	(6,052)	-	(40,111)
Fund balances - beginning	<u>238,397</u>	<u>6,052</u>	<u>-</u>	<u>244,449</u>
Fund balances - ending	<u>\$ 204,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,338</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 JUNE 30, 2018

	Town Employees' Plan	Board of Education Employees' Plan	Total Pension Trust Funds
ASSETS			
Investments	\$ 1,724,600	\$ 1,085,542	\$ 2,810,142
Loans receivable	16,587	2,346	18,933
Total assets	<u>1,741,187</u>	<u>1,087,888</u>	<u>2,829,075</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 1,741,187</u>	<u>\$ 1,087,888</u>	<u>\$ 2,829,075</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Town Employees' Plan</u>	<u>Board of Education Employees' Plan</u>	<u>Total Pension Trust Funds</u>
ADDITIONS			
Contributions:			
Employer	\$ 79,651	\$ 37,378	\$ 117,029
Plan members	45,926	38,801	84,727
Total contributions	<u>125,577</u>	<u>76,179</u>	<u>201,756</u>
Investment earnings:			
Interest and dividends	14,828	-	14,828
Net change in the fair value of investment, net of fees	85,907	92,983	178,890
Net investment earnings	<u>100,735</u>	<u>92,983</u>	<u>193,718</u>
Total additions	226,312	169,162	395,474
DEDUCTIONS			
Benefit payments	114,303	91,642	205,945
Administrative expenses	-	150	150
Total deductions	<u>114,303</u>	<u>91,792</u>	<u>206,095</u>
Change in net position	112,009	77,370	189,379
Net Position Held in Trust for			
Pension Benefits:			
Beginning, as adjusted	<u>1,629,178</u>	<u>1,010,518</u>	<u>2,639,696</u>
Ending	<u>\$ 1,741,187</u>	<u>\$ 1,087,888</u>	<u>\$ 2,829,075</u>

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
JUNE 30, 2018

	Student Activities Fund	Performance Bonds Fund	Flexible Spending Fund	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ 180,052	\$ 23,600	\$ 7,610	\$ 211,262
Investments	-	40,133	-	40,133
Total assets	\$ 180,052	\$ 63,733	\$ 7,610	\$ 251,395
LIABILITIES				
Due to others	\$ 180,052	\$ 63,733	\$ 7,610	\$ 251,395
Total liabilities	\$ 180,052	\$ 63,733	\$ 7,610	\$ 251,395

See accompanying Independent Auditor's Report.

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2018</u>
Student Activities Fund				
Assets				
Cash and cash equivalents	\$ 153,829	\$ 325,990	\$ 299,767	\$ 180,052
Liabilities				
Due to others	\$ 153,829	\$ 325,990	\$ 299,767	\$ 180,052
Performance Bonds Fund				
Assets				
Cash and cash equivalents	\$ 17,700	\$ 52,550	\$ 46,650	\$ 23,600
Investments	-	40,133	-	40,133
Total assets	<u>\$ 17,700</u>	<u>\$ 92,683</u>	<u>\$ 46,650</u>	<u>\$ 63,733</u>
Liabilities				
Due to others	<u>\$ 17,700</u>	<u>\$ 52,683</u>	<u>\$ 6,650</u>	<u>\$ 63,733</u>
Flexible Spending Fund				
Assets				
Cash and cash equivalents	<u>\$ 7,214</u>	<u>\$ 25,634</u>	<u>\$ 25,238</u>	<u>\$ 7,610</u>
Liabilities				
Due to others	<u>\$ 7,214</u>	<u>\$ 25,634</u>	<u>\$ 25,238</u>	<u>\$ 7,610</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 178,743	\$ 404,174	\$ 371,655	\$ 211,262
Investments	-	40,133	-	40,133
Total assets	<u>\$ 178,743</u>	<u>\$ 444,307</u>	<u>\$ 371,655</u>	<u>\$ 251,395</u>
Liabilities				
Due to others	<u>\$ 178,743</u>	<u>\$ 404,307</u>	<u>\$ 331,655</u>	<u>\$ 251,395</u>

See accompanying Independent Auditor's Report.



280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

APPENDIX B - FORM OF LEGAL OPINION

July 17, 2019

Town of East Granby,
East Granby, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of East Granby, Connecticut (the "Town"), a Tax Regulatory Agreement of the Town dated July 17, 2019 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$6,470,000 Town of East Granby, Connecticut General Obligation Bond Anticipation Notes, dated July 17, 2019 and maturing July 16, 2020, consisting of Note R-__ in the aggregate principal amount of \$[____], 000, bearing interest at the rate of __% per annum, with principal and interest payable at maturity (the "Notes"). The Notes are not subject to redemption prior to maturity.

The Notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Notes. So long as DTC or its nominee is the registered owner, principal and interest payments on the Notes will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Notes under authority of the Constitution and General Statutes of Connecticut and that the Notes are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory 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 shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Notes.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further 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. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Notes.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Notes, 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 Notes will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Notes or adversely affect the market price of the Notes.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

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

Respectfully,

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

Town of East Granby, Connecticut
\$6,470,000 General Obligation Bond Anticipation Notes
Dated July 17, 2019

July 17, 2019

WHEREAS, the Town of East Granby, Connecticut (the "Town") has heretofore authorized the issuance of \$6,470,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated July 17, 2019 (the "Notes"), maturing on the dates and in the amounts set forth in the Town's Official Statement dated July 2, 2019 describing the Notes (the "Official Statement"); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale dated June 18, 2019 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Notes to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the "Rule"), and the Town desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement (this "Agreement") is to be made, executed and delivered by the Town in connection with the issuance of the Notes and to be described in the Official Statement, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Financial Obligation" shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

"Listed Events" shall mean any of the events listed in Section 2 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Event Notices. 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, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Notes, or other material events affecting the tax status of the Notes;
- (vii) modifications to rights of Noteholders, if material;
- (viii) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Noteholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

Section 3. Termination of Reporting Obligation. The Town’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Town may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in 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, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners 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 after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Notes.

IN WITNESS WHEREOF, the Town has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF EAST GRANBY, CONNECTICUT

By: _____
Name: James M. Hayden
Title: First Selectman

By: _____
Name: Kelly Jacobs
Title: Treasurer

APPENDIX D – NOTIFICATION TO BIDDERS

DIXWORKS LLC

Dennis Dix, Jr.
Phone: (860) 676-0609
Free: (866) 372-0509 (CT. Only)
Fax: (860) 676-1649
Cell: (860) 559-5112
Email: dixworks@comcast.net

June 18, 2019

MEMORANDUM TO PROSPECTIVE BIDDERS

**Re: TOWN OF EAST GRANBY, CONNECTICUT
\$6,470,000 General Obligation Bond Anticipation Notes
Bank Qualified, Book-Entry-Only
Dated: July 17, 2019 Due: July 16, 2020**

**Date of Sale: Tuesday, July 2, 11:30 AM (EDT)
Telephone: 860 653-2576 x302**

As per the Notice of Sale, Town Officials will accept sealed bid and electronic bids via PARITY® at the office of the First Selectman, East Granby Town Hall, 9 Center Street, East Granby, Connecticut until 11:30 A.M. (EDT) on Tuesday, July 2, 2019.

Please address any questions to the Town's Municipal Advisor, DIXWORKS LLC.

We trust we may be of service.

APPENDIX E

NOTICE OF SALE

\$6,470,000

TOWN OF EAST GRANBY, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES

Electronic and sealed bids (as described herein) will be received by the **TOWN OF EAST GRANBY, CONNECTICUT** (the “Town”), until 11:30 A.M. (E.T.) Tuesday,

JULY 2, 2019

(the “Sale Date”) for the purchase of all or a portion of the \$6,470,000 Town of East Granby, Connecticut General Obligation Bond Anticipation Notes (the “Notes”). Sealed bids will be received at the Office of the First Selectman, East Granby Town Hall, 9 Center Street, East Granby, Connecticut. (See “Sealed Bid Procedures”). Electronic bids must be submitted via **PARITY**[®]. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY**[®]. Prospective bidders are advised to check for such **PARITY**[®] postings prior to the above stated sale time.

The Notes

The Notes will be dated July 17, 2019, and will be payable to the registered owner on July 16, 2020, as further described in the Preliminary Official Statement for the Notes dated June 18, 2019 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on the basis of twelve 30 day months and a 360 day year) payable at maturity at the rate or rates per annum set forth in the bid or bids accepted for their purchase, which rates shall be multiples of 1/1000 of one percent (1%) per annum.

The Notes are not subject to redemption prior to maturity.

Nature of Obligation

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and interest on the Notes when due. The Notes will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Notes **shall** 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 (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry 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, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$1,000 and 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 winning bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments 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 to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Town will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. 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.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Sealed Bid Procedures

Bids will also be accepted in written form on the form of Proposal for Notes attached hereto at the place and time indicated above. All bids shall be deemed to incorporate the provisions of this Notice of Sale. Bids must be enclosed in sealed envelopes marked “Proposal for Notes” and addressed to James M. Hayden, First Selectman, Town of East Granby, 9 Center Street, East Granby, Connecticut. Sealed

bids may be submitted in person at the place shown above or by contacting Dennis Dix, Jr., Principal, DIXWORKS LLC, Email: dixworks@comcast.net, Telephone: (860) 676-0609, municipal advisor to the Town (the "Municipal Advisor"). In submitting a bid by telephonic means, the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound thereby, and, further, such bidder accepts and understands the risk that its bid may not be received by the Town or may be received later than the time specified as the result of a failure in communications, including but not limited to a failure in telephonic communications, or the inability to reach the Town by the time specified. Any bid received after the time specified will not be accepted, as determined in the sole discretion of the Town.

Bid Specifications/Basis of Award

Proposals for the purchase of the Notes must provide the information set forth in the form of the Proposal for Notes attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for not less than \$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. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the Town, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Town reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, 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, rounded to six decimal places. The Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on July 2, 2019. The purchase price must be paid in Federal funds.

For purposes of both the electronic and sealed bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Town, computed and rounded to six decimal places.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes or a portion thereof at the lowest net interest cost computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

Closing Documents and Legal Opinion

The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Hartford, Connecticut ("Bond Counsel"), and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, (iii) 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 (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Notes, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford, Connecticut, and will be available for examination upon request.

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, each 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 the Municipal Advisor.

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal notes which has an established industry reputation for underwriting new issuances of municipal notes, (ii) its bid is a firm offer to purchase the Notes, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid 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 on all of the Notes from at least three (3) underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidders if the Competitive Sale Rule was met at the same time it notifies the winning bidders 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 bidders that the Competitive Sale Rule has been met, the winning bidders 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 the Notes as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidders agree (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, the form of which is attached hereto, which shall be sent to the winning bidders promptly after the award of the Notes. The winning bidders 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. 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, the winning bidders agree that the Hold the Offering Price Rule shall apply to such Notes.

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Notes, the winning bidders:

(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 (or each maturity thereof, if applicable) have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sale 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 third party 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 of the Notes, the winning bidders:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering price(s) 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 at a price that is higher than the initial offering price of such Notes until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of such maturity of the Notes at a price that is no higher than the initial offering price of such maturity of the Notes or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or third party distribution agreement (to which each 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 a 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 bidders or any person that agrees pursuant to a written contract with the winning bidders to participate in the initial sale of the Notes to the public (such as a third party 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 bidders must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the winning bidder in connection with the initial sale of any of the Notes.

Settlement of the Notes

The Notes will be available for delivery on or about July 17, 2019. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidders to obtain such numbers and to supply 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 winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidders will be furnished 25 copies of the final Official Statement prepared for the Notes at the Town’s expense. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidders no later than seven business days after the bid opening at the office of the Town’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidders by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the names of the winning bidders of the Notes.

Continuing Disclosure

The Town will undertake 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 notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes. Each winning bidder’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.

Related Information

For more information regarding the Notes and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Dennis Dix, Jr., Principal, DIXWORKS LLC, Email: dixworks@comcast.net, Telephone: (860) 676-0609, municipal advisor to the Town.

JAMES M. HAYDEN
First Selectman

KELLY JACOBS
Treasurer

June 18, 2019